Outline

❖ History of Multilateralism
❖ Changes over last nine months
❖ Outlook

US Leadership in Multi-lateralism

- GATT, WTO represented US-led Multi-lateralism on trade
- G-7, later G-20 also American-led
  - G-20 Meeting in Pittsburgh in 2009 especially important
- Paris Agreement on Climate
- Iran Deal
A prominent bilateral agreement with South Korea is under threat.

NAFTA Negotiations

US undermining the WTO

- US ‘global safeguards’ law (Section 201)
  - Current cases are solar panels and washing machines
  - If they find injury, President has discretion
    - Import tariff of up to 50 percentage points more than current levels.
    - Impose a quota on imports,
    - Negotiate a deal with major foreign sources whereby they “voluntarily” agree to limit export sales to the U.S. market
Undermining the WTO

- "Section 232" review of the U.S. steel industry
- Threat to introduce steel tariffs on "national security grounds"
G-7, later G-20

- US now the laggard especially on trade and on climate
Paris Agreement

- Trump has announced an American withdrawal
Iran Deal

- Former process: claim Iran has not complied
Domestic Politics

- US Senate more free trade than President
- But Democrats moving further against
- Climate: Some sub-national reactions
International Politics

❖ Trump, Brexit have brought Europe together
  ❖ EU threatens sanctions on bourbon, dairy, orange juice
❖ More serious discussions between Europe, China
❖ TPP is moving forward, but under Japanese leadership instead of under American
Conclusions

❖ Don’t expect US leadership internationally
❖ There remain problems where multi-lateral cooperation would make sense
❖ BUT: economic growth continues to surprise on the upside
❖ Would policy change in a recession?