CHAPTER I

How Trade Agreement Critics Redefined the Terms of Trade

On November 30, 1999, some five thousand delegates from more than 135 nations traveled to Seattle, Washington. They met to discuss whether or not to launch a new round of trade talks under the aegis of the World Trade Organization (WTO). Despite the many pleasures of Seattle, most of the delegates did not enjoy their stay. The official talks were eclipsed by a week of street protests and sporadic violence, as vandals smashed the storefront windows of Nike, Starbucks, and McDonald's.[1]

In the United States and around the world, the protests became front page news. Reporters struggled to describe who these trade agreement critics were and why so many had taken to the streets. They found that the protesters came from all over the world and presented a wide range of political views. Nationalists such as Pat Buchanan of the United States and Maude Barlow of Canada argued that the WTO took power from democratically elected governments. Greens from around the world condemned the WTO for elevating trade objectives over environmental goals. Union leaders and human rights advocates criticized the WTO and other trade agreements for protecting property rights but ignoring worker rights.[2] Despite their diverse concerns, these trade agreement critics issued a common message—that globalization threatened national consumer, environmental, health, and worker regulations. Moreover, almost all the protesters argued that the WTO and other trade agreements were part of the problem, rather than central to the solution of regulating globalization. They condemned the WTO for transferring power from the people to global corporations.[3]

Most trade liberalization advocates were dismayed by the protests and unsure as to what to do about them. President William Jefferson Clinton said he shared the protesters' concerns about the WTO's lack of transparency and that he would continue to work to make the world trading system more equitable.[4] The director general of the WTO, Michael Moore, described the ministerial as a "disappointment."[5] The *Financial Times* characterized the Seattle Ministerial as a "disaster" and a "wake-up call."[6] But other observers took a less sanguine view; they described the protesters as "protectionists" who simply wanted to impede trade. Many economists, business leaders, and developing country officials alleged that trade agreement critics were using their concern for the environment or human rights as a smoke screen for their true intent, to protect domestic producers. After all, in their view, social and environmental issues are not "trade" issues, but rather national issues to be settled within WTO member nations.[7]

Policymakers, as well as many of the reporters and analysts covering the events in Seattle, forgot that the Seattle protests were not the first time that trade policy was made in the streets. In 1773, some sixty colonists, including five masons, eleven carpenters, twelve apprentices, and two doctors, traveled to Boston Harbor. Dressed as Indians, the colonists dumped British tea into the Boston harbor to protest British tea tariffs. But the Boston Tea Party did not improve trade relations between the colonists and the mother country. In 1774, Britain passed the Intolerable Acts, which provided for the quartering of troops in Boston, and closed the port. The colonists were so infuriated that delegates to the First Continental Congress voted not to trade with England until it changed its trade policies. Some thirty years later, abolitionists living in the newly independent United States and antislavery activists in Great Britain marched to protest the legal importation of slaves. These protests had a more positive impact. After several years of such protests, in 1807, the United States and Great Britain banned trade in slaves.[8]

Ironically, in recent years, the press has barely covered street protests against trade agreements such as the General Agreement on Tariffs and Trade (GATT) or the North American Free Trade Agreement (NAFTA). During the Uruguay Round, farmers protested in Geneva, headquarters of the GATT, as well as in Strasbourg, home of the European parliament. In 1992, while policymakers negotiated NAFTA, demonstrators protested the secret negotiating process.

Moreover, in May 1998 massive street protests in Geneva presaged the Seattle protests. Inside the grand palace housing the WTO, proponents of trade agreements celebrated fifty years of trade liberalization. Speakers from around the world argued that world trade has grown sixteenfold since 1950, because of the GATT's rules. They noted that the people of the world have benefited from that trade with more and cheaper goods as well as a better quality of life. Outside that grand palace, however, some ten thousand protesters disagreed. While some individuals quietly protested, others threw rocks and overturned cars.[9]

The 1773 protests in Boston Harbor, the 1998 protests in Geneva, and the 1999 protests in Seattle are part of a long-standing debate over what trade rules should cover and how such rules should affect other important national priorities such as protecting consumers or the environment. The public has long attempted to shape globalization—yet that history has not come to the fore. This book attempts to change that misperception by describing how so many individuals and nongovernmental organizations have come to see trade agreements as threatening national systems of social and environmental regulations. Using the United States as a case study, I examine the history of trade agreement critics, focusing particular attention on NAFTA (the agreement between Canada, Mexico, and the United States) and the Tokyo and Uruguay Rounds of trade liberalization under the GATT. I also focus on whether such trade agreement critics are truly protectionist.

Trade agreements are internationally agreed upon regulations that govern the use of trade barriers. These agreements regulate how entities may trade and how nations may use protectionist tools.[10] Until the 1980s, most trade agreements regulated the use of traditional tools of protection—border measures such as tariffs and quotas. But policymakers recognized that domestic regulations, such as health and safety regulations, can, with or without intent, also distort trade.[11] Thus, they worked to include rules governing such regulations in the purview of the GATT and other trade agreements.

Trade agreement critics first began to focus on the threat of trade agreements to national systems of regulations in the 1980s, during an unusual confluence of events. The U.S. economy grew slowly during much of this period. Some citizens attributed America's slow growth to the nation's massive trade and budget deficits. The Reagan and Bush administrations reduced federal spending, including services to the working poor. They also attempted to deregulate key economic sectors and reduce the regulatory burden upon business. In 1991, the United States agreed to expand its free trade agreement with Canada to Mexico. Policymakers planned to create a continent-wide free trade area called NAFTA.[12] NAFTA was controversial because Mexico had very different social norms and systems of governance. Thus, while these policy developments were not part of a coordinated strategy to undermine the social compact, some individuals and groups concerned with the environment, human rights, and labor standards, for example, saw them as a deliberate challenge to U.S. norms.

Activists began to pay greater attention to other trade agreements in the 1990s. Their concerns grew as they looked at GATT in action, mediating trade disputes and serving as a forum for trade negotiations. Working with citizen activists in Canada, environmentalists and social activists in Public Citizen and other groups organized to preserve their influence over national systems of regulation. They also tried to hamper the progress of trade talks.[13]

This book also focuses on how trade agreement critics have built a fluid global movement to redefine the "terms" of trade agreements (the international system of rules governing trade) and to change how citizens talk about trade.[14] (The terms of trade is a relationship between the prices of exports and the prices of imports. This is a pun on how we talk about trade.) That movement, which has been growing since the 1980s, transcends borders as well as long-standing views about the role of government in the economy. While many trade agreement critics on the left say they want government policies to make markets more equitable, they are tactically allied with activists on the right who generally want to reduce the role of government in the economy.

This association of left and right is perhaps best illustrated by the working alliance among two key trade agreement critics in the United States, Ralph Nader (the noted consumer activist) and Pat Buchanan (the self-proclaimed "conservative of the heart").[15] Nader believes consumers must be citizen activists, always vigilant of business and government. Patrick J. Buchanan, in contrast, sees himself as a supporter of capitalism and a critic of big government. However, the two have found common ground in their belief that capitalism should serve the nation and not make the nation subservient to multinational corporations. Both men see the WTO as captured by such multinational business. They also agree as to how to remedy this problem. Both Nader and Buchanan want the United States to drop out of the WTO.[16]

Nader and Buchanan are not the only prominent American individuals or groups critical of trade agreements. The chorus of trade agreement critics includes the Rainbow Coalition, a nongovernmental organization concerned with racial equality issues; environmental groups such as the Sierra Club; and activist groups from the left (Greenpeace) and right (Phyllis Schlafly's Eagle Forum).[17] Prominent trade agreement opponents on the left include former California Governor Jerry Brown and former Texas Agriculture Commissioner Jim Hightower.[18] On the more rightward side of the spectrum, H. Ross

Perot (a data-processing billionaire) and Roger Milliken (a wealthy textile manufacturer and long-standing protectionist) have been willing to use their considerable wealth to educate their fellow Americans about the "costs" of trade and trade agreements.[19]

Such left-right coalitions are not new to the trade debate, nor unique to the United States.[20] In Great Britain, millionaire businessman Sir James Goldsmith worked with small farmers and environmentalists to argue for a return to more local and ecological trade.[21] In France and other parts of Europe, nationalists and farmers collaborated to form an anti-GATT movement.[22] In India, environmentalists, nationalists, and farmers joined to protest GATT rules on agriculture and intellectual property.[23]

Left-right coalitions, however, have not appeared in all democracies. For example, in Canada, concern about trade agreements has seemed exclusive to the left. This may be because many Canadians on the right see trade as a way to make Canada more like the United States—less interventionist.[24] In Australia, concerns about trade and immigration have been dominated by right-wing nationalists such as Pauline Hanson.[25]

While these left-right coalitions in the United States (and abroad) all sought to *hamper* trade agreements, they did not seek to *protect* the same interests. Buchanan and Milliken, as example, want to protect American jobs, American business, and American sovereignty. Nader, Brown, and Hightower of the United States and Barlow of Canada, in contrast, want to protect their ability to influence a democratically determined system of social regulation. Thus, while these trade agreement critics shared a strategy, they have not always shared objectives. They have different *goals and constituencies to protect.*

Trade Agreement Critics: 1996 Examples

In the U.S.
- Public Citizen
- Friends of the Earth
- U.S. Business and Industrial Council

In Canada
- Council on Canadians
- Canadian Environmental Law Association

In Europe
- Oxfam
- Friends of the Earth
- Transnational Institute

In Asia
GATT Watchdog (New Zealand)
Third World Network (Malaysia)

Source: Institute for Trade and Sustainable Development and www.onelist.com (anti-WTO list serve)

Some of these trade agreement critics proudly describe themselves as "new protectionists" in an attempt to differentiate their social and environmental objectives from the economic objectives of traditional protectionists. For example, many European Greens (an environmentalist political party) want capitalism to be as limited and as local as possible. They criticize global capitalism (and capitalism per se) because it has undermined the global commons in the interest of promoting economic growth.[26] In contrast, many other trade critics clearly state they do not want to impede trade, but rather to reconcile trade rules with national regulatory rules. They criticize capitalism at the margins.

Moreover, many of these trade agreement critics do not act like the protectionists in our history books who worked at the national level to ensure that policies redounded to the benefit of citizens or particular sectors. They have built an international coalition by relying on new technologies such as E-mail and the World Wide Web, and old techniques such as international meetings, teach-ins, and strategy sessions.[27] This internationalization does not mean that these individuals and groups are not protectionist. Nevertheless, until the 1980s it was unusual for protectionists to work internationally to protect national economic interests. According to Lori Wallach, who has been a key strategist and lobbyist for Public Citizen, the movement is composed of *internationalists/nationalists.* They work in tandem with foreign interest groups and governments to advance their positions (which may be in opposition to the official U.S. position) at home and abroad.[28] They have made common cause with citizens from other nations in the interest of battling the global free market. These activists agree that trade agreements can undermine democracy, government accountability, and important regulations. They disagree, however, about how to empower workers, communities, and activists around the world while encouraging economic growth, democratization, and technological change.

By transcending borders and by changing the content of the trade debate, these trade agreement critics of the left and right force us to rethink the free trade/protectionist paradigm for debating trade. For example, labor rights advocates want to grow the GATT/WTO system to include rules governing how workers are treated as they make goods and services.

In essence, these trade agreement critics want *to regulate (and enforce) the use of domestic regulations internationally through trade agreements.*

However, most trade agreement critics such as environmentalists and consumer advocates *want to ensure that trade agreements do not serve as barriers to domestic regulation* or make such regulation ineffective.[29] They fear that in today's integrated global economy, nations will compete to liberalize their markets by lowering their national regulatory standards or by inadequately enforcing these standards. They presume that stricter regulatory standards represent a source of competitive disadvantage. However, trade agreements may preserve or even raise national regulatory standards. According to political scientist David Vogel, "the impact of trade liberalization on regulatory standards is primarily dependent on the preferences of wealthy, powerful states, and the degree of economic integration among them and their trading partners. . . . Trade liberalization is most likely to strengthen consumer and environmental protection when a group of nations has agreed to reduce the role of regulations as trade barriers and the most powerful among them has influential domestic constituencies that support stronger regulatory standards."[30] Interestingly, many free traders fear that including domestic regulations in the world trading system could interfere with the efficiency of global markets and overload the current system of trade regulation. In essence, like the trade agreement critics, these free traders are arguing that including national standards within the trading system will lead to ineffective regulation.

Clearly, when we talk about trade today, we are talking about regulation. Regulations have important macroeconomic consequences; they can affect productivity, investment levels, prices, and other important economic factors. They can also change microeconomic conditions. Regulations may make some firms better off; others worse off. Many trade agreement critics call these differences in regulation "unfair." Yet nations trade because of their differences, whether those differences reflect government's role in the economy, natural resource allocation, or technological expertise. A free trade/protectionist paradigm does not accurately describe such trade issues. Why then, do so many observers label trade agreement critics protectionists?

What Is Protectionism and Who Really Are Protectionists?

Protectionism is difficult to describe because it is both an ideology and a government act. Protectionists generally believe that government should intervene to ensure that domestic producers dominate the domestic market. However, when government uses protectionist tools, it is changing market conditions. By sheltering domestic producers, these trade interventions distort the prices faced by domestic producers and consumers away from those arising in the world market.[31]

Freer traders, in contrast, believe markets work best without government interference. Under freer trade policies, governments do not use tax or regulatory policies to discriminate between foreign and domestic producers. They remain neutral in the market competition between foreign and domestic producers. However, most freer traders recognize that free trade policies are an ideal. There are many circumstances (such as an election) and reasons (such as to promote national security) why governments may want to protect certain sectors from foreign competition. If these governments determine they must protect certain sectors or workers, economists recommend that policymakers subsidize these sectors with tailored domestic policy tools. Economists also suggest that if policymakers must use trade policy to protect domestic constituents, they should use tariffs and limit the duration of such protection.

Almost all economists believe that freer trade policies are better economic policies than protectionist policies. Freer trade policies increase economic welfare to both producers and consumers (the general interest), although some interest groups may be hurt by foreign competition.[32] However, the general public does not always concur.

In 1996, the Kaiser Family Foundation, the *Washington Post,* and Harvard University cosponsored a study assessing differences in how the general public, untrained in economics, and those trained in economics see economic policy. One does not need formal training in economics to be a rational economic actor. But the study found that those untrained in economics see the world differently than do those trained in economics. Many Americans may characterize the different behavior of other nations as unfair, simply because it is different. Those trained in economics, in contrast, recognize nations have different political and economic cultures. Moreover, citizens untrained in economics tend to look at an event or trend in isolation, while those trained in economics can weigh economic costs and benefits to the economy as a whole, as well as to specific sectors. These differences in perspective have important implications both for how citizens view trade policy and for how policymakers act.[33]

One's views about trade influence how people talk about trade. Where economists almost always make the case for freer trade by arguing that it increases economic efficiency, they rarely make a case for freer trade based on equity to the bulk of citizens. However, both protectionists and many of today's trade agreement critics almost always make a case for protection based on equity arguments. These arguments may be easier for voters to relate to.

This mixed context of ideas and perceptions constrains policymakers. Policymakers must attempt to balance a wide range of policy goals other than increasing economic welfare, including appeasing important constituents or maintaining certain sectors of the economy. Most policymakers recognize the benefits of freer trade ideas, but these ideas may not always be politically palatable. At the same time, protection has certain attractions to policymakers. For example, policymakers can use tariffs to assist certain sectors, without directly increasing the costs to taxpayers.

In 1982, the Office of the United States Trade Representative (USTR), which develops and negotiates U.S. trade agreements, wrote a primer for the public on trade. *A Preface to Trade* defined protectionism as "the setting of trade barriers high enough to discourage foreign imports or to raise their prices sufficiently to enable relatively inefficient domestic producers to compete successfully with foreigners."[34] These barriers "protect" domestic producers from lower-priced foreign goods (although some domestic producers need imported components to remain competitive). Under this definition, protectionism is an economic and political act. Protectionists tend to be individuals directly concerned with protecting their economic interests: industries or communities hurt by imports.

This definition may help us understand why steel industry workers may call for protection, but not why so many environmentalists, human rights advocates, and church leaders criticize trade agreements.[35] It certainly cannot explain why so many people took to the streets of Seattle and Geneva to protest trade agreements. Many of these protesters do not appear to have a direct *economic* interest to protect, but they do have a direct *political* interest to protect. They want to protect their ability to influence national regulations and norms.

Although the official definition is out of date, it is a definition policymakers, the press, and the public share.[36] When we talk about trade, most Americans still divide trade into a tug-of-war between two camps: the freer traders and the protectionists. However, there are many problems with talking about trade as if it is a dialectic. Although many Americans have a particular mind-set about trade, their multiple roles in society may make it difficult for them to be ideologically consistent. As an example, most Americans are simultaneously consumers and producers. From a consumer's perspective, freer trade can be good because it can yield a greater supply of goods at lower prices. However, freer trade also may endanger consumer welfare. For example, the United States bans the use of certain pesticides at home but allows U.S. manufacturers to sell some of these pesticides abroad. These banned pesticides may eventually show up in imported food, creating a "circle of poison." Concerned about their health, U.S. consumers may blame trade policy for this inconsistency. Finally, from a worker's perspective, trade may stimulate job creation. But foreign competition may reduce the market share of U.S. companies, and these companies may be forced to trim their staff or worker benefits to increase competitiveness. Thus, workers may blame trade for unemployment or economic uncertainty.

The protectionist/free trade dialectic also does not really help us understand the evolution of global trade policy. There is no single free trade or protectionist vision for trade policy. Freer traders today agree that trade should be regulated by a system of rules (trade agreements) governing how entities and individuals may trade and how nations may protect. But they disagree about what such trade agreements should include. Moreover, they disagree about the role of regional trade agreements and multilateral trade agreements in encouraging or discouraging trade. Protectionists also do not agree on what trade policies should do and what should be the turf of trade agreements. They also disagree on what actions constitute "unfair" trade.

The debate we heard in Seattle provides a good example of how the free trade/protectionist dialectic actually inhibits communication. In Seattle, some union representatives said that it was *unfair* for American workers to compete with workers in Mexico or Indonesia. They said such workers often have no power to bargain collectively and government officials, rather than markets, set wages and working conditions. Some developing country officials countered by labeling this perspective both "protectionist" and *unfair*. Former Mexican President Ernesto Zedillo of Mexico stressed "every case where a poor nation has significantly overcome poverty . . . has been achieved while engaging in production for export . . . that is, by participating in globalization." Such officials argue that the comparative advantage of many developing countries is their cheaper labor or lower regulatory standards. In this view, trade and globalization are the only ways for the poor of the world to escape poverty. Thus, it is *unfair* that the protesters deny these people their opportunity to participate in this process. Moreover, they argued that it was *unfair* that citizens of developed countries demand that developing countries immediately adopt high norms overseas. But many of the Seattle protesters alleged that Zedillo could not speak for the mass of Mexicans or other citizens of developing countries who spend each day struggling to survive. After all, he was in cahoots with multinationals. Moreover, the protesters argued that Mexico is not a democracy like Canada, the United States, or Japan where the people can throw out corrupt leaders.[37]

Finally, the free trade/protectionist dialectic doesn't describe economic or political reality. No government on Earth permits totally free trade. In every nation, protectionism ebbs and flows depending on many factors, such as the state of the economy, the political clout of those interest groups dependent on trade or protection, public awareness of trade, or the strength or weakness of protectionist ideas. American history provides a good example of how trade policy fluctuates.[38]

Protectionism in American History

The United States has always mixed freer trade and protectionist policies, despite our supposedly laissez-faire views. Thus, today the United States is the world's largest trading nation and leads global efforts to liberalize trade. However, the United States uses tariffs and quotas to protect and also uses protectionist tools to induce other nations to reduce their trade barriers.[39] Moreover, other nations allege the United States also practices a more covert form of protectionism by using extraterritorial application of its environmental laws to protect certain sectors such as its tuna and shrimp fishing industries.[40]

For most of U.S. history, protectionists were *economic nationalists.* The American version of economic nationalism evolved as a variant of mercantilism, which called for the accumulation of *national* wealth by exporting as much as possible and importing as little as possible. This economic strategy would make governments rich—but not necessarily their citizens.[41] Like their mercantilist counterparts in Europe, America's economic nationalists called for tariffs to impede trade and raise import costs.[42] But America's economic nationalists hoped that protection would make not only the new nation prosperous, but its people as well.[43] As a result, economic nationalists could argue that they were acting both in the national interest and in the individual citizen's interest.

Until the twentieth century, U.S. protectionism and economic nationalism could not be divorced because policymakers relied on the tariff to do two other important tasks: nurture the new nation's economic development and finance government. The public and policymakers believed that protectionists generally had the national interest in mind. But as the U.S. economy became increasingly intertwined with the world economy, freer trade ideas became ascendant. Freer trade became a tool to hamper the spread of communist regimes that threatened both American democracy and prosperity. Americans gradually became more supportive of economic internationalism from the 1940s to the 1980s. Yet the United States never fully abandoned protection for certain sectors. Many Americans continued to believe that trade could be unfair, that trade could threaten American sovereignty, and that freer trade policies could yield unemployment and inequity.[44]

Trade grew dramatically after the second world war. Policies and institutions such as the GATT, the World Bank, and the International Monetary Fund (IMF) made it easier for governments to adopt market-opening policies. Innovations in transportation, communications, and banking also facilitated trade and investment.[45] By the mid-1970s, the global village was a reality, but many Americans did not think they lived there. Although U.S. imports and exports were increasing, trade was still a relatively small percentage of gross domestic product.

In the 1980s, however, a confluence of problems made economic interdependence increasingly contentious in the United States and abroad.[46] For example, in both the United States and Europe, unemployment was relatively high, while growth was stagnant or slow. In 1985, U.S. unemployment was about 8.5 percent while growth was about 3 percent. In Europe, unemployment was over 11 percent while growth was about 2 percent. Policymakers as well as citizens found it easier to blame outsiders (trade, foreign investment, and immigrants) for these problems.[47]

Public support for economic internationalism was never great.[48] Some Americans became more receptive to protectionist tools and rhetoric, especially Japan-bashing.[49] Between 1980 and 1993, a growing number of Americans began to feel the economy was declining and out of control. Policymakers wrestled with many problems, including high interest rates, sluggish productivity growth, a low savings rate; inadequate job creation, and wage stagnation for many Americans.[50] They proposed a wide variety of reforms to address these problems. One of the most prominent new policy approaches was deregulation.

The Evolution of Regulatory Policy

Most industrialized nations developed their first regulations in the late 1880s, around the same time that nations became more interdependent.

These regulations served many different goals. Some of these regulations were designed to regulate specific sectors (such as railroad regulation) or other groups of economic actors (the Sherman Antitrust Act). Such economic regulation was often justified because the market failed to encourage competition. But social and environmental regulations are based on a different rationale—that the market can't always produce a pristine environment, a healthy workplace, or protect consumers from adulterated food.[51]

By the 1970s, Europe, Canada, and the United States had a complicated patchwork of rules protecting workers, consumers, shareholders, and the environment.[52] In the United States, these regulations included the 1962 Air Pollution Control Act, the 1963 Equal Pay Act (to eliminate differences in pay based on sex), and the 1974 Campaign Finance Amendments, which restricted amounts of political contributions.[53]

Each industrialized nation developed its own fluid system of regulation, reflecting its national economic, social, and political cultures.[54] These systems grew or shrunk over time based on a wide range of factors, including public support for regulation and the rise of new issues (e.g., civil or disability rights) to be regulated. These regulations, however, came with costs to economic efficiency as well as to democracy.[55] As Martha Derthick and Paul J. Quirk have written in their thoughtful study of deregulation, "the predominant view of both economists and political scientists was that regulation presented a case in which the benefits of government policy were concentrated in a few well-organized interests—the firms and unions that were protected from competition—whereas the costs were widely dispersed among consumers whose incentives to organize were insufficient to induce political action."[56] In this regard, sector-specific regulation was like sector-specific protection.

But during the Carter administration (1977–81), economists, activists, and others began to focus on the costs of regulation. Some condemned the regulatory process for its costs to economic efficiency, while others argued that America's sector-specific regulatory agencies had been captured by business.[57] Still others argued that policymakers had used regulatory tools and policies to do too many things, from redistributing income to promoting one sector of the economy at the expense of others.[58] As a result, an unusual left/right coalition in the 1980s called for sector-specific deregulation; among its prominent advocates was Ralph Nader, who would also become an important player in the trade debate.[59] Deregulation actually began during the Carter administration, but it seemed to gather force during the 1980s.

President Reagan thought the best way to rebuild America's economic and strategic might was to reduce the government's role in the economy.[60] During his tenure, America deregulated its banking and telephony sectors. This deregulation encouraged competition and reduced prices to banking consumers. But to some observers, including many on the left who had called for deregulation, its implementation seemed a sellout to business.[61]

Many Americans could not divorce Reagan's sector-specific deregulation from other Reagan administration policy. President Reagan also hoped to reduce government social safety nets and worker, consumer, and environmental regulation. These regulations are often called the *social compact,* but because they evolve over time, they cannot be characterized as a formal treaty or compact between citizens and their government. According to economist Dani Rodrik, the social compact consists of policies, regulations, and "norms that shape and constrain the domestic environment in which goods and services are produced."[62] The social compact includes policies designed to minimize the sometimes harmful side effects of economic activities such as pollution or soil erosion.

Social regulations confer benefits on the general public at the expense of a well-organized small public (usually business). Sector-specific regulations, in contrast, confer benefits on a few well-organized interests (usually business and/or workers). These social regulations were erected by groups and individuals who fought long and hard for these protections.[63] Such groups and individuals, whether friends of the earth, social activists, or consumer activists, would not give up these protections without a fight.

However, while deregulation gained the support of some Americans from the left, middle, and the right, the left found itself alone defending the social compact. In the 1980s, the social compact was difficult to defend, as many countries found many of their firms were becoming increasingly global. Trade liberalization from the Tokyo Round encouraged increased trade with developing countries. Many of these same countries removed restrictions on foreign investment, while privatizing important sectors from energy to telephony. Meanwhile, technological improvements in transportation and communications reduced the costs of doing business overseas. As their firms moved overseas, citizens and communities lost jobs, opportunities, and tax revenues. This was especially true in manufacturing regions such as Detroit or Pittsburgh, home to, respectively, America's once mighty auto and steel industries. With already huge budget deficits, Democratic and Republican policymakers did not want to increase taxes on citizens to make up for lost business taxes. This was ironic, because that same social compact was established to cushion citizens against the costs of capitalism (including global capitalism). In the face of massive budget deficits, some citizens began to question the costs of extensive pension, unemployment, and welfare benefits.[64] However, business leaders from both big and small firms were the most vocal about their costs to producers, consumers, and the economy as a whole.[65]

Deregulation also occurred in other industrialized nations. In many European nations, government retreated from providing specific services (e.g., telephone or transportation systems). Investment, including foreign investment, poured into sectors once solely the turf of national governments. Privatization also aroused controversy.[66] Thus, in many industrialized nations, deregulation and the erosion of the social welfare state occurred in tandem, at the same time that many industrialized nations became more reliant on global capital and more dependent on trade. Some policymakers and the public came to see this process as potentially infringing upon each nation's sovereignty.[67] Meanwhile, as the winds of globalization blew upon the United States and other economies, trade policies and tools were changing, too.

The Intersection of Trade Regulation and Social Regulation

Throughout history, when policymakers wanted to protect, they tended to use border measures. These measures, called *commercial policies*, include tariffs, quotas, and exchange restrictions, which can be applied at the border to control imports.[68] In 1947, most of the world's most important trading nations agreed to a set of common rules, the GATT, governing the use of such border measures.

GATT was simply a club, but it was a club with strong rules. The participating nations agreed to the idea that trade benefits are maximized if private entities (and not governments) decide to import or export. All the nations that adhered to the GATT followed three principles: most favored nation status, national treatment, and consensus. The most favored nation principle meant that a tariff rate applied to goods from one member of the GATT would be applied to such goods from all GATT members. The principle of national treatment meant that foreign firms would be subject to the same rules and regulations as a country's domestic firms. And finally, GATT made decisions only by unanimous agreement (not majority rule). Thus GATT moved slowly.[69]

However, because the rules of that club governed how entities may trade and how nations may protect, it limited how and when nations could use such border measures.

By binding governments to particular trade policy rules, GATT's disciplines helped create greater global and national economic efficiency. Over time, GATT not only helped nations reduce trade barriers but also helped to increase world and national income. A growing number of nations clamored to join the GATT system, from its eight original signatories in 1948 to over 137 as of this writing.[70] GATT regulated how and when nations could use commercial policies to protect, but it did not limit nations from devising and relying on other strategies for protection.

In the 1960s, policymakers became increasingly aware that some nontariff barriers (also called invisible tariffs) were being widely used as trade barriers.[71] These nontariff barriers (NTBs) included product regulations, health and safety regulations, certain subsidies, and procurement regulations. Standards and regulations are among the most important NTBs. Standards are voluntary, usually defined by an industry or nongovernmental organization, while regulations are legally binding and are usually imposed to safeguard citizens, consumers, and the environment.[72] Why did these standards and regulations seem to be proliferating? Was it because they had always existed but became more apparent as the GATT rules restricted use of border measures? Or were these NTBs proliferating because more countries were relying on them to protect more frequently and, as a result, such NTBs were distorting trade? By 1973, according to John Jackson, the noted legal scholar of GATT, GATT had catalogued some eight hundred NTBs used by its contracting parties.[73] These NTBs allowed policymakers to protect covertly. Economist Edward John Ray has written that by relying on domestic policies rather than commercial policies to protect, a government could "assist special interests without advertising the extent to which it is taking such action" for protectionist reasons.[74]

Policymakers have long been aware that national systems of regulation might distort trade between domestic and foreign producers.[75] During World War II, policymakers tried to find common rules to govern potential trade distortions of each nation's unique approach to capitalism by developing the International Trade Organization (ITO). The ITO's charter was comprehensive and truly revolutionary: it broke new ground by attempting to harmonize a wide swath of foreign and domestic policies that could affect trade flows. It had provisions governing the use of border measures as well as rules governing national employment, investment, and competition (antitrust) policies. But the

U.S. Congress never voted on the ITO and it was abandoned in 1950. However, the commercial policy provisions of the ITO were in the GATT, which did not require direct congressional approval. And by 1950, GATT was already successful in governing trade.[76]

However, the GATT did not effectively govern the use of NTBs such as standards and procurement policies. Moreover, although the GATT had a system of mediation of trade disputes, it had no mandate or tools to regulate the potential trade distortions of national regulatory systems.

During GATT's first three decades, economists, business leaders, and policymakers called on Congress to grow the GATT system by devising rules to govern such NTBs. Many members of Congress were sympathetic to such concerns, but they did not want trade negotiations to step onto the turf of domestic policy, affecting sovereignty. GATT had been deliberately designed not to force such changes. It was an agreement, not a treaty.[77] Its provisions were only binding insofar as they were not inconsistent with America's existing legislation.[78] Moreover, GATT negotiators did not initially succeed at developing a common approach to regulating the potential trade distortions of such NTBs. In 1967, they tried to negotiate international rules governing dumping (where imports are priced at less than their costs of protection), but Congress balked at this threat to its control of trade policy.[79] In 1974, in the hopes of stimulating trade and economic growth, Congress changed course and approved the negotiation of NTBs. During the Tokyo Round of trade negotiations under the GATT, policymakers attempted to negotiate common rules governing the trade distortions of some such regulations. Although they could not achieve a consensus on including such rules in the GATT system, they did devise a new strategy. Rules on some of these NTBs were contained in codes regulating subsidies, procurement policies, and standards. But not all GATT signatories signed on to these additional codes; their adherence to GATT's broader rules was essentially "à la carte."[80] Trade policymakers, economists, and business leaders gathered a wide range of evidence to show that GATT à la carte was not working. They noted that creative approaches to protection were proliferating and increasingly distorting trade.[81] However, many of these so-called invisible tariffs were not designed to protect producers from *foreign* competition. They were called for by citizens to make their *national* markets more equitable or more efficient.

The Reagan administration concluded that these national regulations would need to be governed by multilateral rules.[82] Representatives of some one hundred nations agreed to participate in a new round of trade discussions, which began in Uruguay in 1986. The negotiations took some seven years, but in 1993 the participants agreed to a more comprehensive approach to trade regulations, including rules regarding the trade implications of some domestic policies (such as health and safety standards) that could distort trade flows. They also created a new international organization, the WTO, to govern trade and subsume the GATT.[83]

But in this attempt to find common ground on trade negotiation and social regulation, some trade agreement critics alleged that the Reagan administration was attempting to use the GATT system to effectively deregulate through international agreement what it could not achieve nationally.[84] Their perspective, although a bit exaggerated and conspiratorial, is understandable. Many individuals on the left saw it as part and parcel of Reagan administration policies to reduce government's role in markets. They organized to protect their systems of regulatory protection, to defend their nation's unique social compact.

What Woke Up the Trade Agreement Critics?

The allegations that GATT was less about trade than global deregulation resonated around the world, but they were especially effective in the United States. Protectionists have long argued that trade agreements were unconstitutional because Congress delegates its authority to regulate foreign commerce to the executive branch. Critics of trade agreements also alleged that trade agreements were not in the national interest.[85]

These arguments were not only historically consistent, they were effective. GATT had never been popular on Capitol Hill. In granting authority to negotiate trade agreements to the executive branch after 1948, Congress consistently authorized a GATT disclaimer. The disclaimer stressed that in approving participation in negotiations, Congress did not denote approval or disapproval of the GATT. The disclaimer signaled that Congress had effectively drawn a "line in the sand" beyond which it would not cede control over trade policy to the president or to the GATT.[86]

In the Trade Act of 1974, however, Congress did an abrupt turnaround both about the GATT and about delegating new authority to the executive branch. This law authorized negotiations of NTBs under the aegis of the GATT. And it developed a process—"fast-track"—by which Congress could only indirectly influence these negotiations. Congress required the president to consult on the scope and progress of these negotiations, as well as any potential changes to U.S. laws or regulations. Once such negotiations were complete, however, the law gave Congress authority only to vote up or down on bills detailing the negotiations and their implementation. Under fast-track, Congress could not amend such bills.[87] Beginning in the 1990s, this process increased congressional and public suspicions. This is ironic, because it was developed by Congress. To some groups concerned about health and safety standards, the fast-track process seemed complex, opaque, and unfair. It fueled their concerns about the direction of trade policy and the public's ability to shape it.[88]

One additional factor also fueled suspicion about trade policymaking and the GATT. Because the United States was (and is) the world's largest trading nation, it is frequently engaged in trade disputes. In the two decades before the Uruguay Round, these disputes increased in frequency. Some of these disputes were so contentious that the press, albeit incorrectly, referred to them as "trade wars." After the Tokyo Round, a growing number of these disputes centered on policies other than border measures, for example, environmental regulations.[89] GATT panels, which would weigh such disputes, almost always argued that public policies must not discriminate between foreign or domestic producers, however noble the policy goal.

In reviewing such decisions, environmental and consumer advocates feared that local preferences could be subordinated to international standards, elevating the views of experts over locally determined consumer and citizen preferences.[90] Their concern rose to a fever pitch when Mexico challenged the trade effects of the Marine Mammal Protection Act at the GATT.

GATTzilla versus Flipper

In 1972, as a key component of its efforts to protect and conserve the environment, the United States passed the Marine Mammal Protection Act (MMPA); it limited the number of dolphins that could be killed while fishing for tuna. The original MMPA was not intended to apply to foreign fishing fleets; instead the law was meant to regulate domestic fishing practices. However, the law was ineffective. Some U.S. fishers complied, while others reflagged their ships as foreign registry to elude the rules. In 1988, after a suit by the Earth Island Institute, an environmental organization, Congress inserted specific language into the act stating that all tuna to be sold in the United States had to be caught in ways that conserved dolphins.[91] Those nations wanting to export tuna to the United States could not exceed two times the U.S. rate of dolphin kill. Thus, the regulations both protected dolphins and did not discriminate or provide U.S. producers with a market advantage over foreign producers. But the 1988 regulations led to a ban on tuna imported from Columbia, Costa Rica, Italy, Japan, Mexico, Panama, and other nations that did not change their tuna fishing techniques. Angry Mexican fishermen claimed that the tuna import provisions of the act were in fact trade barriers and they took their case to the GATT.[92] Staff at Ralph Nader's Public Citizen and other environmental, consumer, and citizens groups began to closely watch this case, which they named "GATTzilla versus Flipper."

In 1991, a GATT panel composed of international trade law experts found that the tuna import embargo embodied in the law was "GATT illegal" because the MMPA did not simply ban a product (tuna) but banned the process used to make that product (killing dolphins along with the tuna). The panel found that the MMPA was an attempt to make U.S. environmental laws reach beyond U.S. borders.[93] The panel's decision, however, was nonbinding. As a trade agreement, the GATT had no power to force changes to U.S. law.

But the decision woke up a wide range of environmentalists around the world to the fact that environmental regulations could be challenged at the GATT as trade barriers. They organized to protest the panel's decision. They saw it as a signal that under the GATT, countries cannot limit importing products having production or harvest methods that may harm the environment. Given both the decision and its potential effects on environmental protection, some feared that democracy (which fostered the environmental movement) could be subverted by international trade law (which could undermine the environmental movement).[94] At the same time, policymakers, economists, and many trade agreements proponents saw the decision differently. They were concerned about this U.S. attempt to use unilateral trade measures (trade policy) to achieve changes to another nation's policies or to achieve social or environmental goals. Moreover, some developing country officials complained that the United States expected them to place environmentalism over their economic development.[95]

Some nations, such as Mexico, also saw this attempt to regulate tuna fishing as covert protectionism. There is some evidence that in passing the original legislation, Congress may have been motivated not solely by a desire to protect dolphins, but also by a desire to weaken the comparative advantage of the foreign fleet relative to U.S. tuna fishers.[96]

Nonetheless, it is hard to believe that environmentalists refused to change the MMPA out of protectionist intent. They did not want other nations or organizations to tell them how to regulate the environment. Thus, they demonized the GATT. However, they could have adopted a different strategy of promoting consumer awareness around the world of how tuna was caught and encouraging firms to produce and consumers to demand "dolphin-free tuna." Such a strategy would have been internationalist, nontrade distorting, and perhaps even more effective.

Methodology of This Book

Governor and former presidential candidate Adlai E. Stevenson understood the essence of trade policy; he once described it as one field where the greatest need is for fresh clichés. This book proves his point. Citizen groups have long been involved in the trade debate. Although many of their concerns seem modern, human rights, consumer safety, and conservation are not new to the trade debate. In certain periods, social issues were central to the public debate over trade; in other periods, especially during the first thirty years of the GATT, they were off-stage.

As this book cannot focus on all the areas where trade affects domestic policy objectives, I have chosen three such issues: food safety, the environment, and labor standards. These three issues provide different windows into the trade debate and the concerns of modern trade agreement critics. But these three issues illuminate how trade policy becomes contentious when it appears to undermine democratically determined norms and regulation.

Food safety became a trade policy issue in the nineteenth century. Although nations have long traded commodities and crops, nineteenth-century advances in transportation and refrigeration led to increased trade in food products.[97] Today much of the food and vegetables eaten by Americans is imported from nations with different systems of food safety and pollution regulation.

During the Uruguay Round, participating nations revised the rules relating to food, plant, and animal health standards. Each nation retained the right to determine its own level of food safety protection so long as the resulting rules were necessary, based on scientific principles, and devised so they distorted trade as little as possible. To some food safety advocates, this approach elevated trade over consumer welfare. Many of those groups who care about food safety issues want to take food safety issues out of the purview of the WTO. When they call for changes to food safety rules, they are often called protectionist. But these groups are generally not motivated by a desire to distort trade so as to favor domestic producers.

The environment has also been the subject of trade debates since the nineteenth century. As noted earlier, conservationists have long recognized that for conservation measures to be effective, they would have to be multinational. However, no one organization or set of rules governs environmental practices.

Environmental issues have become more contentious in recent years. As nations and their citizens have become more affluent, people are more willing to pay (through taxes, consumption, or government expenditures) to protect the environment. Growing numbers of the world's peoples now recognize that they can reconcile growth and environmental protection by practicing sustainable development. Although they may support the idea of sustainable development, citizens and policymakers in developing countries are not as able to afford or to enforce stringent environmental and public health regulations. Moreover, they often see environmental policies in many developed countries as measures to thwart developing country exports. At the same time, however, many environmentalists have alleged that some multinational companies have threatened to move their operations to nations with lower environmental and public health standards. These individuals fear that increased trade will yield "a race to the bottom" among nations for such standards. Their concerns grew when they saw the GATT mediate the dolphin-tuna case. These concerns became front page news when the debate over NAFTA occurred in the United States, Canada, and Mexico (1992–93).[98] Environmentalists were determined to protect their system of environmental protection. But they disagreed as to whether such standards could be incorporated within the system of rules governing trade.

Until recently, the GATT system said little about protecting the environment. Article XX does allow nations to restrict imports when such protection is necessary to protect human, animal, or plant life or health. But this approach makes the legitimacy of environmental regulations turn on *what* is produced and not *on how* it is produced.[99] Many environmentalists resent this logic because it elevates trade/commercial concerns over other concerns, such as public health or conservation.[100]

Labor standards also have a long history as a trade policy issue. In the United States, the Founding Fathers wrestled with the implications of slavery upon the new nation. They also discussed whether to ban trade in slaves and whether to tax interstate commerce in slaves.

Since the nineteenth century, proponents and critics of trade agreements alike have worked to include labor standards in trade agreements. Although the GATT (and now the WTO) does ban trade in goods made by forced labor, the GATT/WTO system does not include a code on how workers are treated as they produce goods or services. The United States has pressed for such labor standards throughout the history of the GATT. However, officials from other nations, especially populous developing nations such as India, are strongly opposed. These nations fear such standards could impede their comparative advantage (in low wage labor). They (and some free traders) call those who advocate including labor standards in the GATT/WTO system "protectionists."

This book focuses not only on these issues, but also on the citizen activists and nongovernmental organizations (NGOs) in the trade debate. Many such NGOs criticize the GATT/WTO. One way to understand the growing political clout of trade agreement critics is to examine the commonalities and differences in their objectives and strategy. This may provide some insights into whether these individuals and groups are protectionists. First, many of these groups have dissimilar objectives. For example, advocates of labor standards want to enhance the international rules governing trade to include core labor standards. Many nutritional and consumer groups, in contrast, want to take food safety out of the GATT/WTO system, because they have concluded that this system is opaque, undemocratic, and thwarts national values and objectives. Ralph Nader's consumer group Public Citizen provides a good example. Although Nader helped build the modern regulatory state with his advocacy of federal health, safety, and environmental regulations, Public Citizen does not see government at the international level as an appropriate tool to regulate international business across borders. Nader fears that citizens will be unable to monitor international bureaucrats and hold these officials accountable.[101] He supports a protectionist outcome, although his motivation does not appear protectionist. Economic nationalists have a similar negative view of international institutions. Patrick J. Buchanan, for example, wants the United States to withdraw from the WTO, because it was "erected on ideas American patriots must reject." Yet even economic nationalists find common ground internationally, as Buchanan acknowledges: "If the French wish to subsidize farmers to preserve their countryside why shouldn't they?"[102] Finally, environmental groups are divided about trade agreements. Some want to include environmental rules, while others feel international attention would best be focused on creating an international environmental organization.[103]

Most of the trade agreement critics come from social activist groups on the left. However, when nationalists or traditional protectionists played an important role in the trade debate, this book will highlight their activities.

Despite their different objectives for reforming trade policies, trade agreement critics shared a three-pronged strategy. First, they have forged both formal and informal international alliances. These alliances work to warn citizens around the world about trade agreements. Thus, most of these trade agreement critics have fostered political alliances beyond borders. Second, relying on new communicative technologies, they rely on a global grassroots, rather than simply an "inside the Washington beltway," strategy. On the Internet and the airwaves, in the print media and on Capitol Hill, they used every forum available to warn their fellow Americans about the dangers of globalization, its impact on American democracy, and its costs for the American social compact. Third, they often used old-fashioned tactics (such as consumer boycotts) or 1960s tactics such as rallies and teach-ins. They also used 1990s tactics such as "outing" and shaming celebrities for their association with sweatshops.[104] These activists have worked hard to educate their fellow citizens in the United States and around the world about the costs of trade and global economic interdependence.

Most of these groups do not seem to receive funds from traditional protectionist, isolationist, or economic nationalist groups.[105] However, they have *structured* an alliance with isolationist, economic nationalist, and traditional protectionist interests to hamper trade liberalization.[106] This structure, as well as their reliance on a protectionist *strategy,* has led many trade experts and policymakers to assume that all the members of these groups are protectionists.

To summarize, some of these trade agreement critics have protectionist objectives; others do not. All have hampered trade liberalization. All agree with Ralph Nader that freer trade will undermine democratic systems of regulating national economies. Yet are these groups truly protectionist? Many are. They recognize that internationalization of standards may undermine the comparative advantage of some developing countries that do not enforce environmental or labor standards. Thus, they use these standards as a benchmark and a tool to keep imports out. Others such as H. Ross Perot and Pat Buchanan believe that national economic policies must be designed to increase the wealth and the power of the nation. Their nationalistic objectives are inherently protectionist.

However, some of these individuals and groups may be thwarting protectionism. Congressman Richard Gephardt, the minority leader in the House (1996–2000), has argued that nations and firms that engage or acquiesce in exploitative labor or environmental practices create an unfair competitive advantage. He notes that corporations can search the world to find the lowest standards (although this is only one factor as to where firms locate production). He believes this creates unfair competition, which puts downward pressure on labor and environmental standards in other countries. If the world trading system include rules governing the environment or workers, many citizens in industrialized countries would see the rules as made in their interest as well as in the corporate interest. Thus, he argues that by demanding that the world trading system include these issues, trade agreement critics are hampering protectionist sentiment in many industrialized nations.[107] Gephardt's motivation appears protectionist, but the outcome he wants may reduce protectionism.

Although these trade agreement critics represent an important movement in the United States and among international civil society, historians, economists, and political scientists have paid little attention to them until recently. Like policymakers, they presumed that trade policy would continue to be dominated by elites and experts in business labor, academia, and government.

When they write books about trade, economists, historians, and political scientists tend to focus on the tug-of-war between government officials, members of Congress, and representatives of special interests—groups of citizens organized to protect their economic and political interests. For example, I. M. Destler, the premier scholar of U.S. trade policy, states, "The main story in the politics of American trade . . . has been the development of . . . antiprotectionist counterweights."[108] However, policymakers and business leaders are paying attention to these groups. In a May 18, 1998, speech at the WTO, President Clinton "called on the WTO to become more open and accountable to increase public confidence in the WTO." He proposed that private citizens be able to present their views, but he did not clarify as to how.[109] Business leaders have found growing congressional opposition and concern about trade agreements. They attribute this opposition and concern to the actions of protectionists and trade critics. The president has not had new fast-track authority since 1993; thus, he can begin negotiations with other trading partners, but he cannot provide these trading partners with assurances that Congress will approve such negotiations without amendment. In April 1998, trade agreement critics stalled negotiations on a multilateral agreement on investment.[110] Clearly, trade agreement critics have had a major influence on trade policies.

Polls and news accounts reveal that greater numbers of citizens are paying attention. This is true in the United States as well as overseas—in Australia, India, Malaysia, Canada, and Europe. Trade agreement critics, as noted previously, have been adept at using new technologies to expand the public debate about trade. They have used faxes, radio talk shows, the Internet, and E-mail in service to that debate. Their actions contrast with that of the official trade community, which tends to disseminate press releases, appear on news shows, and essentially preach to the choir, rather than the public at large. The Internet provides a good example of this contrast. While trade agreement critics have used E-mail and the Internet to organize and educate citizens since the 1990s, USTR uses the Internet primarily as a dissemination device.[111]

To understand the impact of these trade agreement critics, I monitored a wide range of data and public opinion sources including archival data, government documents, editorials, magazines, journals, newspapers, talk show transcripts, interviews, Web sites, congressional testimony, and polls. This helped me better understand that we cannot divorce the debate over trade from the debate about what government should do in the face of globalization. Moreover, my respect for history led me to stress the continuity of public concerns about trade and globalization.

Organization of This Book

Context is everything in the debate over trade. Chapter 2 shows that in the nineteenth century, as in the twentieth century, a broad swath of Americans found much to criticize in U.S. trade policies. But because protection was the norm, protectionism was taken for granted. Instead the debate was about how much to protect. Nonetheless, social issues and trade often intersected. The tenor of the debate changed during the Great Depression. The Trade Agreements Act of 1934 transferred authority for trade policy to the executive branch, for a limited duration. Policymakers hoped that opening foreign markets, by reducing U.S. and foreign trade barriers, could create new markets and new jobs. This act was regularly renewed by Congress. During World War II, policymakers even tried to create an international organization, the ITO, to coordinate domestic and trade policies internationally. However, as discussed earlier, the ITO was never voted on by Congress.

The trade debate again changed after World War II when trade was linked to policies resisting the spread of communism. The world's leading trading nations acceded to the GATT. GATT's role was limited to governing traditional tools of protection. But as policymakers discovered that domestic policies could distort trade, they ever so gradually found ways to enlarge GATT's purview.

Chapter 3 describes the evolution of America's modern social compact and notes that its heyday occurred at the same time that business leaders, policymakers, and economists became concerned that such regulations increasingly distorted trade flows. This was not the only irony. In 1974, Congress authorized the president to negotiate rules governing NTBs, such as social regulations, at the very time Congress was weighing how to impeach President Richard Nixon. This act was also important because it set up the fast-track procedure. This law explicitly linked trade to human rights improvements (results) through the Jackson-Vanik amendment.

Chapter 4 discusses how protectionist views and tools evolved during the 1980s. The United States and other governments, responding to high budget deficits, footloose capital, and restive transnational companies, attempted to cut a wide range of government programs and reduce government's role in the economy. Moreover, many individuals of the left saw deregulation in the Reagan administration's trade policies. Ironically, although the Reagan administration succeeded at reducing the role of the federal government in the economy, it became more interventionist on trade. Competitiveness and managed trade became rubrics for protectionism.

Chapter 5 details how the U.S./Canada Free Trade Agreement (FTA) educated first Canadians and later Americans to the potential costs of trade agreements to their national system of social and environmental regulations. During the NAFTA debate, a wide range of consumer, civic, environmental, development, and labor rights groups worked with religious groups to criticize the NAFTA. They forged the first transnational movement to criticize trade liberalization.

But that movement became divided nearly as soon as it began. Some environmental groups accepted side agreements to the NAFTA. They saw these side agreements on the environment and labor as a positive, albeit incremental, approach to encouraging trade while protecting each nation's social compact. Moreover, these groups decided that by accepting an incremental approach and participating, they could achieve greater influence on the policy-making process in the United States.

Chapter 6 examines how some of these groups responded to the Uruguay Round. During the Reagan administration, Mark Ritchie, a family farm and food safety activist, sounded the alarm about how trade could affect achieving other policy goals. His concerns resonated with individuals active in the environment, social justice, and economic development in the United States and abroad. Ritchie and other family farm, development, consumer, and environmental activists worked to revise the Reagan, Bush, and later Clinton trade proposals. Many activists saw these reforms as deregulatory, rather than re-regulatory. Ultimately, they rejected incremental or reformist solutions. When the Uruguay Round was debated by Congress, most of these activists opposed it. Only Consumer Union publicly came out in strong support. These groups did not succeed in turning Congress against the revisions to trade proposed in the Uruguay Round, but to a great degree, these groups helped set the terms of the congressional debate. That is, they forced Congress to focus on how the Uruguay Round reforms might affect American sovereignty and its system of laws and regulations.

Chapter 7 offers some conclusions about these trade agreement critics and U.S. trade policy, focusing on the similarities and differences among traditional protectionists and trade agreement critics today. They make many of the same arguments about equity, social stability, and sovereignty. But as I will show, they have done little to ask how trade policy can be made more equitable. They have alleged that industrialized nations are abandoning key regulatory goals in the international interest of encouraging trade. They condemn policymakers for elevating trade over the achievement of other policy goals. But they have not asked whether hampering trade agreements really helps achieve important goals such as improving work conditions, food safety, or the environment. Moreover, the trade agreement critics have focused on government actions and not on corporations, the key agents of globalization. I note the irony of this strategy, given the roots of many activists in consumer activism.

As students of trade policy, we need to understand the influence of civil society as we attempt to understand how global economic interdependence is changing the United States and the world. The public has long attempted to shape globalization. As we observe and attempt to understand that process, we must accurately characterize citizens concerned about the environment, labor standards, human rights, food safety, and democracy. Some of these citizens groups may truly be trying to erect or maintain trade barriers; some may be trying to grow the GATT/WTO system; and others may be trying to ensure that trade policy does not trump the achievement of other important policy goals. Nonetheless, by their actions, they have forced a more honest and comprehensive debate about how to regulate the global economy.