
US Multilateralism

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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



US Leadership Today—Trade

- ❖ A prominent bilateral agreement with **South Korea** is under threat.
- ❖ **NAFTA** Negotiations
- ❖ Future Trade Agreements: **TPP, TTIP** dead. Stated preference for bilateral agreements.

US undermining the WTO

- ❖ US 'global safeguards' law (Section 201)
 - ❖ Current cases are solar panels and washing machines
 - ❖ the U.S. International Trade Commission (ITC) investigates whether imports cause injury to a U.S. industry.
 - ❖ 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



**Jerry Brown and Michael Bloomberg
Launch "America's Pledge" in Support of
Paris Agreement**

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 up side
 - ❖ Would policy change in a recession?