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Sustainable Equitable Trade: A New Doctrine for International Commercial Policy

U.S. international trade policy increasingly conflicts with U.S. domestic politics. In its latest report, the Roosevelt Institute unveils a Sustainable Equitable Trade (SET) doctrine that can make international cooperation more domestically palatable. The doctrine has three pillars:

I. Flip the class bias: For 100 years, the U.S. has had a business-friendly and heavily judicialized approach to global governance. While international economic cooperation agreements are essential to addressing shared global challenges, policymakers must flip the class bias of international arrangements so that the working class majority is favored over elite minorities.

II. Promote systemic participation: The international economic policies policymakers advocate must create and nurture their own political constituencies if they are to survive attack. Labor, environmental, and other civil society groups must be given a direct role in enhancing checks and balances in global economic governance.

III. Win power: The party that hopes to implement these changes must be one that can win elections. This means having messaging and policy that can speak to trade-related economic anxiety in the key Midwestern battleground states, and build power across racial lines.

The report, which pulls together diverse social science research, makes the following recommendations:

1. **Cooperate internationally on biggest-ticket items**. The benefits of international cooperation on fighting tax evasion, monopoly power, unstable financial markets, climate change, and macroeconomic imbalances from misaligned currencies far outstrip even the most optimistic projections for agreements like the Trans-Pacific Partnership (TPP). Changes to trade agreements and domestic law should focus on the highest-value targets, not the meager and divisive.

2. **Open up trade agreements and international litigation to broader societal interests**. Currently, investors have litigation rights in trade deals that other groups (such as unions, environmentalists, and domestic investors) don't have. A new Equitable Investment Act, Equitable Investment Convention, and Equitable Recognition Act will put all groups on a level playing field—and fixing how pact violations are remedied so as to ward off rent-seeking and speculation—global economic governance will gain legitimacy and defenders.

3. **Reorganize government and treaty-making**. A new Special Advisor for Equitable Trade and Globalization should be tasked with a much broader mission than simply signing new bilateral trade deals, including new types of multilateral cooperation and better statistical collection.

4. **Enact a Sustainable Jobs Industrial Policy**. While the new administration has pushed "Buy American, Hire American" rhetoric, it has done nothing to ensure that whatever rents are generated by this approach "trickle down" to workers. A smart industrial policy would focus benefits on firms that have the best labor practices and high-road business models.

5. **Establish a Trade Reparations Commission**. For decades, policymakers have subjected U.S. workers to grinding competition with low-wage workers with no adjustment assistance anywhere near scale. However, 30 years in, unwinding supply chains and cancelling trade agreements is likely to do more harm than good. Instead, policymakers should admit their approach was flawed, but focus on building future prosperity by making financial reparations for the harm caused.