

NAFTA REVISITED:

UNIFIED 'OPINION LEADERS' BEST A RELUCTANT PUBLIC

By Guy Molyneux

Despite all the media attention, an unprecedented White House public relations blitz, and the Gore-Perot debate, public opinion was essentially unchanged in the months leading up to the NAFTA vote. In mid-September, when the public debate over NAFTA began to heat up, a narrow plurality of the American public opposed the trade treaty. In a finding generally consistent with other national media polls, Gallup for *CNN/USA Today* had it 35% in favor and 41% opposed. Two months later, on the eve of the House vote, the same question registered 38% in favor, 41% opposed.

The tale of NAFTA is, first and foremost, that of a skeptical public which began—and finished—the debate unpersuaded despite the nearly unanimous support of national opinion leaders. Two important questions deserve our attention here: First, why didn't the expected "populist backlash" materialize? Second, was NAFTA really a great victory for Bill Clinton? Here I will try to look, briefly, at each of these aspects of the story.

The Public vs. Elites

In September, NAFTA actually faced a more skeptical public than is suggested by a six-point opposition margin. Trend questions generally showed opposition growing, steadily if slowly. Moreover, pluralities or majorities rejected all three reasons Gallup offered respondents for supporting expanded free trade with Mexico: that it would create jobs by expanding exports (56% disagreed), reduce illegal immigration (56%), and lower prices for consumers (49%). Clear majorities, however, *agreed* that NAFTA would cause US companies to relocate to Mexico (73%), hurt the environment (61%), and lower US wages (54%). A commanding three-to-one majority felt the treaty would result in fewer rather than more jobs in the United States.

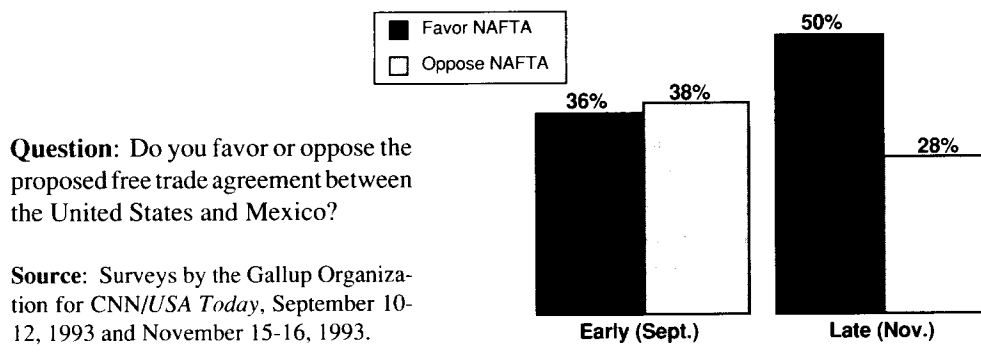
These results are hardly surprising. Polling data have long shown the public to favor protection against what it sees as unfair foreign competition, and to oppose any weakening of trade restrictions. These

attitudes are easily and often caricatured as xenophobia, racism, or mindless protectionism. In my judgment, though, protectionist sentiment represents something quite different: belief in direct observation and experience instead of economic theory. For nearly two decades Americans have seen jobs move overseas and wages decline while their leaders appeared complacent or oblivious, and they are—rightly—angry about it.

At the same time, polls consistently show that Americans believe in free trade principles. They want to compete, not retreat; and they feel the problem of US competitiveness has more to do with our failings than anything other nations have done. But they *also* believe some jobs need to be protected against imports from low-wage countries, that other countries have unfairly closed off their markets, (which requires an aggressive US response), and that protecting American jobs should be a central goal of US foreign policy.¹ In almost any other country these latter notions would be thought quite re-

Figure 1
Clinton Backers Swing to NAFTA

The percentages shown are the NAFTA favor/oppose responses of those who approved of Clinton's presidency.



spectable. Only in America—or rather, elite America—are they considered heretical.

The elite free-trade consensus was very much in evidence in the NAFTA debate. It had the support, as the USA-NAFTA campaign emphasized, of countless Nobel Prize winning economists and every living former president and secretary of state. Press coverage was almost universally positive; virtually no one major metropolitan daily newspaper was editorially opposed. And with support from President Clinton and the majority and minority leaders of both houses of Congress, it had the critical imprimatur of bipartisan-ship.

After the victory in the House, much of the commentary suggested that these pro-NAFTA forces had prevailed in the court of public opinion as well. But a look at the spread between favor and oppose in final media polls—Gallup for CNN/*USA Today* (-3), ABC News/*Washington Post* (even), CBS News/*New York Times* (-4), NBC News/*Wall Street Journal* (+5)—suggest it was at best an even split. And on the critical jobs question, by a five-to-three margin, Americans felt the treaty would lose more jobs for the US than it gained.

The struggle over NAFTA, then, was fundamentally between a unified “opinion-leader” stratum and a very reluctant public. The apparently irresistible forces in the pro-NAFTA camp had met a truly immovable mass—public desire for tougher, not weaker, trade policies. The result was a stalemate.

Those who see in the NAFTA outcome a new free-trade era in American

politics should probably think again. With the support of Bill Clinton, George Mitchell, Tom Foley, Bob Dole, Newt Gingrich, and even Colin Powell (perhaps the most popular man in America), NAFTA achieved only a draw in public opinion. How impressive is that? And how often will these stars be thus aligned? If NAFTA is the opening of a new era, it will be one where trade policy is no longer insulated from public scrutiny, and where a new and tougher standard—job cre-

as were the press and the political community. For most people, the distance between a foreign trade treaty and their daily lives and experiences is enormous. The number of undecideds in polls remained high until the very end of the debate, and on the eve of the House vote 58% could not identify *any* impact of NAFTA—positive or negative—on them personally.

Contrast NAFTA with the Congressional pay hike, where expert opinion was also united in favor. Ralph Nader and a handful of talk show hosts could spark a rebellion because voters immediately grasped the concept that politicians were voting to increase their own compensation. But a 2,000-page trade agreement is another story. Here voters look to trusted leaders for guidance: Will it really expand exports? Does it make it easier for companies to move jobs to Mexico? On issues of such complexity, people scan the political horizon for familiar signposts to tell them which side they’re supposed to be on. Voters intuitively distrustful of NAFTA found few legitimizing voices

for an anti-NAFTA position.

There were two significant exceptions: organized labor, and Perot and his backers. The labor movement organized strongly against the treaty, but focused more on educating and mobilizing union members than on general public outreach. And they were quite effective: Respondents from union households were anti-NAFTA by a 52-30% margin, while others were split 39-39%. But the labor movement today lacks public figures with the standing of a John L. Lewis or Walter Reuther, and thus cannot galvanize broader public opinion.

ation, not low consumer prices—must be met.

The Case of the Missing Backlash

If NAFTA proponents failed to win over the public, majority opposition never developed either. Some observers (myself included) thought they saw that potential, given the early skepticism about pro-NAFTA arguments and the underlying sentiment for trade protection. Why didn’t an instinctively anti-NAFTA public ever become actively opposed?

Part of the answer is that the voting public was never as interested in the issue

Table 1
Profile of NAFTA Support

Question: Do you favor or oppose the proposed free trade agreement between the United States and Mexico?

	Favor	Oppose	Differential
Everyone	38%	41%	-3%
Men	44	42	+2
Women	32	41	-9
East	39	36	+3
Midwest	34	44	-10
South	32	48	-16
West	49	34	+15
College Grad	54	34	+20
Some College	42	38	+4
No college	28	46	-18
Income over \$50K	51	36	+15
\$20-\$50K	32	47	-15
Union	30	52	-22
Non-union	39	39	0

Source: Survey by the Gallup Organization for CNN and *USA Today*, November 15-16, 1993.

Like labor, Ross Perot delivered his own constituency. In November, an NBC/WSJ poll found that those who voted for Perot opposed the treaty by nearly two to one. But Perot's general popularity had been dropping for some time before NAFTA, and his growing stridency drove it down further. He could not serve as an organizing pole for opposition to NAFTA. By better than five to three, people felt his opposition was based more on his own personal and political calculations than concern for the country. Perot's favorite argument against NAFTA—that it would lead to immediate and massive job flight to Mexico—was the one anti-NAFTA argument that showed a significant decline in public support over the course of the debate.

The much-ballyhooed Gore-Perot debate does not appear to have made much difference. ABC polling found a 5-point opposition margin the night of the debate, which grew slightly to an eight point gap two nights later, even though the latter poll showed that the public had absorbed the dominant interpretation that Gore had "won" the debate. There does appear to have been a 3-to-5-point closing of the gap in the very final days before the House vote. Perot may have hurt the anti-NAFTA cause by displacing less prominent but more effective voices like Richard Gephardt and David Bonior, but his performance itself did not lessen public opposition.

President Clinton: Personal Victory, Political Troubles

Although NAFTA was originally George Bush's treaty, by the end of the debate it had very much become Bill Clinton's, at least in the public eye. To an extraordinary degree, his supporters became NAFTA's supporters. As Figure 1 shows, there was no relationship in September between one's feelings about Clinton and support for NAFTA. But by mid-November, Clinton approval was one of the best predictors of NAFTA attitude, with Clinton supporters favoring the treaty by two to one.

What makes this all the more impressive is that Clinton's support comes prin-

cipally from the very demographic groups most in favor of trade protection and most anti-NAFTA: less-educated and lower-income Americans. Few issues in American life have produced a class schism like that of NAFTA. People in blue-collar households, with moderate incomes, and without a college degree were all strongly opposed to the treaty. On the other side were those earning over \$50,000 and four-year college graduates—people, in short, whose jobs were not threatened by cheap Mexican labor. We can only imagine what the class divisions would have looked like without Clinton's countervailing mobilization of Democratic support: they might have been among the deepest of any issue in the past quarter-century.

The general interpretation is that NAFTA was a great political plus for President Clinton, and a tribute to his personal effectiveness.² The latter is certainly true: Democrats' support for the treaty came down to loyalty to Bill Clinton. He told them it wouldn't cost jobs, and they set aside their doubts. However, this ran against their underlying attitudes on trade, and there is no reason to think these have changed. Democrats need to be concerned with such strains in the party.

Democrats should be particularly wary of the fashionable "New Democrat" interpretation: that while NAFTA may have angered core Democratic voters, it strengthened Clinton's claim to being a New Democrat and helped him with the voters who actually determine election outcomes. The numbers tell a very different story.

NAFTA was in fact more popular with "strong" Democrats than with "weak" Democrats or Democratic-leaning independents. Liberals supported it more than moderates and conservatives. Support was weakest in the South and Midwest, almost certain to be the critical battlegrounds of campaign 1996. And Perot voters—the most important swing group in the electorate by far—were strongly anti-NAFTA.

Some of these relationships may fade over time. But swing voters have in fact held strongly protectionist views going

back at least as far as 1988³—Ross Perot tapped into those sentiments in 1992. Anti-NAFTA Democrats are precisely the kind of blue-collar moderates and conservatives whom the party lost in the 1980s but who came back to the fold in 1992. We used to call them "Reagan Democrats."

NAFTA may well prove politically benign for Clinton in the long run. That depends on the treaty's perceived consequences over the next few years, which in turn depend heavily on how the economy in general performs. In the meantime, Clinton must appeal to the low-to-moderate-income voters he will need to win reelection in 1996, and who were less than excited by NAFTA. His plan for health care reform is clearly consistent with that agenda. But it would also make sense to better publicize his approach to trade relations with Japan and Europe, which has in fact been tougher than George Bush's or Ronald Reagan's. And he should use the bully pulpit he employed so effectively on behalf of NAFTA to call on American companies to invest more at home.

Americans want political leaders to stand up strongly for America's economic interests. Democrats in particular need to hear that call.

Endnotes

¹ For a general assessment of public attitudes on trade and US competitiveness, see the monograph I co-authored with Ruy Teixeira, *Economic Nationalism and the Future of American Politics*, (Washington, DC: Economic Policy Institute, 1993), pp. 5-16.

² However, later increases in Clinton's approval ratings probably should not be attributed to passage of NAFTA. Two successive post-NAFTA Gallup polls showed no increase in approval. The increase came later and presumably had more to do with good economic news and general end-of-year optimism.

³ Teixeira and I found from analyzing 1988 poll data that swing voters generally held "tough on trade" views as strong or stronger than those of core Democratic voters.

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