

AMERICANS ON GLOBALIZATION: A Study of US Public Attitudes March 28, 2000

Introduction

From many points of view, the process of globalization has displaced the Cold War as the central drama of this era. It has become a truism that with the growth of international trade, the freer international flow of capital and the outsourcing of production, the world has become increasingly interconnected. The world economy is going through a process of becoming a singular economy, with consequences that reverberate through every corner of the globe and have profound implications for Americans.

While economic integration may be the central engine in the process of globalization, there is also a broader normative process. In addition to the increasing interdependence spawned by economic globalization, the explosive growth of telecommunications and high-speed travel have made international conditions much more salient to Americans. In public discourse, there is a tremendous amount of discussion about what principles and norms should apply internationally. International institutions have gained increasing prominence as the demand has grown to apply international norms in realms that historically have been the province of nation-states, such as human rights and the treatment of ethnic minorities.

There are strong indications that globalization is no longer an arcane and abstract topic limited to the concerns of specialists. At the World Trade Organization's November 30 ministerial meeting in Seattle, government representatives were shocked to encounter thousands of demonstrators arrayed against the WTO's efforts to expand international commerce. What the trade specialists saw as an enterprise enhancing living standards around the world was portrayed by passionate critics as undercutting labor standards, damaging the environment and subordinating the interests of people around the world to the demands of multinational business.

Clearly, the process of globalization is gaining prominence in the public eye. But little is known about how the majority of Americans actually feels about it. The legislative calendar is filled with upcoming decisions that will influence the shape of future globalization. Decisionmakers rightly wonder how Americans feel about these decisions.

At the most general level, how do Americans view the general process of globalization? Do they see it as something that is more positive or more negative? Do they think the policy of the US government should be to promote it or to resist it?

The most prominent aspect of globalization is international trade. Do Americans see the growth of trade as something positive or negative? Under what conditions do they favor the lowering of trade barriers? Who do they see as benefiting from the growth of trade? How do Americans relate to the traditional debate between protectionists and free traders?

The American worker now competes in a globalized economy. Do Americans see this primarily as a threat as American workers confront low wages abroad or primarily as an opportunity to leverage their skills in a broadened market? How do Americans feel society should deal with those workers whose jobs are disrupted by the forces of globalization and the growth of trade? Do they feel it is the government's responsibility to have special programs which help retrain them or do they think such programs will be expensive and ineffective?

At the top of the current agenda is the issue of whether trade agreements should incorporate commitments to minimum labor standards -- or, indeed, whether trade issues and labor issues should be discussed at the same table. Those stressing the need for universal standards argue that humanitarian principles require that workers everywhere should be protected from exploitative employers. Those concerned about American workers argue that American workers suffer if they are forced to compete with workers toiling under exploitative conditions. However, the WTO historically has resisted making labor standards part of trade agreements, fearing that these may create a barrier to trade. The leaders of developing countries have denounced such standards as thinly disguised protectionism intended to deprive them of a competitive edge derived from low-cost labor. For the American consumer, higher labor standards may also result in higher consumer prices. How do Americans respond to the different dimensions of this debate?

Environmental issues have generated similar controversy. Should environmental standards be part of trade negotiations? Environmentalists insist this is the only way to avoid a "race to the bottom" -- without such standards, corporations will simply go to countries with the lowest environmental standards. Here again, the WTO historically has resisted bringing environmental issues into trade negotiations for fear this will create new barriers to trade. Developing countries fear that complying with higher standards will be onerous. Where do Americans come out on this debate?

Another controversy is whether individual countries should be allowed to put up barriers to products produced in ways which damage the environment. At present, the WTO operates by the rule that *how* a product was produced cannot provide a legitimate reason for erecting a barrier to that product. Those who support this rule argue that countries are free to set their own domestic environmental standards, and applying environmental standards to imported products is really just protectionism in a new guise. Environmentalists argue the WTO's rule dilutes the effect of domestic environmental regulations by undercutting products that comply with them. Again, the WTO's position may be the one that benefits Americans' pocketbooks. Does the American public think environmental concerns should be a basis for excluding certain imports?

Another constant source of international friction is whether the US should

use trade sanctions in support of goals that have no direct connection to trade -- such as stopping terrorism or the spread of weapons of mass destruction, supporting human rights and defending the environment. Proponents stress that these other values are more important than the benefits of trade. Those that oppose them argue that sanctions only hurt the more vulnerable sectors of society and thus are not effective and that in some cases it violates national sovereignty for the US to impose its standards on another society. Opponents also say that sanctions often force American corporations to forego key business opportunities. How do Americans respond to this welter of arguments?

Americans also face the use of sanctions against some of their own products. Europeans have sought to exclude US goods based on health concerns related to hormones and genetically modified organisms and cultural concerns related to the export of American movies. Do Americans regard these barriers as legitimate or as simply another barrier to trade?

While the growth of international trade is the most prominent feature of globalization, the globalization of values and the rise of international norms - on human rights, labor issues, the environment and other areas -- may actually be the aspect that, in the long run, will pose the greatest political challenges. While these changes are visible now to many observers of the international scene, is the mass of ordinary Americans really affected by them? If so, how does the familiar framework of national interest fare with the public when it is impacted by the rise of global values? When Americans see suffering in other countries, do they respond to it in ways that are highly different from the way they respond to suffering in their own country?

Another key controversy about globalization -- one which relates to both economics and values -- is whether globalization is widening the gap between the rich and the poor or whether it is improving the lot of rich countries and poor countries alike. This debate will continue, but it has already led to important proposals, such as that put forward by Michael Moore, Director-General of the World Trade Organization, for taking steps to channel the benefits of trade to the poorest countries. Which side in this debate is the majority of Americans more likely to favor? Do they think the US has a responsibility to further poor countries' development? Would Americans be willing to accept costs in the pursuit of this goal?

As globalization proceeds, arguments intensify over the roles international institutions should play. Thrust with greater frequency into crises and quarrels that nations are hesitant to manage, institutions like the United Nations, the World Court, the International Monetary Fund and the World Trade Organization all find themselves under testing and scrutiny. How do Americans view these organizations, and what future role do they think these institutions should play? Do Americans want these organizations to have real teeth? How do Americans think the US should react to decisions by international organizations that go against the US?

On a world scale, the spread of American culture has been the aspect of globalization that arguably has evoked the most international hostility. The startling growth of mass communications has brought American sounds,

images and discourse into every corner of the world. From China to France to the Middle East, foreign leaders and activists have expressed fear that global culture may become too Americanized, destroying their local cultural, economic and religious traditions. How do Americans feel about the spread of American culture? Do they see this as something positive they would like to promote?

To explore in depth the American public's attitudes on these questions, the Program on International Policy Attitudes (PIPA) conducted a multi-part study including:

- a comprehensive review of existing polling data;
- focus groups held in Dallas, Texas; Battle Creek, Michigan; and Baltimore, Maryland;
- a nationwide poll conducted October 21-29, 1999, with 1,826 randomly selected adults (weighted to be demographically representative). The margin of error ranged from +/- 2% to +/- 4%, depending on the portion of the sample that heard the question, with most questions at the 4% level (see Appendix F for more details on how the study was conducted).

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AMERICANS ON GLOBALIZATION

Executive Summary

From many points of view, the process of globalization--economic, normative, and institutional--has displaced the Cold War as the central drama of this era. The remarkable growth of international trade, the freer international flow of capital and the outsourcing of production, the explosive growth of telecommunications and high-speed travel, and the global spread of US culture have all contributed to the creation of a new world that is increasingly interconnected.

There are strong indications that globalization is no longer an arcane and abstract topic limited to the concerns of specialists. Clearly the process of globalization is gaining prominence in the public eye. But little is actually known about how the majority of Americans actually feel about globalization.

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- a comprehensive review of existing poll data
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Key Findings

Globalization in General

1. Overall, Americans see globalization as somewhat more positive than negative and appear to be growing more familiar with the concept and more positive about it. A large majority favors moving with the process of globalization and only a small minority favors resisting it. Americans view globalization as a process of the world becoming increasingly interconnected. It is seen not only as an economic process, but also as one in which values are becoming more oriented to a global context and international institutions are playing a more central role. Section 1

International Trade

2. In principle, a majority of Americans support the growth of international trade, especially when the removal of trade barriers is clearly reciprocal.

However, Americans are lukewarm about the actual net benefits of trade for most sectors of society, except for the business community. A majority believes trade widens the gap between rich and poor. A strong majority feels trade has not grown in a way that adequately incorporates concerns for American workers, international labor standards and the environment. Support for fast track is low, apparently because it signifies the increase of trade without incorporating these concerns. <u>Section 2</u>

Concerns for American Workers

2A. Most Americans feel that that workers are not benefiting from the increase in international trade and that the needs of American workers are not being adequately addressed by US policymakers. To address these needs a very strong majority supports greater government efforts to help workers adapt to international trade through retraining and education, and if such efforts are made an overwhelming majority says that it would then support the further growth of trade. Using trade barriers as a means of protecting workers from foreign competition elicits ambivalent feelings. A fairly strong consensus, though, points to gradually lowering trade barriers as workers are given time to adapt to the changes entailed. <u>Section 2A</u>

Trade and Labor Standards

2B. An overwhelming majority favored requiring compliance with international labor standards as part of international trade agreements. An overwhelming majority also feels that the United States should not allow products to be imported when they have been made under conditions in violation of international labor standards. <u>Section 2B</u>

Trade and the Environment

2C. Americans overwhelmingly support the view that environmental issues should be considered in trade decisions and that there should be more international agreements on environmental standards. A very strong majority rejects the WTO's current position that countries should not be able to restrict imports based on the environmental effects of their production. <u>Section 2C</u>

Trade Sanctions

2D. Americans show a substantial readiness to favor limiting trade with other countries who violate standards on human rights, the environment, supporting terrorists and the proliferation of weapons of mass destruction. Support for such sanctions is resilient in the face of challenges, even though Americans are divided as to whether sanctions are effective in changing other countries' behavior. Support persists because Americans want to take a stand on based on their values, and because the cost of imposing sanctions is perceived as low since the net benefits of trade are seen as marginal. Americans are also surprisingly accepting of barriers applied to American products based on various principles such as concern for the health effects of genetically modified foods or beef grown with hormones.

Section 2D

Globalization of Values

3. In a variety of ways, Americans show that their values are oriented to a global context and are not limited to a narrow concept of national interest. They show nearly the same level of concern for suffering inside and outside the US. Strong majorities feel that increasing economic involvement with other parts of the world increases Americans' responsibility to address moral issues in those countries. Most say they are willing to pay higher prices for products certified as not made in sweatshops. Overwhelming majorities feel US companies operating outside the US should be expected to abide by US laws on the environment and working conditions, even though they recognize this would likely lead to higher prices. <u>Section 3</u>

Helping Poor Countries

3A. Most Americans perceive poor countries as not getting a net benefit from international trade and support giving poor countries preferential trade treatment. Very strong majorities believe that the US has a moral obligation to promote development in poor countries and that doing so ultimately would serve US economic interests. A more modest majority supports trade with low wage countries that are not necessarily poor, but a strong majority believes that it serves US interests for the economies of developing countries to grow. Section 3A

International Cooperation

4. To address global problems, a very strong majority supports increased international cooperation and stronger international institutions that may even intervene in the internal affairs of countries. Support is strong for international institutions stepping in when there is regional economic instability; to deal with terrorism or environmental issues; and when a country is committing atrocities. Majorities favor strengthening the UN, the World Court, and the WTO, though only a plurality favors strengthening the IMF. A strong majority favors an International Criminal Court, and a modest majority supports a standing UN peacekeeping force. A strong majority feels the US should abide by WTO decisions when they go against the US, and a majority favors the US accepting the compulsory jurisdiction of the World Court. <u>Section 4</u>

Spread of American Culture

5. A majority of Americans has a favorable view of American popular culture. Even though a large minority of the public is pessimistic about the quality of US movies and television and has mixed feelings about the globalization of US commercial culture, only a small minority considers the dominance of US culture a threat to other cultures. A very strong majority of Americans thinks the US has had a lot of impact on popular culture in the rest of the world, and a majority thinks it will have even more of an impact in the future. A strong majority also thinks the globalization of the economy

makes understanding other cultures even more important than in the past. Section $\underline{5}$

Appendices

US-China Trade

It is unlikely that a majority of Americans would favor either the US Congress granting China permanent normal trading relations or the World Trade Organization extending membership to China. In numerous polls conducted during the last few years, a strong majority has said the US should limit its trade with China to pressure it to improve its human rights record and stop selling nuclear weapons technology. A modest majority has also opposed granting China most favored nation status or normal trade relations. Polls that clarify that China's joining the WTO would result in greater trade without concessions from China on human rights elicit opposition ranging from a strong plurality to a strong majority. The argument that trade promotes political and economic reform in China is not highly persuasive. At the same time, a strong majority of Americans does want to continue to trade with China and does not want to behave in a punitive fashion toward China. <u>Appendix A</u>

NAFTA

Since late 1997 a plurality of Americans has felt that the NAFTA agreement has produced net benefits for the US. Only a small minority wants to withdraw from it. But a majority does express some dissatisfaction with NAFTA in its present form. Strong majorities think NAFTA is good for US businesses; however, the public is divided about its benefits for consumers and workers. A plurality or slight majority believes that NAFTA is costing US jobs and putting a downward pressure on the wages of US workers. <u>Appendix B</u>

Comparison with European Attitudes

Modest majorities or large pluralities in the US and four European countries all expressed **positive views of economic globalization**. Majorities in Europe view **foreign investment** positively, while a modest majority of Americans takes a negative view. In a classic case of a **mirror image**, by overwhelming margins Europeans and Americans both perceive their side as more open to imports from the other side. Both Europeans and Americans tend to put a higher priority on the preservation of jobs than on the benefit of lower prices that comes with trade. Despite much talk about the spread of American culture through globalization, only a small minority in Western Europe, as well as in the US, consider US culture a threat to other cultures. <u>Appendix C</u>

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