

# Political Opposition to Trade Deals, the Republican Platform -- and the Facts

by [Michael Singh \(/experts/michael-singh\)](/experts/michael-singh)

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## ABOUT THE AUTHORS



[Michael Singh \(/experts/michael-singh\)](/experts/michael-singh)

Michael Singh is the Lane-Swig Senior Fellow and managing director at The Washington Institute.



Articles & Testimony

**P**olitical support for trade has been a high-profile casualty of the 2016 presidential election. Hillary Clinton [walked back her earlier support \(http://www.wsj.com/articles/hillary-clinton-comes-out-against-trans-pacific-partnership-trade-deal-1444249761\)](http://www.wsj.com/articles/hillary-clinton-comes-out-against-trans-pacific-partnership-trade-deal-1444249761) for the Trans-Pacific Partnership (TPP) agreement with U.S. allies in Asia, perhaps not surprising given the [opposition to trade deals among her primary rival \(http://www.huffingtonpost.com/bernie-sanders/democrats-must-fight-to-d\\_b\\_10890466.html\)](http://www.huffingtonpost.com/bernie-sanders/democrats-must-fight-to-d_b_10890466.html), Vermont Sen. Bernie Sanders, and key Democratic constituencies such as labor unions. More notably, the Republican platform set to be approved this week at the GOP convention in Cleveland [abandons previous support for the TPP \(http://www.politico.com/story/2016/07/republican-platform-panel-tpp-225364\)](http://www.politico.com/story/2016/07/republican-platform-panel-tpp-225364) and echoes Donald Trump's "America First" language on trade.  [\(http://www.politico.com/story/2016/07/republican-platform-panel-tpp-225364\)](http://www.politico.com/story/2016/07/republican-platform-panel-tpp-225364)

The Republican platform's evolution tracks with the views of party voters: Pew Research Center polling in March found that [53% of Republicans -- and 67% of Trump supporters -- think trade agreements have been a "bad thing" for the U.S. \(http://www.pewresearch.org/fact-tank/2016/03/31/republicans-especially-trump-supporters-see-free-trade-deals-as-bad-for-u-s/\)](http://www.pewresearch.org/fact-tank/2016/03/31/republicans-especially-trump-supporters-see-free-trade-deals-as-bad-for-u-s/) Just 34% of Democrats hold the same view. So it's perhaps surprising that the about-face in the platform's wording did not include more specific anti-TPP or anti-NAFTA language, which also would have mirrored Mr. Trump's stated positions.

But the data don't bear out the growth in anti-trade sentiments. Trade in general, and trade agreements specifically, are a [boon for the U.S. economy overall \(http://www.wsj.com/articles/making-the-case-for-trade-1458080943\)](http://www.wsj.com/articles/making-the-case-for-trade-1458080943), especially to national income. There are few propositions on which economists -- otherwise a fractious lot -- are in greater [agreement \(http://www.igmchicago.org/igm-economic-experts-panel/poll-results?SurveyID=SV\\_0dfr9yjnDcLh17m\)](http://www.igmchicago.org/igm-economic-experts-panel/poll-results?SurveyID=SV_0dfr9yjnDcLh17m). And since U.S. barriers to trade tend to be quite low, deals such as the TPP often asymmetrically benefit U.S. firms by helping to level the international playing field.

Meanwhile, some popular arguments against trade agreements [do not hold up under scrutiny \(http://www.wsj.com/articles/five-big-truths-about-trade-1461280205\)](http://www.wsj.com/articles/five-big-truths-about-trade-1461280205). Job losses  [\(http://blogs.wsj.com/washwire/2016/02/18/top-house-democrat-on-trade-sander-levin-rejects-pacific-](http://blogs.wsj.com/washwire/2016/02/18/top-house-democrat-on-trade-sander-levin-rejects-pacific-)

**agreement/)** in the manufacturing sector, frequently blamed on trade deals, often have far **more to do with technology (<https://www.aei.org/publication/defending-free-trade/>)** and fewer workers being required to produce goods as automation improves. This trend is moving to service industries thanks to artificial intelligence; ironically, it may **shift the manufacturing advantage (<https://www.foreignaffairs.com/articles/united-states/2014-06-04/new-world-order>)** away from low-wage countries and back to the U.S. and other highly developed economies.

As for our much-maligned trade deficit, it is arguably **neither good nor bad (<http://www.cato.org/publications/commentary/are-trade-deficits-really-bad-news>)**, nor is it primarily the **result of trade agreements (<http://www.wsj.com/articles/five-big-truths-about-trade-1461280205>)**. It stems from the dollar's role as an international reserve currency (regarded by most politicians as a good thing) and the low domestic savings rate in the U.S. Trade deficits are often seen as somehow analogous to budget deficits, or taken as evidence that some other country is "winning" at our expense, but neither conception is correct.

Arguments against trade agreements and over trade deficits tend to focus on China, a country with which the U.S. does not have a "free-trade" deal and that is not a party to the TPP. China has engaged in unfair trade practices, including currency manipulation and intellectual property theft. Yet these days, business leaders worry as much about China's economic slowdown and its drag on the global economy as they do its trade practices.

Furthermore, China would be one of the biggest beneficiaries of the U.S. not moving ahead with the TPP, which makes the GOP platform, with its skepticism toward Beijing and trade agreements, a bit contradictory. The TPP, like other trade agreements, serves not just economic but also **strategic purposes (<http://www.wsj.com/articles/trade-is-a-national-security-imperative-1463440063>)**: It provides the economic foundation for a policy of strengthening the U.S. alliance system in Asia, without which our overall strategy in the region would be incomplete and probably unsuccessful. Not only would the region move ahead with trade deals that exclude the U.S. -- such as the China-led Regional Comprehensive Economic Partnership -- but our allies there would have their faith in U.S. leadership further shaken at a time when both presidential candidates argue that leadership must be reinvigorated.

That trade agreements are politically controversial is unsurprising. Much like immigration, trade's gains are diffuse and unequally shared across industries and regions, while **costs can be concentrated and concrete (<https://piie.com/commentary/speeches-papers/reforming-trade-adjustment-assistance-keeping-40-year-promise>)**. Trade adjustment programs are intended to ameliorate these effects, but they have **proven ineffective (<http://blogs.wsj.com/briefly/2015/06/15/5-questions-on-trade-adjustment-assistance/>)** and new solutions have yet to supplant them. There is a narrow potential silver lining to the growth in anti-trade sentiment. It seems to be reaching a fever pitch but it may also be **fleeting (<http://www.bloomberg.com/view/articles/2016-07-12/trade-deals-left-for-dead-can-rise-again>)**; after all, before Donald Trump pledged to renegotiate NAFTA, presidential candidate Barack Obama -- now the advocate in chief of TPP -- did the same.

*Michael Singh is the Lane-Swig Senior Fellow and managing director at The Washington Institute. This article originally appeared on the Wall Street Journal blog 'Think Tank (<http://blogs.wsj.com/washwire/2016/07/18/political-opposition-to-trade-deals-the-republican-platform-and-the-facts/>)'.* ❖

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