

## Public Support: A Missing Variable in the Trade Policy Equation

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As Canada considers launching free trade agreement (FTA) negotiations with Ecuador, the government wants to know what Canadians think. Ottawa makes it easy for citizens to weigh in, inviting Canadians to "join the discussion" and submit their "views, reflections and priorities" on the potential FTA through a Global Affairs Canada web page that is clear, inviting, and user-friendly. Under a section titled, "Who should participate?" the first answer given is "individuals."

Although the Biden administration has been clear that it will not seek new FTA negotiations, taking a page from Canada's public consultation playbook may be instructive, at least when it comes to understanding what Americans really think about trade and trade agreements. The conventional wisdom emanating from Washington is that new trade agreements are political nonstarters. Even trade policy observers who believe that the American public *should* support trade and trade agreements often claim that "the politics are too difficult." But whose politics are they talking about?

Polling data indicate that public support for trade has a broader, more durable base than one might assume. A 2021 Chicago Council survey, taken six months into the Biden presidency, concluded that administration officials "undervalue U.S. public support for globalization and trade." The survey found that "a record number of Americans (68%) now say globalization is mostly good for the United States, and three-quarters or more consider international trade to be beneficial to consumers like them, their own standard of living, US tech companies, the US economy, and US agriculture." Later in 2021, the nonprofit Listening for America released a report based on two years of listening sessions and focus groups with 1,000 Americans nationwide that reached similar conclusions. Listening for America president and lead report author Catherine Novelli, a former U.S. trade negotiator, wrote, "I found that whatever preconceived ideas I had when I visited one of the 37 cities that we went to were not at all what I found when we actually talked with people. Most of the time the 'conventional wisdom' of the pundits on these issues, for example, that 'globalization' was seen as a bad thing, did not pan out in our conversations."

These surveys reflect national opinions. What about state-level sentiments, which might account for differences in economic geography and industrial base? In 2019, the University of Nebraska-Lincoln teamed up with the Carnegie Endowment for International Peace to ask Nebraskans across the state for their views on the economic impact of U.S. foreign policy on the state, their communities, and their own lives. The dominant takeaway from these conversations was that international trade is critical for the state's agriculture industry and the more trade, the better. Many lamented the U.S. withdrawal from the Trans Pacific Partnership in 2017—and still do, as they try to understand what the more recent Indo Pacific Economic Framework (IPEF), currently under negotiation, might mean for agriculture.

Here in Nebraska, it is not unusual for support for agriculture to translate into support for trade and export markets. When I explained this recently to a Washington insider, the person responded, "Maybe Nebraska is an outlier." Is it? People in states whose main industries have had to contend with serious import competition—like Ohio and North Carolina—also convey more nuanced views on trade rather than wholesale rejection. A 2019 report by the Carnegie Endowment for International Peace and The Ohio State University found public support for trade in Ohio, which has been hard hit by manufacturing job losses over the last several decades, stating, "Even in struggling manufacturing towns like Coshocton and Marion, they also express strong support for free trade and accept that technological advances and other market forces will continue to transform employment in their area."

There are similar findings in North Carolina, which saw a rapid loss of jobs in furniture manufacturing during the first decade of this century. A 2018 poll by High Point University found that 53% of North Carolinians "see free trade agreements as a good thing overall." Last July, North Carolina became the second U.S. state, after Indiana, to sign a Memorandum of Understanding with the United Kingdom to strengthen economic ties. South Carolina followed last December and the UK is reportedly exploring such deals with Utah and California. These state-level deals establish nonbinding goals such as collaborating on research and development in priority sectors. They cannot adjust tariff rates or make other changes to ease market access; only the federal government can do that. But they show that people in states across the country do not oppose international economic engagement. They also reflect an altered UK strategy to pursue the fruits of economic diplomacy in the U.S. while the Biden administration declines to resume the U.S.-UK FTA negotiation begun under the Trump administration — a negotiation that has the support of 67 percent of U.S. adults, according to MorningConsult.

Why does public support for international trade exist alongside elite talking points that convey the opposite? One way to explore this disconnect would be asking more Americans—not just those advocating on behalf of a company or industry—what they think. The U.S. government seeks public comment routinely on all manner of items, including trade, through mechanisms like the Federal Register or the system of 26 trade policy advisory committees that the Office of the U.S. Trade Representative (USTR) and other agencies manage, but these approaches don't reach most Americans.

What if USTR and other trade-related agencies made it easier for everyone to speak for themselves? Year after year, USTR's <u>Trade Policy Agenda and Annual Report to Congress</u>

reiterates the agency's "open door policy." Perhaps there are ways to invite more Americans to "walk through" that door—leveraging technology the way Canada does to seek input from all of its people before it has even decided to launch negotiations. Another possibility: energizing the Intergovernmental Policy Advisory Committee (IGPAC), USTR's primary vehicle for state and local input on trade policy. IGPAC members include representatives from state and local associations, such as the National Conference of State Legislators and the State International Development Organizations. Others, such as the Council of State Governments, are not currently represented on the IGPAC, but could still be tapped for their networks to get on-the-ground views of trade policy across the country.

Many have observed that the benefits of trade are widespread and diffuse while the losses are concentrated and deeply felt—with the latter a much stronger motivator for policy advocacy. Plus, trade is often also a proxy for broader economic concerns that stem from other changes in the global economy. These two factors can obscure the reservoir of openness to trade that exists. If that support does not get acknowledged or examined, it won't be part of the political calculation on trade policy choices; policymakers are missing a variable in the trade policy equation. On the flip side, engaging with more Americans about what they think about trade, in all its complexity, could be a start toward helping people disentangle what trade is and is not responsible for in the U.S. economy, improving public debate on trade. At a minimum, policymakers ought to have a clearer picture of where Americans stand on trade, and that begins by listening to more of them.

Opinions expressed are solely those of the author and not the Yeutter Institute or the University of Nebraska-Lincoln.