

Bottling the Demon of Free Trade: Trumpism and Protectionism

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The election of Donald J. Trump on Tuesday, November 8 terrified many who consider themselves notionally progressive or traditional republicans. It also terrified free trade ideologues, and those who believe that opening borders to boundless consumer goods and services eradicates poverty.

There are few better exponents of this idea on trade than Australian Prime Minister Malcolm Turnbull, whose insistence that protectionism remains an evil to be combated has sounded pious. Keep the markets open, while shutting borders to people desperately seeking refuge. In other words, keep such monsters as the Trans-Pacific Partnership Agreement on the table for full implementation, while flouting the UN Refugee Convention.

This view is featherbedded by other leaders ahead of the Asia-Pacific Economic Cooperation group summit taking place in Peru, all insisting with numbing acceptance that free trade is as natural as breathing air, axiomatic to the smooth functioning of a global economic and financial system.

Peru's President Pedro Pablo Kuczynski decided to make his opening address to the leaders of the summit a platform for his fears about how "protectionism" was "taking over" in the UK and the United States.

Rather than addressing the reasons for pro-protectionist movements, the glorious assumptions of free trade are presumed. "It is fundamental," suggested Kuczynski, "that world trade grow again and that protectionism be defeated."[1] His solution was to make APEC the ultimate critic, rather than interrogator, of such movements.

Japan's trade minister, Hiroshige Seko, was similarly inclined. "We agreed to push forward free trade to counter protectionist sentiments."[2] Rather than actually addressing the core shibboleths of free trade that have seen a spike of criticism of its tenets, Seko presumed it to be a non-starter as an argument.

Ditto his colleague in government, Foreign Minister Fumio Kishida. "It's time for APEC to show a strong commitment to free trade and contribute to sustainable growth and prosperity in the Asia-Pacific region."[3]

It never has been, nor will it ever be, but the politics of trade and the enriching of the corporate classes at the expense of social and public policy (medicine, environment) has taken place along one axis, ignoring the effects and views on those it supposedly benefits.

In Trumpland, and the world of Brexit, these supposed beneficiaries have roared their disapproval. They look at their bank balances and see diminishing returns. They fear the

cost of increasing medication. Others are concerned about environmental degradation. All are concerned by surrendering sovereignty through the death of a thousand cuts. The nonsense of free trade as a magic pudding of delight and gifts has populated the thinking of economic establishments for decades, and has only received a good bashing in recent years. Studies have been produced on specific free-trade deals showing that the trade engaged in is never that free, and never that competitive. No matter – ideology manufactures the necessary blinkers for free traders to insist on the virtues of such arrangements.

Amidst such Trump promises as the building of a defiant wall to keep unruly Mexicans out of the land of the free, or withdrawing funding from sanctuary cities who shelter undocumented immigrants, lies a promise to those not associated with the neo-liberal traditionalists. The Trans-Pacific Partnership, he promised, would be scrapped. Once Hillary Clinton's campaign effectively pulled the rug of calculation from under rival Bernie Sanders' campaign, Trump intensified focus on the TPP and the notion of the unfair trade deal that would fail to deliver for American workers.

The response was not purely populist - the problems of such a trade deal provide a neat illustration on how modern governments treat their citizens relative to corporations. Notorious for unprecedented levels of secrecy, the entire base for negotiating a deal intended to influence countries through the Asia-Pacific rejected the very idea of civil society.

The message, in other words, is simply not getting through, despite the election result. The patrician classes feel they know better. Bloomberg View columnist Mihir Sharma provides a typical view, preferring to see trade in its global context: American workers bemoaning their returns from free trade, along with critics from the left, ignore "the obvious benefits of trade for workers in poorer countries, and thus barely deserves to be called progressive."[4]

Take the big view, and the long road, insists Sharma. That road, however, has become a vaguer one, with President Barack Obama admitting on Wednesday in Athens that the effects of globalisation on those "who feel they're losing control of their future" had to be dealt with.

Despite such a statement, the status-quo, at least till Trump thunders into the White House, remains, shining a light on free trade enthusiasts. This can be gathered from the joint opinion piece by Obama and German Chancellor Angela Merkel, published by the German daily *Wirtschaftswoche*: "Germans and Americans must seize the opportunity to shape globalization according to our values and ideas."[5](Be wary of Chinese efforts to do the same, in other words.)

Furthermore, "We have an obligation to our companies and our citizens - in fact, to the entire global community - to broaden and deepen our cooperation." The ease of universalising a local or national project is irresistible in such messages.

For Trump, this pompous assertion of universality needs to end. Be openly self-interested; keep things distinct to the American program. To make America great again may require bruising trade battles precisely done to preserve perceived values. If necessary, raise tariffs and toughen the stance on China's currency policy. Many who voted for him will find such views hard to fault, whatever their tangible consequences.

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Notes

- [1] http://www.bangkokpost.com/news/world/1138765/protectionism-must-be-defeated-peru-preside nt
- [2] http://www.japantimes.co.jp/news/2016/11/18/business/apec-vows-promote-free-trade-protection ism/
- [3] http://www.japantimes.co.jp/news/2016/11/18/business/apec-vows-promote-free-trade-protection ism/
- [4] https://www.bloomberg.com/view/articles/2016-11-18/why-trump-voters-should-love-the-tpp
- [5] https://www.whitehouse.gov/the-press-office/2016/11/17/op-ed-president-obama-and-chancellor-merkel-future-transatlantic

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