

# Age of the Deal: Donald Trump Won the Battle of Seattle

Written by Carlos Frederico Pereira da Silva Gama

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<https://www.e-ir.info/2020/02/21/age-of-the-deal-donald-trump-won-the-battle-of-seattle/>

CARLOS FREDERICO PEREIRA DA SILVA GAMA, FEB 21 2020

A recent piece in *Jacobin* revisited the Battle of Seattle, 20 years later. It argues that the blockade of the World Trade Organization round at the homeland of *Grunge* and *Starbucks* was a turning point for the Left after the 1990s' shortcomings. As global elites got a rude awakening from social movements and civil society, a new global grammar of political action seemed available for the downtrodden in a new millennium.

10 years after the Arab Spring, 20 years after Seattle, 30 years after the Berlin Wall, we contemplate neither the end of History[1], nor raptured Left internationalisms. The global economy still deals with scars from its deepest crisis since 1929. Populism rages on with democracy locked down in a downward spiral all around. From the ashes of a WTO meeting that never was, Donald Trump emerged as an unlikely force for global transformation. From trade patterns through the state of democracy[2] to the resilience of civil liberties, the POTUS was associated with broad strokes of social transformation in a brief spam of time.

This scenario seems puzzling. We should be able to provide tentative answers. Or at least, a potential roadmap.

By the late 1980s, several complex processes seemed to lead to improbable, yet expected outcomes. The Berlin Wall's fall plus USSR's implosion provided massive pushes for European Integration (Maastricht, 1992) and NATO enlargement (with prominent former members of Warsaw Pact at the helm of 1991's Visegrád Group). Five decades of GATT culminated with the successful completion of the Uruguay Round (in 1994) and the creation of the World Trade Organization (WTO).

Making justice to Robert Krasner's prototypical definition of international regimes – *'sets of implicit or explicit principles, norms, rules, and decision-making processes around which actors' expectations converge in a given area of international relations'*[3] – the World Trade Organization swiftly succeeded the long-standing GATT in 1995, with 76 founding members. As Robert Keohane famously stated, talks about cooperation "after hegemony"[4] reserved several prominent roles for international institutions. The WTO, as a multilateral institution, was born "with teeth"[5]: an enforcement mechanism for dispute settlement among a broad constituency. Now with a membership of 164 countries, it contemplates chronicles of a death long foretold.

In the course of 25 years, a partially globalized international economy endured a series of global crises. The *Tequila crisis* of 1994 opened gates for whirlwinds of turmoil in emerging states (Mexico, Argentina, Thailand, Indonesia, Russia, Brazil) – all still in the 20<sup>th</sup> century. The *dotcom bubble* of the early 2000s was the first of its kind in the new millennium. However, most of us were deeply surprised (apart from Nouriel Roubini) by the scope and depth of the US 2008 real estate debacle, which pulled the trigger for a global crash.

Notwithstanding those massive retreats for global economy, trade in goods and services grew far above the world's gross domestic product between 1995 and 2010 – from the WTO's birth to the sluggish aftermath of the crisis. Part of this can be associated with current international framework, in spite of its limitations.

The dismal outcomes of the Doha Round in 2006 sent early signs of discomfort in multilateral trade, as emerging

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economies and OECD members clashed in a number of issue areas on matters that proved to be pervasive – such as agriculture and property rights.

After the crisis, global trade became the staple of a new wave of populist assault on “globalism” – not restricted to inflamed rhetoric. Protectionist policies were adopted in a number of countries. Roberto de Azevêdo's focus on small packages of reforms may have proved a prudent policy route for a contested institution like the WTO, but they feel short in face of the breadth of new challenges with disquieting global effects. In that respect, President Trump's inauguration may be considered a tipping point.

Twenty-five years after its inception, the WTO reached paralysis in late 2019, as the US president, Trump refused to appoint two representatives to replace retired members of the Appellation Body. After Seattle, another kind of blockage damages the workings of multilateralism. Only that, this time, with a full-blown knockout. In a world already battered by trade wars between US and China, dispute settlement in a toothless WTO may be reduced to bilateral maneuvering at the edge of the “*art of the deal*”[6].

By depriving the WTO of a defining feature, Trump brought the state back in as a force to be reckoned in international political economy – something the prophecies of 1989 could not contemplate in full. His was an approach that countered post-Cold War forecasts. It still has appeal for disenfranchised audiences.

As José Bové drove a bulldozer to a McDonalds in defense of French agriculture on the ropes of the integrated markets in a partially globalized economy[7], “globalism” was vilified as the root of economic shortcomings. This was one of the key Seattle motifs: a widening gulf between *global elites* and *the rest* (something that returned a decade later in Occupy Wall St., under the guise of “99% versus 1%” slogans). Another defining trend was the late arrival of trade unions at the scene of the Seattle clashes. The latest losers of globalized capitalism reared their heads, for rust belts became pockets of disaffection in developed economies. Of course, demoted industrial areas looking for greatness “again” looked at the WTO suspiciously – an anathema.

As early as 2011, Trump emerged as unlikely champion of definitely unlike groups – the 1% and the rest. For liberals and tycoons, his residual charm at the lost art of the deal meant an uncompromising stance for American corporations after the brief spell of Obama Keynesianism lost its appeal. Not to be missed was the threat of a rising China – one that surprisingly (at least in retrospect) quickly adopted multilateral trappings and free trade rhetoric across international forums. In campaign, Trump promised an end to Chinese “violence”. A host of protective trade measures followed suit, at the expense of global trade.

If he delivered the goods (up to a point) for the 1%, what would be left for the rest? In a baffling reversal of attitudes, Trump emerged from his 2016 campaign as a working class hero against an elitist Democratic Party. His victory was dully consolidated in rust belts, as the former reality show presenter[8] rode America promising advantageous bilateral trade deals and “Made in USA” brands prevailing at global arenas. His appreciation for fake news on social networks seemed to conflict with economic statistics, which saw employment rates bouncing back to the days of Hillary's husband, Bill Clinton, as well as sustained GDP increase.

So, did the US eventually become “great” again? In terms.

In the decade following 2008, the Eurozone GDP grew on average only 0.78% yearly. Though this lays some credibility on Trumpist rhetoric, India grew on a 7,12% average. That means Indian GDP doubled in the space of an (otherwise for many) “lost” decade. Under Xi Jinping, China experienced a slowdown of growth rates – at the tail end of its transition from an agricultural economy to an industrial powerhouse across 40-odd years[9]. Halfway across this decade it lost the primacy in being the fastest-growing economy in the world (to India). Still, it relied on an average GDP rate of 7,95%[10]. Additionally, the Belt and Road Initiative made Chinese diplomacy more prominent than ever since the 1949 Revolution.

What about the agonizing WTO? Even though world trade indicators roughly accompanied the world's GDP growth patterns after the crisis, the acrimony between the institution and US was not ushered by Trump. Indeed, it was

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Obama who played the contestation card since 2011, unseating South Korean judge Seung Wha Chang. By willful neglect, Trump (the American president who seated with Kim Jong Un) has just finished his predecessor's job, who also refused to bow down to the Appellation Body during his term.

Ironically it may be, there are structural features at play. The US seems at the losing end of trade disputes. It is not only a matter of American slow decadence<sup>[11]</sup>, as the rest (of the world) did not stand still.

As communities carefully attempt to foster incentives for uncertain ecologic transitions, Trump mobilized the haunts of structural unemployment, opening the gates for oil and mining industries at reserve areas. Making America "great" again often meant taking steps back from international commitments. Apart from undermining NAFTA and leaving the Paris Agreement, Trump trended allies out of the water (take it by Brazil's Jair Bolsonaro). During his administration, the US also fell at odds with NATO allies and the European Union on issues ranging from Russia to Iran's denuclearization. This pattern left him with very few friends. He could not muster support during Venezuela's crisis, the aftermath of the Syrian civil war or the North Korean talks.

International regimes and institutions highly depend on expectations' convergence – many of them shattered after 2008, something enhanced after Trump. The overlapping of issue-areas at urgent conjunctures (for instance, preserving what is left of the Earth's environment versus economic recovery after a brutal crisis) allowed few virtuous synergies so far. Additionally, international institutions face recurring contestations regarding capacity to bring trans-issue "governance" to fruition with efficiency and representativeness. Unintended consequences of integration processes become part of the stock of learning and adaptation. Thirty years after the Wall, Europe is sponsoring a handful of them across the continent, as well as in partnerships with neighboring states in Middle East and North Africa. In a global context, Trump's hypothetic border wall with Mexico hardly constitutes an exception.

With US trade deficit falling significantly for the first time since 2013, Donald Trump emerged as the unlikely victor of the Battle of Seattle. By halting the WTO in the electoral year of 2020, he may well have found additional sustenance for claiming reelection (after surviving an impeachment trial). However, this does not assure the upper hand on ongoing conflicts for *framing globalization* – of which Trumpism contributes just one piece in a million-piece puzzle, even though similar moves are still on the run.

Making America – once again – "great" no longer seems a matter reserved for domestic nostalgia. After underestimating Trump's political muscle for long, multilateralism and its institutions suffer accordingly. The inevitable triumph of liberal democracy seems deferred not from abroad, but exhausted from within. Experienced among post-Cold War frustrations, battles for a world more prosperous, fair and inclusive can no longer cast a blind eye to such challenges.

## Notes

[1] Fukuyama, F. (1992). *The End of History and the Last Man*. Los Angeles: Avon Books.

[2] Levitsky, S. & Ziblatt, D. (2018). *How Democracies Die*. New York: Crown.

[3] Krasner, S.D. (1982). "Structural Causes and Regime Consequences: Regimes as Intervening Variables". *International Organization*, Vol. 36, No. 2, *International Regimes* (Spring, 1982), pp. 185-205.

[4] Keohane, R.O. (1984). *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton: Princeton University Press.

[5] Ruggie, J. G. (1992). "Multilateralism: the anatomy of an institution". *International Organization*, Vol. 46, No. 3, p. 561-598.

[6] Trump, D.J. & Schwartz, T. (1987). *Trump: The Art of the Deal*. New York: Random House.

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[7] Northcutt, W. (2003). "José Bové vs. McDonalds's: The Making of a National Hero in the French Anti-Globalization Movement". *Journal of the Western Society for French History*, Vol.31 (2003), pp. 326-344.

[8] Trump was the presenter of NBC reality show "The Apprentice" during 14 seasons, starting in 2004.

[9] Gama, C.F.P.S. & Camargo, F. (2018). "From Farmers to Firms: United States and China in a Shifting World Order". *Conjuntura Internacional*, v.15, n.2, p.11-21.

[10] Ibid.

[11] Friedman, T. & Mandelbaum, M. (2011). *That Used to Be Us – How America Fell Behind in the World it Invented and How Can We Come Back*. New York: Picador.

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