Who Supports Worker-Centric Reform?

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The United States' major trading partners once understood the spectrum of American attitudes toward trade. For several decades, U.S. administrations used multilateral and bilateral trade negotiations to press for market access for its exports and its investors while Congress created various policy tools to protect its domestic market and workers from unfair competition. The Americans drove a hard bargain on trade but it was usually worth it for countries to engage.

U.S. President Donald Trump was perceived internationally as a break with that tradition. He criticized the World Trade Organization's appeals body, placed "national security" tariffs on steel and aluminum from ally Canada, and threatened to withdraw the United States from NAFTA if Canada and Mexico did not agree to new concessions.

On closer examination, the Trump administration reflected a shift in the United States attitude on trade that had been underway for several years. From 1992 through 2020, there was at least one presidential candidate who criticized free trade agreements. At first, the criticism came from third party candidates like Ross Perot and Ralph Nader but by 2016 both the Democratic and Republican party's candidates were NAFTA critics. Following the 2008 financial crisis, U.S. President Barack Obama, who had also criticized NAFTA on the campaign trail asked Congress for the authority to negotiated new trade agreements and the resulting Bipartisan Trade Priorities and Accountability Act of 2015 was the most restrictive and conditional trade authorization since the Trade Act of 1974 approved during the Gerald Ford administration.

With this background, it should not have been a surprise when President Joseph Biden and U.S. Trade Representative Katherine Tai allowed trade promotion authority to expire and emphasized enforcing U.S. market access under existing agreements on behalf of dairy farmers and auto workers. Nonetheless, Canadians and many other U.S. trade partners reacted with dismay: had the Americans turned away from free trade and embraced protectionism on an apparently bipartisan basis?

This paper by Jeffery Kucik, a political scientist at the University of Arizona who is a Wilson Fellow in residence this year, uses newly available survey research data to explain the mood of U.S. voters on trade. Kucik places the shift in U.S. trade policy into the context of a competition for the support of middle class voters by both major political parties. At a time when international concern about U.S. democracy is high, the notion that U.S. trade policy shifts reflect voter sentiments is reassuring. However, it makes the understanding of the nuances of voter attitudes becomes even more important for political and business leaders in Canada and other countries that like Canada have a significant reliance on the U.S. market.

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Decades of “hyper-globalization” deepened income inequality and generated political backlash against free trade in America. In response, Presidents Trump and Biden argued for worker-centric reforms. These policies, which included a moratorium on new trade deals, are designed to protect jobs from globalization’s sometimes

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Fact: Most Americans support trade

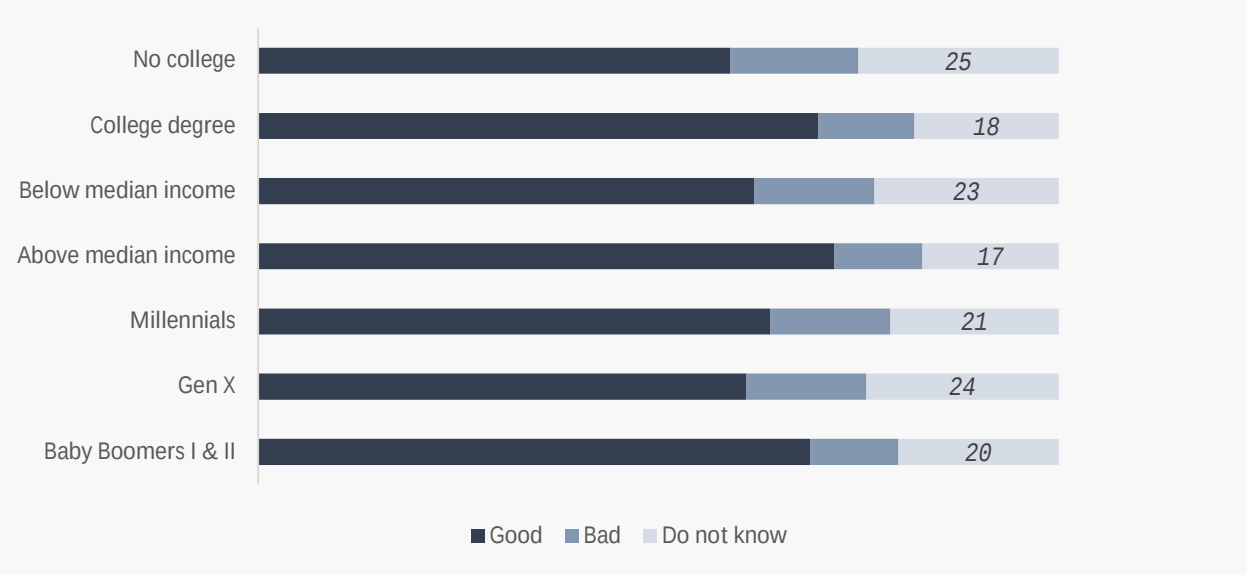
Despite the populist rhetoric in recent elections, Gallup polls show that the general public's support for trade actually increased from 2015-2020.[1] Those high approval levels run counter to the common assumption that trade attitudes worsened in recent years.

with advanced degrees, are 15 points more likely to think trade is good for their families. Prior research speculates that better-educated respondents may have been taught the orthodoxy that free trade increases economic welfare.[2] Conversely, those without college are more likely to work in lower-skilled jobs vulnerable to outsourcing and automation.

Opinions on trade also correlate with incomes. Respondents earning above the median household income are 10 points more likely to support trade than those below the median. This may be due to the simple fact that wealthier respondents are probably more satisfied with the pro-trade status quo.

The relationship between trade preferences and age is less linear. Younger (under 40) and older (over 60) support trade more than folks in the middle. The timing of America's recessions probably matters here. The Great Recession hit Gen Xers especially hard a decade ago.[3] Workers within that age range were still early in their careers during the sharpest decline in manufacturing jobs and amid uncertainty in housing and financial markets. The experience of that recession may have lasting effects for attitudes a decade later.

"Is free trade good or bad for you as a consumer?"



Note: N = 2,538. The high rate of "do not know" responses is common in public opinion research on trade attitudes. Note that college educated and wealthier respondents are more likely to hold favorable views of trade and are more likely to express an opinion. | Source: Kucik, J. (2022). Partisan Views on Socially Inclusive Economic Policy. Tucson: University of Arizona.

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Advocates of inclusive reform understand that domestic reforms must complement revisions to the rules. With that in mind, socially inclusive policy involves a wide set of worker-centric reforms that promote fair pay, labor rights, and equitable growth. This survey included five domestic issues: raising the minimum wage, strengthening unions, investing in infrastructure, allowing for more immigration, and raising corporate taxes. Respondents were asked whether they thought these ideas would "help" or "harm" the U.S. economy.

"WOULD THE FOLLOWING THINGS HELP OR HURT THE U.S. ECONOMY?"

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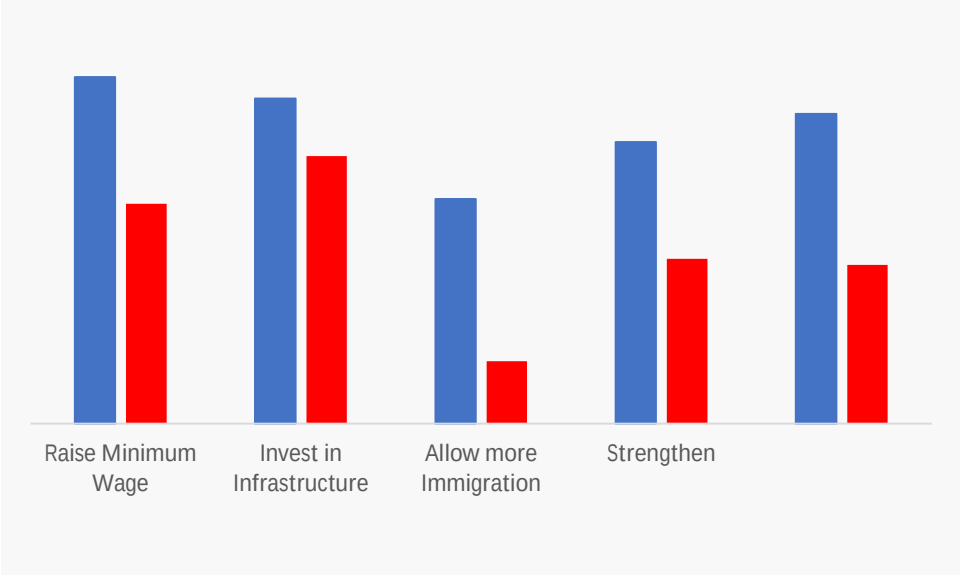
Broad support for worker-centric policies implies that Americans share views on how to improve economic conditions for labor. However, U.S. politics remain highly polarized—where large gaps separate Democrats from Republicans on most issues—and attitudes about worker-centric reforms are no exception. Across all five issues, that gap averages 31 percentage points.

The closest agreement is on infrastructure investments, where Democrats and Republicans are separated by only 14 points. On everything else, at least 30 points divide respondents.

WOULD THE FOLLOWING THINGS HELP OR HURT THE U.S. ECONOMY?"



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Most people probably think of more than trade when hearing the broad label "social inclusion." The survey asked respondents to judge the importance of other foreign

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Social inclusion is not just about trade—and it is not just about American workers. Reforms at home are also supposed to generate positive effects for foreign labor. In fact, one of the main controversies over liberalization in the United States has centered on how free trade enables "social dumping"—that is, the exploitation of cheap labor abroad.

Yet, protecting labor rights abroad scores low relative to other priorities. The survey asked respondents to rank traits of America's trade partners in terms of importance. Whether a foreign country protects labor rights ranked last alongside, surprisingly, whether the country is a democracy.

First place went to whether the country was an ally. Alliances may be especially important given renewed tensions with powers like China and Russia, which likely increase feelings that America ought to direct trade and investment more toward traditional friends.[8]

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in practice. Exploiting cheap labor abroad allows products to be sold at lower prices, which then puts pressure on domestic jobs in the importing country. Failing to see this connection points to one of this report's core recommendations: encouraging a more informed, data-driven, non-partisan conservation about trade's cost and benefits.

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Despite recent disruptions to global markets, Americans remain hopeful that free trade is a good thing. Roughly two-thirds of respondents say that trade benefits themselves or their families. However, the results also show that average Americans are skeptical about trade's impact on jobs.

Worker-centric, "socially inclusive" policy reforms are supposed to help improve conditions for labor. These diverse foreign and domestic policies are designed to "put people ahead of prices," reducing globalization's impact on labor in the United States and abroad.

- Reframe the debate. Economic policy often takes a back seat to voters' concerns over security and political rights. Support for inclusive reform may increase if policymakers draw more direct links between worker-centric trade and traditional foreign policy concerns over national security.

- Prioritize stability. Recent events, including the COVID-19 pandemic and war in Ukraine, highlight the dangers of market volatility. Policy solutions should focus on reducing vulnerability to market disruptions, such as supply chain diversification and avoidance of new trade wars.

- Rebuild old alliances. Ongoing policy debates in the U.S. have implications for partners across North America and elsewhere. Any fundamental changes to U.S. trade policies should be done in conversation with America's foreign business partners. Failing to involve allied markets is a strategic mistake and runs the risk of burdensome litigation down the road.

One final observation: There are many policy ideas not included in this survey. The broad umbrella of "socially inclusive" policy also covers worker retraining programs, expanded unemployment insurances, and deeper investments in STEM education. In addition, there are numerous proposals for detailed, complicated changes to global trade and investment rules. In the interest of brevity and simplicity, the survey did not ask about these issues. More research is needed, particularly among interest groups with an interest in these policies.

In conclusion, implementing inclusive reforms will not be easy. But, given the high political and economic stakes, developing new policy solutions remains a worthwhile project.

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The analysis above is based on a survey of 3,000 respondents across the United States conducted in August 2022. Sampling was executed by Lucid Theorem, a popular respondent recruitment tool in Political Science survey experiments. The effective sample is just over 2,500 individuals after dropping incomplete responses and eliminating respondents who took the survey in under two minutes (implying that they did not read the questions fully).

Note that respondents were not provided lengthy descriptions of America's current trade policies. Nor were they told about the detailed reforms that have been proposed to international trade and investment law. Describing these complexities would be too burdensome and drive down responsiveness. Moreover, too much information about the current state of affairs may bias attitudes. Instead, the survey is designed to get intuitive reactions to what respondents think are good ideas for the U.S. economy.

All reported responses confirmed their willingness to participate in the survey and were all told that they may opt out at any time.

All 50 states are represented, as well as respondents across various age groups, education levels, and genders. Responses skewed overwhelm' T M D I T ɔ A ɹ ɕ