

wants to democratize the WTO by opening the process to special-interest groups. However, it is important to understand how doing so will change the structure of representation within the WTO. The potential winners from free trade greatly outnumber the losers. However, contrary to their claims, the losers from globalization do have representation in the WTO. They have three places to block the USTR's actions: the president, the Senate, and the House. Any settlement reached by the USTR is structured so as not to alienate possible opposition coalitions in Congress. As Congress increases its involvement in trade policy, the interests of MNCs and consumers are increasingly ignored. Opening the WTO by including NGOs in the negotiation process could potentially pull outcomes even further from the interests of the majority and toward the interests of unelected special interests. This is because the losers from globalization have the biggest incentives to organize and participate.

Congress originally delegated trade negotiating authority to the president in 1934 precisely to isolate decisions from special interests. It recognized then, as it does now, that if the process is more open, it is more difficult to reach free trade agreements. Opening the WTO to special interests would almost certainly result in the stagnation of further talks to liberalize world trade. As Marge Simpson said of participatory democracy, "I guess one person can make a difference, but perhaps they shouldn't be able to."¹⁷

NOTES

1. Michael Paulson interview with President Clinton, December 2, 1999. Seattle P.I.com <http://www.seattle-pi.com/national/transol.shtml>.
2. David Evans, December 6, 1999, "EU's Lamy Sees U.S. Election Stalling WTO Deal," http://dailynews.yahoo.com/h/nm/19991206/pl/wto_eu_1.htm.
3. *The Economist*, "Storm over Globalization," December 3, 1999.
4. For more background, see Hoekman and Kostecki, *The Political Economy of the World Trading System: From GATT to WTO* (Oxford, Eng.: Oxford University Press, 1995).

5. As of April 2000
6. This terminology has changed recently; see the WTO web site: <http://www.wto.org/>.
7. For a fuller description of the MFN rule, see "Trading into the Future" by the WTO (1999).
8. R. Baldwin, *The Political Economy of U.S. Import Policy* (Cambridge, Mass.: MIT Press, 1985).
9. Thanks to an anonymous reviewer for making this point
10. This section of the paper draws on work from McGillivray (1997), "Party Discipline as a Determinant of the Endogenous Formation of Tariffs," *American Political Science Review*, and McGillivray and Schiller (1998), "The Political Geography of Lobbying: Forming Coalitions to Minimize Influence in Trade Politics," Working Paper.
11. S. Magee, W. Brock, and L. Young, *Black Hole Tariffs and Endogenous Policy Theory* (Cambridge: Cambridge University Press, 1989).
12. Note that the U.S. government also aids its farmers but through direct payments. However, through the WTO's "green box" policy, these are labeled as nontrade distorting payments because—unlike subsidies—they are decoupled from production.
13. For a fuller description of the footwear and other cases, see McGillivray and Schiller, "The Political Geography of Lobbying."
14. Ibid.
15. Thanks to an anonymous reviewer for making this point.
16. See discussion in *The Economist*, "The Storm over Globalization," November 27, 1999.
17. *The Simpsons*, FOX Network.