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Dr. Kent H. Hughes

Trade Specialist and Public Policy Scholar at the Woodrow Wilson International Center for Scholars

Dr. Hughes, previously he directed the Center's Program on America and the Global Economy. Prior to joining the Center, Mr. Hughes served as Associate Deputy Secretary at the U.S. Department of Commerce and as president of the private sector Council on Competitiveness. He also held a number of senior positions with the U.S. Congress.

Prior to his congressional service, Dr. Hughes served as a staff attorney for the Urban Law Institute. He was also an International Legal Center Fellow and Latin American Teaching Fellow in Brazil where he worked on a reform of Brazilian legal education.

He has spoken and written extensively on trade, technology, and economic policy including his 2005 book, *Building the Next American Century: The Past and Future of American Economic Competitiveness*, which emphasizes the importance of innovation and education to America's future.

Subject Area/Topic: U.S. TRADE POLICY- PROMISES AND PITFALLS

Highlights: The last successful comprehensive trade negotiation occurred in 1993 when the Uruguay Round, among other things, reduced agricultural tariffs and led to the establishment of the World Trade Organization (WTO). More recently, 14 years of the DOHA Round negotiations went nowhere. With one vote per country and over 100 countries, consensus could not be reached on efforts to focus on the developing world.

The North American Free Trade Agreement (NAFTA), which became effective in 1994, was oversold and has become a symbol of a trade agreement gone awry, as has the Trans-Pacific Partnership (TPP). Central to the dissatisfaction is a shift of rewards from a key stakeholder (labor) to shareholders. There has been both growing inequality and (perhaps more important) a growing perception of inequality. Wages have been stagnant in spite of increased productivity. Dr. Hughes sees worker perception of this situation as comparable to the country song about divorce "She got the mine and I got the shaft".

International trade is here to stay. In part, because containerization greatly reduced its cost but also because trade meets the basic needs of advanced and developing countries. For the US, there are gains and losses. Consumers benefit from lower prices but in a recent ten-year period, we lost 63,000 factories.

Compared to the US and Europe, there are great opportunities for growth in Asia and the Pacific. Chile, Peru, Mexico, and Columbia are already members of the Pacific Alliance. World Bank and International Trade Center studies show limited US growth by 2030. We need to focus on the economic opportunities offered by Asia and Pacific countries.