

# Commentary

## The Free-Trade Fear Market

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For so much of the 2016 presidential election cycle, the proposed Trans-Pacific Partnership free-trade agreement loomed large over the race despite the fact that few were cleared even to read it. The secrecy necessary to preserve the integrity of a sensitive multilateral negotiation among 12 signatory nations also created the conditions in which rumor and misinformation flourished. With the TPP now available to the public for review, however, many of the fear-mongering pronouncements of pro-labor Democrats and populist Republicans don't stand up to scrutiny. More important, the debate to which Americans were privy over the nature of that agreement (and free trade, generally) did the public a great disservice.

For those interested in the subject, the pro-free trade **Cato Institute's working paper on TPP**—authored by trade scholars Daniel Ikenson, Simon Lester, Daniel Pearson, K. William Watson, and occasional *COMMENTARY* contributor Scott Lincicome—is enlightening. They studied what they define to be the 22 meatiest and reviewable chapters and scored them based on a set of criteria that gauges whether they will promote liberalism or protectionism. What they discovered was that, by and large, the agreement expands America's access to markets abroad and generally liberalizes those markets while standardizing the rules of the road.

The handful of areas where the TPP failed to satisfy Cato's scholars' tastes were also illuminating as were those that received their nods of approval. In aspects of trade such as textile production, intellectual property rights, labor, and the environment, the TPP came up short. It is no coincidence that these are areas that are of most concern to the developing economies in Asia and South America.

It is because of this that Cato's authors determine that TPP “would not pass the free-trade test,” if free trade is defined as borderless, virtually unregulated commerce that is not subject to a variety of politically motivated domestic constraints. “The TPP is not free trade,” they wrote. “Like all other U.S. trade agreements, the TPP is a managed trade agreement.” The authors further note: “If free trade purity is the benchmark, then the TPP fails the test.” But because purity is not the benchmark and the perfect is so often the enemy of the good, Cato's pro-trade assessors give the agreement their approval.

Maybe the most important observation in the first few pages of this study is the authors' attack on the political dialogue surrounding TPP. The disservice America's political class and media did in rendering judgments on an agreement to which so few were privy was a disgrace.

Opportunistic candidates like Bernie Sanders and Donald Trump—to say nothing of their enablers in alternative media—oversimplified the debate over free trade and rendered the discussion around it cartoonish.

The binary promoted by those who reflexively oppose free trade—a set of assumptions which presuppose that voters fall into either liberal or protectionist camps—obscures more than clarifies. All judgments are subjective, Cato’s authors admit; even their own. Free trade (or “managed trade”) creates winners and losers. For politicians and blogs with a core constituency, precisely who perceives themselves the winners and losers matters. The nuance of a massive, complicated multilateral trade agreement—with positives and negatives for every constituency—is subsumed in the mad dash to craft tawdry narratives for the benefit of a political career or a media venue’s bottom line.

This is the tragedy of TPP. Its detractors had largely won the argument before the effects of the agreement were ever widely known.

In the end, the TPP may already be so toxic that it will be dead on arrival in 2017, despite the fact that both Republicans and Democrats in Washington are deeply invested in the success of a Pacific trade deal. But even if economic anxieties have voters in a protectionist mood, free trade is a survivor. In 2008, Barack Obama pledged to earn the support of organized labor in office by renegotiating the NAFTA treaty. Then, **as now**, however, the public was never as anti-free trade as were the vocal minority of politically motivated donors and volunteers in the electorate. The potential real-world results of those destabilizing negotiations the middle of an economic downturn, however, forced the president to shelve that pander indefinitely. Similarly, scuttling a 12-nation trade deal, and sacrificing American political capital spent in securing it, is as unlikely as is the passage of TPP in its current form.

It is a truism that candidates are far more eager to talk tough on free trade than are presidents. We’ll see if the next president breaks with that long-standing precedent.