GETTING WHAT YOU PAY FOR: AUTHORITARIAN STATISM AND THE GEOGRAPHIES OF US TRADE LIBERALIZATION STRATEGIES

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Introduction This paper examines the political and geographic logics of US trade liberalization strategies — namely, those of competitive liberalization and the pursuit of fast-track or trade promotion authority — focusing on the role of the Office of the United States Trade Representative (USTR), the state institution charged with authoring and implementing free trade agreements. USTR simultaneously seeks out bilateral, regional, and multi-lateral trade pacts to create a competitive policy environment, with the understanding that the explicit connection between differently scaled trade agreements will strengthen the world trading system as a whole and ensure successful liberalization. In doing so, USTR has also actively sought and gained trade promotion authority within the domestic mechanisms of trade policy, centralizing political power over trade and economic policy and providing the agency strategic leveraging power within the US state. Contradictions arising from USTR liberalization strategies thus centre on the unequal spatial and social distribution of decisionmaking power regarding trade policy and free trade’s costs and benefits.

This was nowhere better stated than in the words of Assistant USTR Christopher Padilla, who noted in a January 2004 speech that, in signing onto free trade, “you get what you pay for.”

While Padilla was referring to the fact that benefits of accession to the Free Trade Agreement of the Americas (FTAA) would be commensurate with concessions made, this statement can also be read as a brutally honest
admission that the rising tide of free trade will not, and perhaps cannot, lift all boats equally. This applies not only to class-relevant social and economic relations between states, but also within them. As Panitch argues, neoliberal globalization, of which trade liberalization forms a primary component, “involves a shift in power relations within states that often means the centralization and concentration of state powers as the necessary condition of and accompaniment to global market discipline.” With respect to USTR, a double geographical movement is at work as the agency seeks to liberalize international economic relations, which in turn requires centralizing the domestic state mechanisms by which liberalization is achieved and insulating them from democratic accountability. There is a geographic, specifically scalar contradiction at the core of USTR strategies in which the international and domestic scales are placed at odds with one another: the former becoming more liberal and “free” as the latter becomes less so. I argue that, taken together, USTR strategies of competitive liberalization and trade promotion authority demonstrate the tendency towards what Poulantzas termed “authoritarian statism” in the transformation of the capitalist state. First, I address this concept within the context of Poulantzas’ theorization of the state’s role in processes of capitalist globalization, and follow by examining the development of USTR and its chosen political strategies in detail.

**Authoritarian Statism** One of the dominant themes emerging from recent literature on neoliberalism, globalization, and the state centres on whether and how neoliberalizing transformations in state-capital, interclass, and interscale relationships constitute a form of imperialism. Perhaps the most vexing question arising from this renewed interest in imperialism is how to understand and theorize the state’s role in the current historical conjuncture, particularly in terms of how the state manages, reacts to, and authors the varied and contradictory economic and political processes that constitute capitalist globalization. As Jessop, Panitch, and Panitch and Gindin suggest, a reengagement with Poulantzas’ conceptualization of the state as a social relation, and more specifically of authoritarian statism as an emergent state form, strengthens our understanding of capitalist internationalization. Within this framework, state power is mobilized by class-relevant social
formations that cut across, work with, and institutionalize themselves within the state, which in turn organizes class power in politically strategic ways. The relative institutional separation of the capitalist state’s economic and political functions, and the particular ways in which these are reintegrated under the power of internationalizing capital, give the contemporary capitalist state its unique institutional materiality.

As both Panitch and Jessop discuss, this understanding of the relative separation of the economic and the political within the capitalist state led to Poulantzas’ early and forceful critique of the emergent “ideology of globalization,” which falsely understood the state-capital relationship as an external one between two autonomous social formations. By contrast, Poulantzas recognized the dialectic between class power and state power, and the ways in which the capitalist state internalizes and reproduces class-relevant social struggles as part of the social division of labour. In the imperial phase of capitalist expansion, the pivot of internalization and reproduction processes was and remains the relationship between national capitals and American capital and, in more recent terminology, the transition from government to governance in the state’s position vis-à-vis capital accumulation strategies. Underscoring the institutional manifestation of state-capital relations in the latest monopoly or imperial stage of capitalism, Poulantzas identified “the creation of centres for the direct expression of big economic interests” within the state administration, so that “the state administration itself becomes the legitimate representative of monopoly interests.”

As the primary agent of social cohesion in a fractious class-based society, however, the state embodies an increasingly difficult and possibly intractable contradiction, as “it falls to the administration to constitute or present monopoly interests as the ‘general’ or ‘national’ interest, and thus to assume the role of organizing monopoly capital.”

As Jessop argues, while the transition from government to governance associated with capitalist globalization produces new contradictions in and through the state, it “need not entail a loss in the power of government,” as the formal and informal incorporation of new partners via governance “could enhance the state’s capacity to project its influence and secure its objectives.” Explaining this transition as “a movement from the central role
of the official state apparatus in securing state-sponsored economic and social projects and political hegemony towards an emphasis on partnerships” between state institutions and non- or quasi-state actors “in which the state apparatus is only first among equals,” Jessop echoes Poulantzas by also identifying the state’s contradictory role as the guarantor of social cohesion, even as it becomes increasingly oriented towards strategically important internationalizing capitalist fractions.9

Tensions remain between the exact arguments on governance that Poulantzas and Jessop put forth, most importantly in the broader scalar focus of Jessop’s discussion. He includes consideration of public-private partnerships and parallel power structures that are not only international but also highly localized, interlocal, and even “trans-territorial.”10 In addition, when set beside Poulantzas’ more deterministic model, there is a vagueness to Jessop’s formulation of governance, since the depiction of the state as “first among equals” within governance partnerships leaves unspecified the exact character of public-private relations in any given instance. I consider this a necessary vagueness though, as the exact institutional forms governance may take are necessarily contingent, even under conditions of extensive capitalist internationalization. Moreover, Jessop qualifies his theorization of governance, and addresses the emergence and character of authoritarian statism as formulated by Poulantzas, with the concept of metagovernance or “the extent to which governance occurs in the shadow of government,” and thus follows the contours of the neoliberalized policymaking environment established by government.11

The point to emphasize here is that the development of parallel state forms and public-private partnerships is not new, and we must be careful not to characterize as novel the current forms of interpenetration between the state and other social forces based solely on their appearance as an absolute weakening of the national state. Most importantly for the discussion of authoritarian statism and USTR below, the relative strengthening of governance as an extension of state capacity “could also be part of a more complex power struggle to protect key decisions from popular-democratic control.”12 It is in the structural coupling of state institutions charged with representing the “national interest” and politically mobilized fractions of
internationalizing capitalists that we can identify the rise of authoritarian
statism, and with it the intensification of the scalar contradictions of neolib-
eral globalization. USTR is one such state institution, and its relation to
internationalizing capital and to the reproduction of state and hegemonic
projects of neoliberalization highlights the continued salience of Poulantzas’
insights into the transformation of the capitalist state under monopoly
capital hegemony. This transformation is the essence of authoritarian statism,
which offers a framework for explaining the ideological ascendance of neolib-
eralism, the means by which neoliberal hegemony is inscribed into the
institutional materiality of the state, and the specificity of American power
at a historical moment increasingly seen as neoimperial.

In *State, Power, Socialism*, Poulantzas characterizes authoritarian statism
as a new state form developing in western capitalist societies, marked by
“intensified state control over every sphere of socioeconomic life combined
with radical decline of the institutions of political democracy and with
draconian and multiform curtailment of so-called ‘formal’ liberties,” which
is the result of and response to the particularities of capitalist crisis in a
period of neoliberalization.13 While the precise material development of
authoritarian statism is variegated and contingent on the preexisting insti-
tutional and sociospatial configuration in each state (for example, the
curtailment of formal liberties may take many forms, some more overt than
others, or may even be largely absent), the process as a whole can be described
in general terms when compared to the government-to-governance shift
discussed above and when laid against orthodox neoliberal understandings
of the national state’s rollback. As Poulantzas avers, “such statism does not
designate univocal strengthening of the State but constitutes the effect of a
tendency to strengthening-weakening of the State, the poles of which develop
in an uneven manner.”14

Authoritarian statism is thus the state form suited to the specific balance
of class-relevant forces and the economic-political functions of the state
under monopoly capitalism. It should be noted that while the terms
“monopoly” and “monopoly capitalism” pose significant conceptual and
material problems, I understand Poulantzas’ use of these as a rather loose
means of pointing to the power of multinational corporations that remained
competitive with one another even as their power and interests coalesced and began to define a new phase of capitalist development. I discuss these terms with specific reference to strategic and internationalizing capitalist fractions rather than monopoly capital, but retain Poulantzas’ terminology for the sake of explanatory consistency. With this in mind, the emergence of authoritarian statism “involves the establishment of an entire institutional structure serving to prevent a rise in popular struggles and the dangers that holds for class hegemony,” and rests on the institutionalization of “a permanent structure running parallel to the official State”; the relationship between this parallel state and the official state becomes one of “functional overlapping and constant symbiosis.”  

The contours and structure of this parallel state are articulated in relation to the needs of hegemonic capitalist fractions, proceeding through the thorough and contradictory politicization of the state administration and the state’s economic functions. The result is “a State whose self-appointed task is to foster rampant economic crises, the effects of which are outside its control,” because it becomes institutionally impossible for the national state to provide effective social cohesion under internationalization. Even as the state’s economic functions — or at least the state’s ability to intervene in economic processes — appear to weaken relative to internationalizing capital, a more complex politicization of these functions is actually occurring because of the state’s symbiotic relationship with hegemonic capitalist fractions.

Institutionally, the development of authoritarian statism advances primarily through the relative strengthening of executive-administrative power over legislative and popular-democratic power within the state’s structural mechanisms. Poulantzas describes this as “the hold of the summits of the Executive over the upper administration and … the increased political control of the former over the latter.” This entails contradictory institutional and functional changes in the role of the administration-bureaucracy, as it becomes “not merely the principal site, but also the principal actor in the elaboration of state policy,” articulated and enacted as a means of organizing and reproducing the increasingly contested hegemony of monopoly capital. The integral, foundational ties between the capitalist state and popular-democratic and national social formations are systemat-
ically ruptured, and the state faces a crisis of legitimation even as it comes to organize and reproduce the class hegemony of monopoly capital. While these ruptures introduce limits on the state’s capacity to sustain capitalist hegemony, they nonetheless slowly and effectively close off the channels of democratic accountability and representation around which, historically, the legitimacy of capitalist states have been built.

It is important to recognize the limitations of Poulantzas’ theoretical treatment of authoritarian statism, based as it is on the relatively narrow empirical example of the relationship between European states and national capitals with the American state and US-based capital. While Jessop critiques Poulantzas’ tendencies towards economism, class reductionism, and functionalism in his treatment of the capitalist state — theoretical characteristics that can be corrected by greater focus on the centrality of the capitalist value form and strategy within the reproduction and reorganization of state-capital relations — he also identifies the empirical overemphasis on Europe as a shortcoming, as do Panitch, and Panitch and Gindin.17 The result is a lack of attention to “the articulations of US imperialism in the apparatuses of the American state itself, and the international institutions it command[s].”18

Failure to engage with the specificity of the American state is an error reproduced in much of the recent literature on neoimperialism. Panitch and Gindin identify “the capacity of American forms of power to penetrate other states” as “one of the most remarkable aspects of the world we now live in,” but lament that “the concrete practices of the American state and ruling class in this new era are largely undocumented,” an empirical oversight that weakens theoretical treatments of neoimperialism and the ability to articulate appropriate challenges to such hegemony.19 They call for greater attention to the institutions through which American state power and capitalist hegemony are exercised, extended, and reproduced. Contrary to theories of imperialism and globalization (including Marxian treatments) that posit the United States as a hegemon experiencing a long period of crisis and decline, Panitch and Gindin suggest that since the neoliberal ascendance of the early 1980s, “the economic as well as the ideological and military underpinnings of American imperial hegemony [have been] re-established.”20 Other scholars, particularly geographers, have begun to develop this point
as well (though most retain emphasis on the “long decline” of US hegemony) and correct for empirical and theoretical neglect of the specificities of the American state, examining the historical development of imperialist spatial practices and the geographies of neoliberalization and neoimperialism under the aegis of American military and economic force.  

I emphasize two points here. First, that reestablishment and indeed expansion of American hegemony, fragile as it may be, has been achieved through a sustained shift towards authoritarian statism within the institutions of the US state. Within this context, Poulantzas’ theories of the capitalist state, anchored by his prescient critique of the ideology of globalization and the identification of authoritarian statism, retain their analytical power and draw attention to strategically powerful US state institutions, such as the USTR. Second, reflecting the central importance of monopoly capital in Poulantzas’ framework, I will demonstrate that a good deal of USTR action is dedicated to strategic fractions of internationalizing capitalists, often at the expense of other capitalist fractions. As Glassman argues in his examination of the tensions between neoliberal and neoconservative historical blocs in the US state, it is “precisely because groups of capitalists collectively need actions which ‘open’ markets in particular contexts and which ‘close off’ certain forms of class struggle and competition in others that class-fractional tensions can potentially come to the fore,” expressing as they do the generalized contradictions of capitalism as a socially and spatially expansive social formation. Given this, and the problematic and often unclear meaning of “monopoly” in the current context of capitalist internationalization, I emphasize the relative strategic position of particular capitalist fractions, rather than their monopoly character, to deepen the analysis of how the state chooses among strategies in the organization of capitalist hegemony across scales.

The scalar contradictions of neoliberal globalization can now be examined more directly, proceeding from the idea that, through the reorientation of key institutions, the state is internationalizing in ways that problematize foreign/domestic and state/capital dichotomies. Using USTR as a prime example, two primary and dialectically related aspects of neoliberal globalization must be examined — first, the centralization of power in those state
institutions most closely aligned with internationalizing capitalist fractions and most clearly invested in organizing and reproducing capitalist hegemony; and second, the production of supranational and international institutions that operate, as Panitch argues, “to ensure that foreign capital enjoys as favourable a set of arrangements as domestic capital within each state.” Trade negotiations and agreements of the sort USTR pursues are a vital element in this process, and due attention must be paid to the political and geographic strategies the agency employs, as a pivotal component of the internationalizing US state, to achieve the centralization of domestic power and the reproduction of capitalist hegemony across all scales.

The Rise of USTR  While US trade policy is not reducible to the actions of a single agency or a specific set of trade agreements, USTR and its pursuit of competitive liberalization and trade promotion authority have become the centrepieces of US trade strategies under neoliberalization, and constitute an important institutional means for the extension and reproduction of capitalist hegemony in and through the state. This has only been achieved through four decades of political struggle, however, and a consideration of USTR as a pivot of authoritarian statism must take into account the specificities of such struggle, especially the ways in which the agency incorporates and organizes the interests of hegemonic and strategic fractions of US-based capital. The steady expansion and insulation of USTR’s capacity to shape trade strategy and policy has occurred through augmentation of its political power in relation to both Congress and capital, and most significantly in the enhancement of its ability to organize the interests of strategic capitalist fractions and express these as state policy.

Prior to the 1962 Trade Expansion Act, various economic bureaus within the State Department carried out GATT negotiations, but these came under severe criticism from economic nationalists for what influential House Democrat Wilbur Mills suggested was the “trading away of our economic advantages for political advantages” through weakly defended positions and concessions to Europe and Japan. The 1962 trade bill authorized the president to designate an individual as Special Trade Representative (STR) to oversee and lead trade negotiations in the upcoming GATT round, and to
provide that person “with sufficient staff to carry on the GATT talks without having to rely on the State Department.” Moreover, the STR was to act as the head of an interagency policy organization “to better balance competing domestic and international interests in formulating and negotiating US trade policy.”

Given the political tensions between US economic and foreign policy, and the profound strains of GATT negotiations, the STR quickly became a rather unpleasant position to hold. US observers considered the Kennedy Round a dismal failure and the extreme free trade position advanced by STR came under attack from protectionists in Congress. Nonetheless, STR was upgraded and its mandate expanded under the Nixon administration, and its priorities shifted from merely advocating for trade liberalization and working against the “unfair” trade practices of GATT partners to a broader agenda that forced “GATT to take on a myriad of domestic policies and programs, and essentially reform a crucial part of the non-Communist world’s internal economics to fit liberal trade ideals.” Structural changes to STR enabled this more aggressive and ideological approach to trade liberalization. The Trade Act of 1974 gave STR primary responsibility for trade agreements and programs established under previous US trade legislation in 1930 and 1962 and shifted STR to the Executive Office of the President, while an executive order issued the following year made STR a Cabinet-level position. The 1974 Trade Act also established the advisory committee system, discussed below, which remains the principal vehicle for translating capital interests into coherent trade policy positions.

These changes to STR’s mandate came amidst a rising tide of imports, the dollar’s slide in international markets, and a crisis of US economic hegemony, compounded by the difficulties of the GATT Tokyo Round. STR had to fend off protectionist threats from Congress and specific industry groups, who constantly demanded retaliatory measures against foreign producers, in order to keep its free trade strategy and GATT bargaining positioning afloat. Following the relatively unsuccessful GATT Tokyo Round, the Carter administration beefed up STR again, to shore up the US free trade position against growing Japanese economic power and to reward the work of Carter’s STR, Bob Strauss. The 1979 reorganization gave the agency
its current appellation, the Office of the US Trade Representative, and “centralized US Government policy-making and negotiating functions for international trade.” While USTR’s authority over trade negotiations, trade agreement monitoring, interagency coordination, and unfair trade practice investigation is rooted in the 1974 Trade Act, the 1979 changes made USTR a more politically powerful institution, extending its authority over virtually all of US trade policy, elevating the agency’s position within the executive branch, and precluding Congressional plans to create a new and separate international trade department. Additional legislation in 1988 and 1994 also gave USTR authority over all retaliatory measures and WTO negotiations, further strengthening the agency.

The systematic expansion of USTR’s political authority, together with the increasingly central importance of state economic and trade policy in facilitating capitalist internationalization, made the agency a primary agent of authoritarian statism within the US state apparatus. With principal responsibility for formulating and enacting US trade policy, USTR exhibits the centralization and concentration of state power that Panitch identifies as a necessary component of continued capitalist internationalization. Admittedly, USTR’s current position within the US state does not match that of central banks, currency boards, and other democratically unaccountable ministries and executive agencies that populate neoliberal state forms in developing and post-Communist countries. Yet USTR does sit in control of a vast, relatively insulated system of trade policy decisionmaking and enforcement that maintains and depends upon close ties to capital. The USTR acts as the primary coordinator of US trade liberalization efforts, the ideological cornerstone of global neoliberalism and a dogma to which the agency has remained firmly attached since its creation, despite politically expedient concessions to protectionist sentiments and an overriding concern with maintaining US economic power. In this, USTR demonstrates the proposition that the constitutionalization of neoliberalism depends on and proceeds through the national state. The agency likewise illustrates Poulantzas’ contention that under authoritarian statism, “the state administration itself becomes the legitimate representative of monopoly interests.”

This focuses analysis on the institutional materiality of the US state
apparatus, especially the way USTR distills the often contradictory needs of class-relevant social forces, most importantly different fractions of US-based capital. USTR achieves this partly through its advisory committee system. Nineteen different government institutions and numerous capital factions are represented within this system, which aids USTR in shaping US trade strategy and presenting the interests of specific capitalist factions as in the general or national interest. USTR requires expertise from capital and other state agencies partly because of its broad coordinating role, but also because it “operates on a shoestring budget” and does not have its own
internal experts to cover specific sectors or issues.39 USTR’s expanding geostrategic objectives drain limited agency resources, while the “fact that USTR has taken the lead in formulating US policy for initiatives that span important geopolitical as well as commercial interests is unusual … and probably not sustainable.”40 Congress partially alleviated this strain by expanding and enhancing the advisory committee system in the Trade Act of 2002, which also renewed fast-track authority, discussed below.41

Given the need for external partnerships and the relatively limited access other social and economic actors (such as environmental and labour groups) have to USTR trade policy mechanisms, the extensive advisory committee system represents the clearest example of the symbiotic relationship Poulantzas describes between the “official state” and an emergent “parallel state.”42

USTR sits atop a multitiered interagency structure, with the advisory committee system at the base (see Figure 1).43 Interagency coordination proceeds first through the Trade Policy Staff Committee (TPSC), organized around more than 90 specialized subcommittees and staffed by senior civil service representatives from 19 different federal agencies. Above this, the Trade Policy Review Group (TPRG) takes on issues when “agreement is not reached in the TPSC, or if significant policy questions are being considered,” and participates in the National Economic Council (NEC), a Cabinet-level trade policy mechanism that deals with only the most “important or controversial” trade policy issues.44 In all, these interagency organizations “cover the entire panoply of US trade policies,” including trade negotiations, trade law implementation, and retaliatory action against “unfair trading practices” by other governments (the only aspects of US trade law that USTR does not handle are antidumping and countervailing duty laws, which fall to the Department of Commerce and the International Trade Commission.)45 Retaliatory action must be initiated either through industry petitions to USTR or through USTR actions initiated on behalf of industry, and is enacted under presidential authority.

The advisory committee system, intended “to ensure that US trade policy and trade negotiation objectives adequately reflect US commercial and economic interests,” provides a conduit for the translation of capital inter-
Figure 2: The USTR advisory committee system

President's Advisory Committee for Trade Policy and Negotiations (ACTPN)

Policy Advisory Committees
Agricultural Policy Advisory Committee
Intergovernmental Policy Advisory Committee
Labor Advisory Committee
Trade and Environment Policy Advisory Committee

Technical Advisory Committees

Agriculture
Animal and Animal Products
Cotton, Peanuts, Planting Seeds, and Tobacco
Fruits and Vegetables
Grains, Feeds, and Oilseeds
Processed Foods
Sweeteners and Sweetener Products

Industry
Aerospace Equipment
Auto Equipment and Capital Goods
Chemicals, Pharmaceuticals, Health/Science Products and Services
Consumer Goods
Distribution Services
Energy and Energy Services
Forest Products
Technologies, Services and E-Commerce
Non-Ferrous Metals and Building Materials
Services and Finance Industries
Small and Minority Business
Steel
Textiles and Clothing
Customs Matters and Facilitation
Intellectual Property
Standards and Technical Trade Barriers
ests into workable policy positions. This is a three-tiered system, currently comprised of 22 technical and sectoral committees at the primary level and four policy advisory committees at the intermediate level, and is headed by the President’s Advisory Committee for Trade Policy and Negotiations (ACTPN), which has up to 45 members that “broadly represent key economic sectors affected by trade” and “considers trade policy issues in the context of the overall national interest” (see Figure 2).

While the president selects members of the ACTPN, USTR, assisted by departments of Agriculture and Commerce, chooses representatives for the intermediate- and primary-level committees. These are drawn primarily from the ranks of internationalizing capitalist fractions, with members representing both sector-specific lobby groups and individual firms. It is through these institutional mechanisms that USTR organizes the interests of specific capitalist fractions, represents these as the “national interest,” makes them official state trade strategy, and internalizes and exacerbates the contradictions of capitalist internationalization via the national state. As a primary site for the development of authoritarian statism within the US state, USTR has responded to these contradictions by further enhancing authoritarian elements of its institutional materiality, augmenting its position as “the principal actor in the elaboration of state policy” and altering the geography of US trade policy strategies. Both depend on the agency’s ability to negotiate and manipulate political economic power — and thus expand and reproduce a fragile capitalist hegemony — across and between scales.

**Competitive Liberalization** In a May 2001 speech to the State Department-sponsored Council of the Americas, then USTR head Robert Zoellick summed up the ideological force of free trade in US economic and political strategies:

> It is up to us to champion the values of openness and freedom, to honor the vital linkages among economic liberty, free trade, open societies, successful democracies, individual opportunity, and peaceful security. By recapturing the original hopeful [liberal] vision — and by modernizing it based on hard-learned lessons — we can set a course of peace and prosperity for the Americas and the global system — not just for a year or two, but for decades to come.
This statement captures the current place of trade liberalization in the broader regional and global architecture of US-led neoliberal hegemony, wherein free trade becomes the wedge for a more general trend towards peace, prosperity, liberty, and individual opportunity. Conversely, obstinate refusal to open borders is seen in a laundry list of “failed” and “dangerous” political projects from the past — “imperialism, fascism, authoritarianism, communism, corporatism, isolationism, protectionism.”

Such is the lofty rhetoric accompanying USTR’s push for continued and deeper trade liberalization — freer trade always begets prosperity, democracy, and peace in the social sphere, and unfettered liberty and opportunity for the rational economic individual. Neoliberal ideology ties these elements together as fundamental aspects of a self-realizing and naturalized political economic totality that cannot be fully or sustainably achieved separately, and posits that the failure of reform lies primarily with rent-seeking cadres that inhabit a meddlesome and shortsighted national state. Such statements do not, however, account for the continued existence of protectionist forces within the United States, nor do they have much to say about the particular geographies of USTR’s political strategies.

The most important of these strategies are competitive liberalization and the pursuit of fast-track authority, now called trade promotion authority. USTR has slowly developed its competitive liberalization strategy since its first forays into bilateralism in the mid-1980s, when it negotiated free trade agreements with Israel and Canada while simultaneously advancing multilateral talks through the GATT. With competitive liberalization, USTR posits that free trade agreements instituted at different scales will complement and reinforce one another, creating a competitive policy environment that will maintain US hegemony and create a stable global economic system. The most common example is that of NAFTA buttressed by more recent agreements with Central America, the Dominican Republic, and Chile, which, USTR argues, will spur progress towards the regional FTAA. The strident rhetoric regarding the successful extrapolation of bilateral agreements into the regional FTAA concentrates on the mutual benefits of open trade among neighbours, relying on notions of strong and weak states, and on the necessity of “locking in” and deepening reforms in Latin America.
As Zoellick stated in an April 2001 speech before the Chilean-American Chamber of Commerce:

There is a broader strategic logic behind my belief that continued US vitality is linked to the success of its hemispheric neighbors. In the 19th century, many strong countries wanted weak neighbors that they could dominate. In the 21st century, strong countries will benefit from healthy, prosperous, and confident democratic neighbors . . . . If the Americas are strong, the United States will be better positioned to pursue its aims around the world. But if our hemisphere is troubled, we will be preoccupied at home and handicapped abroad.52

Bilateral and regional FTAs are ostensibly designed to support further liberalization via the WTO, laying the institutional and policy groundwork for multilateral talks and encouraging participation by developing and transitioning countries, while maintaining the US position as global hegemon. Deputy USTR Peter Allgeier reiterated this sentiment, with specific reference to the agrofood sector, during a May 2003 Congressional hearing on the FTAA, hinting at limitations in regional agreements:

We have said, Canada has said, that the place to negotiate, especially domestic supports, is the global negotiations. We cannot negotiate disciplines on domestic supports in a regional context and leave the European Union, Japan, and others to continue their subsidy practices without any restraints. So, there is a linkage between these two negotiations. We are trying to use the agricultural negotiations in the FTAA to build support for our proposals for agricultural reform in the WTO.53

Allgeier stated this once more in the context of US disagreements with Brazil over the FTAA, arguing that “[it] should not be too complex to stitch together these accords and expand bilateral undertakings into plurilateral ones,” as the bilateral agreements should constitute “stepping-stones toward hemispheric integration.”54

Yet competitive liberalization goes beyond simple support for multilateral talks, and USTR has often expressed disappointment with obstructionism and impracticalities in the WTO.55 In assessing the US-Chile FTA, for example, the Congressional Research Service (CRS) suggested that beyond
the mutual benefits of greater market access between the two countries, the significance of the agreement lies primarily in its strategic political value. The CRS report argued that the agreement offers “an opportunity for the United States to support economic and trade reform in Latin America, for which Chile had become a regional model,” while also locking in previous reforms, “lending a sense of permanence to economic and political conditions that is conducive to attracting and keeping foreign trade and investment” in Chile. Another assessment of the US-Chile FTA stated that the agreement supports regional and multilateral negotiations because “it will strengthen the United States’ credibility as a negotiating partner” and “[show] countries skeptical of the project … that they will lose commercially if they do not participate.” USTR echoed this sentiment by commenting that the FTA with Chile “will send a signal to the nations of Latin America and the rest of the world: The United States will reward good performers.”

Competitive liberalization serves as both carrot and stick in USTR-organized hegemony on behalf of internationalizing capitalists and a US state undergoing a transition towards authoritarian statism. It signals increased willingness to engage in regional and bilateral agreements outside the WTO if such arrangements fit the agency’s strategic needs, and allows USTR to claim stronger credibility and punitive powers in relation to negotiating partners. Yet the active and aggressive image USTR presents of itself is “belied by the reality that most … FTAs [involving the United States] have been initiated not by the United States but rather by the smaller trading partners,” with USTR generally enacting competitive liberalization on an “ad hoc basis.” Current FTA partners such as Jordan, Morocco, and Chile approached USTR because greater access to American markets proved attractive, and as a means for specific political factions in those countries to secure domestic political power, an issue that both Poulantzas and Jessop discuss in terms of the internalization within each state of interimperialist and intracapital rivalries and contradictions. USTR pursued these FTAs because of strategic foreign policy or sectoral considerations, as the effect of most free trade agreements on the overall US economy has been relatively small. As noted, USTR has declared the desirability of policy lock-in with its trading
partners as one of the most important and desirable outcomes of its liberalization efforts. However, we should also investigate the lock-in effects USTR may be seeking within the US state, to avoid an inadequate picture of the full extent of authoritarian statism in the US state apparatus.

Trade Promotion Authority The considerable degree of influence that USTR now enjoys over the development and implementation of US trade policy has, as described, taken several years to develop. It has been both despite and because of the failures of various GATT rounds, lingering protectionism, and the increasingly precarious nature of internationalizing capitalist hegemony that USTR has secured growing control over different aspects of US trade policy and relative insulation from democratic accountability. Fast-track authority is one of the primary mechanisms through which such political power has been built and exercised, and constitutes a central pivot for the development of authoritarian statism in and through USTR. It also constitutes, in conjunction with USTR’s advisory committee system, one means by which the contradictions of capitalist internationalization have been inscribed and exacerbated in the state’s institutional materiality.

Fast-track authority allows USTR tremendous leeway in negotiating trade agreements, forcing Congress to “vote agreements up or down in their entirety” rather than considering and approving different provisions separately. This authority technically lies with the US president, but as USTR is the executive’s official trade policy representative, the agency, led by political appointees and staffed by a small phalanx of free trade proponents, effectively wields the authority. Fast-track authority, renamed trade promotion authority (TPA) in its latest incarnation, makes negotiation and legislative approval of FTAs easier for USTR to achieve, and allows the agency to place the onus for liberalization’s political failures on Congress. Indeed, the most recent push that USTR made for TPA was underpinned by claims that Congressional failure to grant such authority would damage US credibility as a negotiating partner, preventing American producers and exporters from fully and equally participating in the world trading system. On the other hand, these producers and exporters often make conflicting and incoherent demands of the agency regarding trade negotiations, and it
becomes USTR’s responsibility to determine which sectoral interests will be accommodated and which sacrificed in any given agreement. Again, the development of authoritarian statism proceeds, in part, through the overt politicization of the state’s economic functions.

The history of fast-track authority — and more specifically, the history of political struggles within the US state regarding USTR’s access to such authority — therefore demonstrates two principal aspects of authoritarian statism. The first of these, the state administration’s increasing role as both the principal site of and primary actor in state policymaking, is evident in the exercise of fast-track authority, allowing USTR wide latitude in formulating trade policy strategies and the elaboration of negotiating points and FTA provisions. The second aspect evinced in the politics of fast-track authority is the elaboration of state policy “under the sign of secrecy,” such that political decisions are made “through hidden mechanisms and a regime of administrative procedures that almost entirely escapes the control of public opinion.”

Under authoritarian statism, such secrecy becomes a defining element of the bureaucracy and executive’s structural power over the representative and popular-democratic mechanisms of governance within the capitalist state, a situation of political control that “perfectly embodies the distance between leaders and led, as well as the hermetic insulation of power from democratic control.”

The secretive aspect is important to highlight because one of the first attempts at articulating fast-track authority, detailed in the so-called Flanigan Report of 1973, was shrouded in secrecy, most directly as an effort to circumvent agricultural protectionists in Congress. This report (authored by Peter Flanigan, President Nixon’s Assistant for International Economic Affairs, and USDA trade officials) focused on upcoming GATT negotiations and suggested linking concessions across sectors and threatening the United States’ withdrawal from GATT. It also called for Congressional approval only after negotiations had been completed, to avoid going into GATT talks with enabling legislation tied up or voted down. The secret report was eventually leaked to Minnesota Senator Hubert Humphrey, however, and lawmakers bristled at the apparent contempt in which the executive trade policy elite held them. Humphrey summarized the episode as “but another example of
the attitude that the President and his associates in the White House have for the Congress and the people of this Nation — an attitude characterized by a lack of trust, confidence or respect for the legislative process.”

Despite such protests, Congress granted and renewed the authority continuously from 1974 to 1994, smoothing the adoption of the GATT Tokyo Round agreement, FTAs with Israel and Canada, and NAFTA. Under fast-track provisions, Congress agreed to vote on agreements in their entirety and without suggesting amendment, giving the executive a powerful leveraging tool over the legislature and allowing further concentration of the trade policy process in USTR. With the political support of organized labour, Congress allowed this authority to lapse in 1994, and defeated attempts by President Clinton to renew it. Not until the Trade Act of 2002 did Congress again vote to allow fast-track authority, renamed TPA, and only after USTR repeatedly invoked the spectre of a political credibility gap and US economic stagnation in a rapidly liberalizing and competitive trade environment.

USTR presented this as a victory for free trade within the United States and abroad, arguing that it prevents unnecessary delay in trade negotiations and legislative approval, and makes the United States a fair and open partner in any trade pact. Just prior to the passage of TPA, Zoellick noted that “[w]ithout that authority, other countries will be reluctant to close out complex and politically sensitive agreements” with the United States, causing American exporters to lose ground to more aggressive competitors — especially those from the EU, which continued to negotiate and sign FTAs while US trade policy “drifted.” In another speech just prior to TPA’s renewal, Zoellick placed the blame for US trade policy stagnation on the Senate, which he argued must show it could “resolve its disputes in a way that recognizes America’s larger national interest in this hemisphere and the world” by granting fast-track authority. The political battle over TPA in the 2002 trade bill overlapped with the negotiation of the US-Chile FTA, and the connection between these was made clear by observers in both countries. As the CRS stated, this agreement “was also offered as a compelling case for passage of TPA legislation, which would serve as a signal to Latin America and the rest of the world of the US commitment to pursue and complete trade agreements.”
On the Chilean side, the possibility of the agreement’s failure, as well as that of the FTAA, was invoked to achieve satisfactory terms on the liberalization of agricultural trade, a strategic and highly trade-sensitive sector for both countries. As Andreas Bianchi, Chile’s ambassador to the United States, pointedly asked at a May 2002 meeting of international and American business leaders, “if a bilateral FTA with Chile were to prove impossible, then how realistic would it be to expect that a multilateral FTAA with 34 countries may be achieved?” As in Cold War containment strategies and domino theories, the United States’ “credibility” was put on the line in trade negotiations with Chile, while USTR effectively employed the fear of a credibility gap to leverage TPA from Congress. USTR, therefore, has also made explicit the connection between TPA at home and competitive liberalization abroad, with Zoellick stating that fast-track authority “impels new momentum toward our agreed goals of completing both the new WTO global trade negotiations and the Free Trade Agreement of the Americas by 2005.” While the collapse of both seems more likely today, the added power over policymaking and implementation that USTR obtained via TPA allows the agency to face protectionist legislators and unruly capitalist fractions on more strategically favourable terms, and further centralizes authority to institute and enforce global market discipline in an ideologically rigid and politically insulated state organ.

Two examples, drawn from the US-Chile FTA and the more recently approved CAFTA-DR, illustrate how USTR’s increasing political power relates to the difficulties faced in organizing internationalizing capitalist hegemony and centralizing authority in the US state. First, to return to the point about secrecy, the process of distilling capital’s trade policy demands has itself come under attack from different capitalist fractions, most notably in the technical advisory committee reports regarding the Chile agreement and especially in relation to the agricultural provisions of this agreement. Among the agricultural technical committees, there was a general consensus that the secretive nature of the negotiation process limited their ability to coordinate sectoral interests. Cotton industry representatives expressed this concern most forcefully, arguing that “[m]embers of the cotton industry cannot evaluate any free trade agreement without consideration of the provi-
sions of the agreement that affect trade in cotton textiles.” Members of each advisory committee were granted access only to those FTA provisions most directly affecting their sectors, and not to the complete text of the agreement. While this points to the ad hoc nature of USTR strategies, and the structural necessity of negotiating FTAs on a commodity-by-commodity basis, it also demonstrates that “FTAs are highly ‘USTR-intensive,’” reinforcing the fractiousness of the advisory committees and calling into question the national state’s ability to effectively organize capitalist hegemony internationally.

Second, this internalized fractiousness is also evident in the way that USTR exercises its strategic selectivity with regard to specific capitalist fractions’ trade policy demands. A particularly lucid example of this centres on the US sugar and sweeteners industry’s position on recent bilateral and regional FTAs, highlighted by claims that the effective liberalization of sugar trade “can only be achieved in the World Trade Organization.” In its review of the US-Chile FTA, the sweeteners advisory committee recommended that USTR “focus its efforts on WTO negotiations and … reserve negotiations on sugar exclusively for that forum,” a point emphasized again in remarks on the CAFTA-DR. Considering the razor-thin profit margins for sugar and sweeteners in a US domestic market that the committee recognized as saturated, the ultimate concern is that regional and bilateral FTAs will open US domestic programs of agrofood export subsidy and protection to scrutiny from new angles without receiving concessions from the EU or Japan, the major targets of US trade liberalization efforts in the WTO. Despite such protests, USTR allowed some concessions on sugar and sweeteners in CAFTA-DR.

This suggests that USTR considers the concerns of the US sugar industry relatively expendable in the expansion, enactment, and legitimation of the broader free trade project. That is, the institutionalization of sugar capital interests in the US state — specifically in the USTR’s advisory committee for the sugar and sweeteners industry — does not necessarily translate into the state’s adoption of these capitalists’ preferred strategies, especially when USTR must balance liberalization efforts proceeding at different and sometimes competing scales. Sugar industry interests compete with those of
other capitalist fractions, and USTR must balance these both against one another and against the strategies and concessions required to achieve successful institution of liberalization at different, sometimes incommensurate, scales of political organization and economic regulation. Even the sugar and sweeteners advisory committee recognized this in its CAFTA-DR report, arguing that it was “clear that the agreement could not have been successfully concluded without sugar” concessions because Costa Rica threatened to abandon negotiations without these.78 Tensions and contradictions exist within capital regarding both the geographic scale most conducive to instituting free trade and the state practices and policies most appropriate for advancing internationalization. For its part, USTR, the legitimate political representative of internationalizing capital, must also decide between capitalist fractions equally instituted within the state. The minutiae of trade policy formulation and enactment reveal the political and strategic struggles that mark the development of authoritarian statism in the US state apparatus.

**Conclusion** In the context of increased pressures for and opposition to trade liberalization, USTR has become one of the most important state institutions for advancing and implementing neoliberal “reforms,” especially trade liberalization, both internationally and within the US state. By centralizing control over US trade policy mechanisms, the agency represents its strategies as both reflective of the “national interest,” and constitutive of a natural progression of international market integration. This gives USTR a legitimacy within the United States that belies the intense debate surrounding trade liberalization at all scales. Yet the rise of the state administration as the principal site and strategy for elaborating state policy, for organizing and reproducing capitalist hegemony, and for weakening the state’s popular democratic capacities, led Poulantzas to conclude that while authoritarian statism is a growing menace to democratic and socialist possibilities, it also suffers from inherent contradictions that popular struggles may exploit. Unable “to enclose the masses in its disciplinary web or to ‘integrate’ them in its authoritarian circuits,” authoritarian statism provokes “a veritable explosion of democratic demands” for which it can provide no suitable
organizational or representative form. It must instead face them head-on, and as adversaries.\textsuperscript{79} This process is exacerbated as the leading hegemonic state, the United States, internationalizes its power and finds the popular masses that it faces much larger in number and broader in scope than its own domestic citizenry.

Consider once more, then, the statement of Assistant USTR Christopher Padilla: in signing onto free trade, “you get what you pay for.”\textsuperscript{80} Without wishing to read too much into such a short and seemingly innocuous quotation, it is important to tease out the implications of USTR’s views on how a suitably liberalized trade regime — and all of the supposed economic, political, and social benefits that flow from that — is to be achieved. As stated, there is an implied trade-off between political obligations and economic benefits, reflected in the “purchase” of continued capitalist internationalization at the price of democratic accountability within states. Rather than a natural progression of market forces, this constitutes a set of coherent but contradictory political strategies, the result of decisions made by class-relevant social groups — especially the state managers that inhabit central banks, trade ministries, and presidential palaces — with specific interests and the ability to enforce their decisions. Contrary to neoliberal rhetoric, then, current USTR strategies (and neoliberalization more generally) comprise a willing and forceful reorientation of the state away from redistributive social welfare goals and towards the facilitation of capitalist internationalization. The desired ends are the maintenance of capitalist growth, the buttressing of US power internationally, and the “lock-in” of neoliberal gains domestically, in both the United States and other states. USTR has done its part to advance this reorientation in and by the US state through competitive liberalization and trade promotion authority, which, taken together, demonstrate the tendency towards authoritarian statism that Poulantzas identified in the economic and political crises of the 1970s.

The success of USTR strategies discussed here rests in part on that agency’s ability to work across scales or, more precisely, to internalize within the national state the contradictions of internationalizing capitalist relations. Although the near-defeat of CAFTA-DR in Congress in late 2005 may indicate the weakening power of free trade rhetoric among some politicians,
the relentless centralization and de-democratization of political economic power that constitute neoliberal politics remain relatively intact. As Peck points out, the political representation of neoliberal policies as impositions of globalization means that neoliberalization is “more likely to be perceived as economically derived rather than [the outcome of ongoing] politically constructed/mediated pressures,” which presents barriers not only for “excavating the underlying parameters, ideological orientations, and conspicuous silences of the policy-making process,” but more specifically for understanding and challenging the development of authoritarian statism as a specific state form of neoliberal globalization and neoimperialism. This suggests that transnational, interlocal, and extralegal (even antistate) social movements and formations are necessary to counter neoliberalization and neoimperialism. Yet, as Poulantzas argues, the path to a more democratic and socially just order must “not seek to create an effective dual power parallel and external to the State,” but must be marked by a coordination of disparate popular struggles that “brings itself to bear on the internal contradictions of the State.” The ability to identify and exploit these contradictions, and to thus transform the state itself, requires an understanding of the strategies and structures of authoritarianism statism, so as to avoid the pratfalls of both demagoguery and top-down management by techno-bureaucratic experts of the sort directing neoliberalization.

Notes

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7. Ibid., p. 225.


9. Ibid.


20. Ibid., p. 17.


27. Dryden, *Trade Warriors*, p. 120.

28. Ibid., p. 165.

29. USTR, “History.”


31. Dryden’s history of USTR, the most comprehensive account of the agency’s development, devotes many pages to Bob Strauss’ tenure as STR. Strauss laid the groundwork for future USTR heads with his blunt negotiating style, devotion to free trade principles, and ability to “sell” any agreement to Congress.

32. USTR, “History.”
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33. United States General Accounting Office, USTR’s Draft Strategic Plan (Gaithersburg, MD: GAO, 1997).
34. USTR, “History.”
35. Panitch, “Globalisation and the State,” p. 64.
40. Ibid., p. 376.
41. USTR, “Mission.”
42. Free trade proponents often describe environmental and labour groups that oppose liberalization as a “blue-green coalition,” and unceremoniously lump them together with various protectionist blocs and a largely unspecified group of other globalization critics.; See, for example, R.E. Feinberg, “The Political Economy of United States’ Free Trade Agreements,” The World Economy 26/7 (2003), pp. 1019–1040.
44. USTR, “Mission.”
46. USTR, “Mission.”
47. Ibid.
50. Ibid., p. 2.
52. USTR, Partnership for Prosperity: Chile, Latin America, and the United States; Robert B. Zoellick, USTR, Chilean-American Chamber of Commerce, Santiago, Chile (4 April 2001), p. 12.
54. USTR, US-Brazil Relations in the Context of the FTAA Negotiations; Remarks of Peter F. Allgeier, Deputy USTR, Brazil Summit 2004 (27 April 2004), p. 4.
55. Such frustration is exhibited in statements such as those of Deputy USTR Jeffrey Lang, who suggested that achieving meaningful consensus among WTO members “is like herding cats most of the time,” hardly a ringing endorsement of the WTO; United States Congress, Senate Committee on Finance, Subcommittee on International Trade, Market Access Issues for US Agricultural Exports: Hearing Before the Subcommittee on International Trade of the Committee on Finance, United States Senate, 105th Congress, 1st Session (15 May 1997), p. 19.
58. USTR, Free Trade and the Hemispheric Hope, p. 3.
62. See Hornbeck, The US–Chile Free Trade Agreement; USTR, Free Trade and the Hemispheric Hope; USTR, Partnership for Prosperity; USTR, Completing Latin America’s Twin Revolutions; Address to the Council of the Americas by Robert B. Zoellick, USTR (7 May 2002); USTR, Trading in Freedom: The New Endeavor of the Americas; Address to the Miami Herald’s Sixth Annual Americas Conference by Robert B. Zoellick, USTR (14 October 2002).
64. Poulantzas, State, Power, Socialism, p. 225.
65. Ibid., p. 226.
69. USTR, Free Trade and the Hemispheric Hope, p. 7.
70. USTR, Completing Latin America’s Twin Revolutions, p. 7.
71. Hornbeck, The US–Chile Free Trade Agreement, p. 3.
73. USTR, Trading in Freedom, p. 6.
78. Ibid., p. 9.
80. USTR, Christopher A. Padilla, p. 2.
82. Poulantzas, State, Power, Socialism.