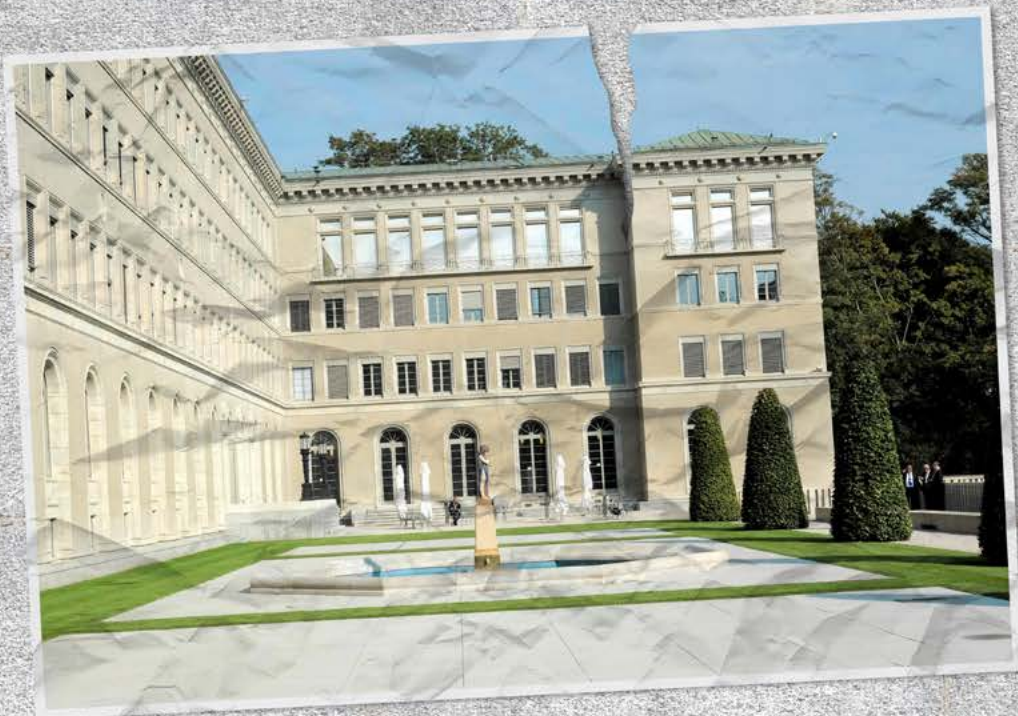


WORLD TRADE ORGANIZATION
ORGANISATION MONDIALE DU COMMERCE
ORGANIZACIÓN MUNDIAL DEL COMERCIO



A Fading Institution

25 years of the World Trade Organization:
the WTO through the media looking glass

Prof. Dr. Henrik Müller and junior professor Dr. Karin Boczek

A Fading Institution

25 years of the World Trade Organization:
the WTO through the media looking glass

Prof. Dr Henrik Müller

TU Dortmund University, Institute of Journalism
and Dortmund Center for data-based Media Analysis (DoCMA)

Jr. Prof. Dr. Karin Boczek

Johannes Gutenberg University of Mainz, Journalism Seminar
and Dortmund Center for data-based Media Analysis (DoCMA)

Contents

Bertelsmann Stiftung and the Reform of Global Trade Governance	5
Summary	6
1 A brief summary of WTO history	7
2 Declining public interest	10
3 Topics and trends – the image of the WTO in the German media	13
4 Preliminary conclusions: Three phases – then what?	22
5 The image of the WTO in the U.S. media	24
6 Symptoms and underlying causes – in brief	32
Bibliography	33
Legal notice	35

Bertelsmann Stiftung and the Reform of Global Trade Governance

If international trade is not subjected to a set of ground rules, political machinations in trade policy alone will determine how trade is conducted. The World Trade Organization (WTO) is a forum for negotiating trade policy issues, settling disputes in trade relations and developing and enforcing legal frameworks. The WTO thus ensures that fairness and reciprocity are reflected in the rules of trade policy, that they are accepted and applied by as many states as possible, and that negotiation and consensus govern the pursuit of national interests. It is therefore more important than ever to breathe new life into the global public good that it represents and protect it from the various threats aiming to undermine it.

Contributing to efforts to strengthen the multilateral global trading system, the Bertelsmann Stiftung's Global Economic Dynamics project published a comprehensive report in 2018 with reform proposals for the WTO that were based on the deliberations of our High-level Expert Panel on the Future of Global Trade Governance. On the heels of this report, we are publishing a series of policy-oriented publications in 2019 and 2020 in which we build on specific concepts presented in the report and introduce new ideas.

The present study aims to show that perceptions of the WTO have changed to its disadvantage over time. While there are certainly aspects of WTO policymaking in need of updating and improvement, it clearly delivers added value. This was demonstrated by our recently published calculations showing the positive impact the WTO has on the GDP of its member states. The WTO should therefore attract greater attention and appreciation from the public and its stakeholders, particularly those member states such as Germany and the United States that have benefited most from its efforts.

Andreas Esche
Director, Program Megatrends
Bertelsmann Stiftung

Christian Bluth
Project Manager, Global Economic Dynamics
Bertelsmann Stiftung

Summary

In 1995, when the World Trade Organization (WTO) was founded, much was expected of this new forum. However, 25 years later, the WTO has not lived up to these great expectations, as an analysis of media coverage over this period shows. Since the mid-2000s, the intensity of public interest in this global institution has declined considerably. Multilateral approaches have gradually disappeared from trade policy discourses. The debate is increasingly dominated by national perspectives. However, U.S. President Donald Trump's protectionist trade policies have shifted focus back toward the WTO. The study was conducted by the Dortmund Center for data-based Media Analysis (DoCMA) of the TU Dortmund University on behalf of the Bertelsmann Stiftung.

1 A brief summary of WTO history

Twenty-five years ago, on January 1, 1995, the World Trade Organization (WTO) began its work as an international institution. As successor to the General Agreement on Tariffs and Trade (GATT), which enabled a progressive liberalization of trade between the western-oriented economies in the decades following World War II, the WTO was seen as initiating a new stage in the international division of labor. The WTO's goal was to extend the rules-based multilateral trading system in place at the end of the East-West conflict and create an order that would encompass virtually every country on earth while also establishing legally binding mechanisms for the resolution of trade conflicts. As far as the number of members is concerned, the WTO has achieved this goal; by the end of the 2019, 164 countries were represented within the organization, accounting for 98% of all world trade. In terms of substantive effect, however, the WTO has fallen far short of initial expectations. Shortly before the 25-year anniversary, the U.S. government effectively suspended the conflict-resolution mechanism: In December 2019, the organization's Appellate Body was forced to discontinue its work because two of its judges had reached retirement age, and the United States refused to appoint new candidates.

The collapse of the Doha trade round in the 2000s had already marked a turning point in WTO history. In the aftermath of this event, the European Union and the United States in particular sought further opening, as each – the two largest global trading powers – began signing bilateral agreements with other states. A new phase of competition over the creation of free-trade zones thus began (“competitive liberalization”¹). In the 2010s, China appeared on the scene as yet another competitor, launching its Belt and Road Initiative (BRI; also known as the “New Silk Road”). While Beijing remains committed to the WTO, the BRI can be interpreted as an effort to establish a Sinocentric economic area.² The extent to which this approach is compatible with the idea of multilateralism or represents a countervailing strategy, remains unclear at present. From an economic point of view, free-trade agreements are in principle to be welcomed, as they are able to close regulatory gaps in international economic relations in a manner not currently possible within the WTO framework. In so doing, they can drive trade liberalization further forward. However, bilateral trade agreements are today meeting with what is at times vociferous criticism, particularly in Europe

1 see Bergsten (1996)

2 see Flint, Zhu (2019)

and the United States. Broadly negotiated agreements such as the Transatlantic Trade and Investment Partnership (TTIP; between the United States and the European Union) and the Trans-Pacific Partnership (TPP; between the United States and Pacific Rim countries) have failed. Other trade and investment agreements – including the Comprehensive Economic and Trade Agreement (CETA; between EU and Canada), the EU-Japan Free Trade Agreement (JEFTA; between the EU and Japan) and the EU-Mercosur agreement – were either ratified only after significant debate or remain controversial. The North American Free Trade Agreement (NAFTA; between the United States, Canada and Mexico) was renegotiated at the insistence of the Trump administration, and renamed the United States-Mexico-Canada Agreement (USMCA). The criticism is aimed not only at the specific substantive content of the agreements, but also at the legitimacy of the processes. For example, opponents of the TTIP negotiations criticized what they saw as a lack of transparency in the negotiations.

After 25 years of WTO history, a paradoxical situation has emerged. Efforts to further liberalize trade and investment flows through bilateral agreements are met with harsh protests within Western societies. Opponents are voicing objections to procedural matters in particular, casting doubt on the legitimacy of the negotiation processes. Given its role as a global forum, the WTO could, in principle, strengthen the legitimacy of efforts to deepen liberalization. However, it is paralyzed and marginalized. What's more, as this study shows, the multilateral approach has drifted increasingly out of the public eye – and with it has dwindled any hope that the WTO might create a fairer global playing field. Only the trade conflicts under the Trump administration, which have dominated the agenda since the beginning of 2018, have drawn public attention in the West back to the WTO. This time, however, the WTO is seen as the victim of a new era of protectionism and no longer as the hub of a rules-based multinational order.

This study examines reporting on the WTO between January 1, 1994 and June 30, 2019. Using an algorithm-supported analysis of articles published in German newspapers, we can identify patterns in public discourse. The combination of an algorithm-driven, unsupervised statistical process of categorization with qualitative analysis conducted by researchers enables general statements to be made about the intensity of public awareness and content trends as reflected in the reporting of leading media publications (see Box 1 “Methodology”). Agenda-setting issues and trends in opinion are key determinants of democratic politics. The current study focuses on the German media's reporting on the subject of the WTO. Because the United States – as a once-leading and still dominant trading power – remains of outsize importance to the rest of the world, leading U.S. media publications were also reviewed. Public and published opinion in the United States is therefore of global significance, especially for an economy as open as that of Germany. Selected results from this review of U.S. content will be presented on a comparative basis in section 5.

Box 1 Methodology

This study is based on a total of 2.68 million articles that appeared in either the center-left *Süddeutsche Zeitung* or the center-right *Handelsblatt* between January 1994 and June 2019. A total of 9,378 articles making reference to the WTO were included in the topic-model analysis, with the latent Dirichlet allocation (LDA) method used as a means of selection. Specifically, these were articles in which the terms “Welthandelsorganisation” (World Trade Organization), “World Trade Organization” or “WTO” were used. Following a series of tests, the number of topics within these selected articles was set at eight. A similar review of several leading U.S. newspapers, including the *New York Times* and the *Washington Post*, was carried out in parallel. These publications can respectively be classified as left-liberal and centrist within the U.S. political spectrum. Both papers published around 5 million articles during the review period. A total of 9,818 articles within this overall collection of texts made reference to the WTO, and were thus included in the next phase of the study. For the U.S. analysis, the value of 10 was chosen for the number of topics, again following a pre-testing process.

LDA³ is a semi-automated procedure for structuring a large corpus of text. This stochastic approach can be used to categorize unstructured text content. The algorithm sorts texts in which similar words appear together into clusters (“topics”), which can then in turn be interpreted by human researchers.⁴ The analysis was carried out using the *tosca* software package developed at the Dortmund Center for Data-Based Media Analysis (DoCMA).⁵ The algorithm delivers lists containing characteristic words (“top words”) and articles (“top texts”) that can be used to interpret content. The opinion trends associated with individual topics, for example, can then be worked out over the course of subsequent qualitative-analysis steps.

As is customary with comparative studies of this kind, it is assumed that the elite newspapers are representative to the extent that the analysis of their content allows conclusions to be drawn about the entire media landscape.⁶ In an approach of this kind, oriented as it is toward the average reporting line, we can identify a polarization of the media system with respect to content only if it is reflected in the reporting of the mainstream media organizations.

³ see Blei et al. (2003)

⁴ These content-related categories can be seen as interpretive “frames” (see DiMaggio et al. 2013) or as stories comprised of a sequence of frames (“narratives,” see Müller et al. 2018).

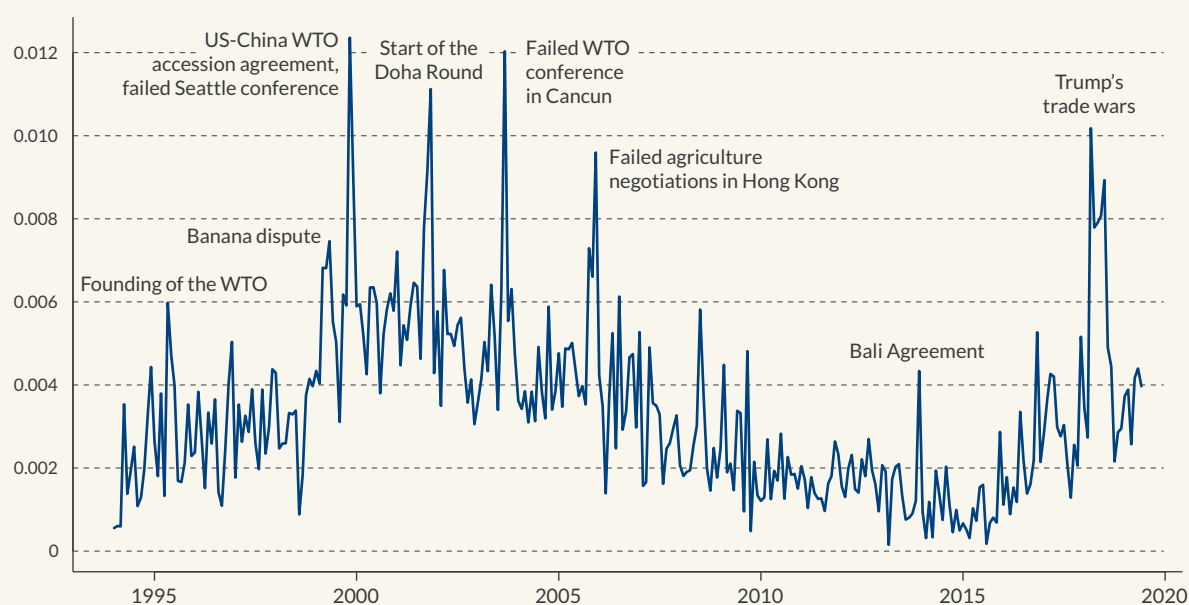
⁵ see Koppers et al. (2018)

⁶ The concept of elite newspapers is based on the assumption that other journalists orient themselves toward the issues reported on by these media. In the case of the “*Süddeutsche Zeitung*,” peer group penetration had in the past reached 35% (see Weischenberg et al. [2006, p. 359]).

2 Declining public interest

Media interest in political actors and processes is subject to cycles that are typically event-driven. Key events trigger surges of interest in certain topics, during which intensive engagement with a societally relevant issue takes place. Within this period, implications and controversies are illuminated, and proposals for solutions are discussed. After a peak in reporting, public interest gradually wanes, with new events and other topics pushing to the fore.⁷ The relevance of political actors and institutions is in large part reflected in their capacity to generate public interest. Figure 1 shows the intensity of German reporting on the WTO beginning in 1994, one year before the Geneva-based organization was founded.

FIGURE 1 Intensity of reporting on the WTO in Germany
(monthly share of total reporting)



* Share in WTO-related reporting, three-month moving average.
Source: DoCMA.

| BertelsmannStiftung

Here we can identify a chain of attention cycles, each of which is driven by key political events. Within this study's context, these peaks relate mostly to meetings between the WTO member states' trade ministers, at which crucial steps forward had been expected within the framework of longer-term negotiation processes. Significant attention is also paid to decisions in trade-policy disputes. The WTO's April 1999 decision against the EU's limits on banana imports (the EU banana regime), which allowed the United States to impose punitive tariffs on EU imports amounting to \$191 million marks one of the first peaks in German media reporting.⁸ Toward the end of the same year, two major events captured the public's attention, together representing the absolute peak in the intensity of WTO reporting over the entire review period. In November 1999, U.S. President Bill Clinton and China's President Jiang Zemin signed an agreement that paved the way for China to join the World Trade Organization. Shortly thereafter, the December 1999 Ministerial Conference in Seattle failed, with delegates from developing countries walking out of the conference in protest against what they saw as the developed countries' protectionist stance on trade in agricultural and textile products. The meeting was accompanied by unexpectedly intense, at times even violent anti-globalization protests on the streets of Seattle. This was the first time that critics of the open trade order had appeared in such massive numbers outside an international summit meeting.

China was formally admitted in November 2001 at the WTO conference in Doha. At the conference, the ministers of the member states also agreed to launch the Doha Round, an ambitious program of negotiations that envisioned further liberalization of trade in goods and agricultural products, but also included new topics such as rules for trade in services and the protection of intellectual property. Moreover, the talks were meant to emphasize in particular the integration of developing and emerging countries into the global economy. The subsequent expert-level negotiations are covered continuously in German reporting over the following two years, albeit with reduced intensity. The failure of the Cancun WTO conference at the end of 2003 was an event whose potential impact is clearly evident in the upward reporting-intensity curve. Following the collapse of separate negotiations on the reduction of agricultural tariffs and subsidies at the Hong Kong Ministerial Conference in late 2005, public interest gradually wanes. Over the following two years, the WTO no longer plays a role of any significance in the reporting. The Bali Agreement, in which agreement was reached on a fraction of issues on the Doha agenda such as easing border formalities, was the first (and as yet the only) multilateral agreement since the creation of the WTO. However, it receives very little media attention. Public interest gradually returns beginning only in 2016, when globalization and international trade became prominent and highly controversial topics in the U.S. presidential campaign. The election of Donald Trump as U.S. president and the beginning of the trade war bring the WTO back onto the agenda.

The continuity of German reporting on the WTO through this period is remarkable. While the pattern of reporting is characterized by event-driven thematic cycles, reporting also remains continuous over long periods of time, even between major political events, as Figure 1 (pg. 8) shows. The multilateral approach to

7 see Downs (1972), Shiller (2017)

8 see European Commission (2000), World Trade Organisation (2012)

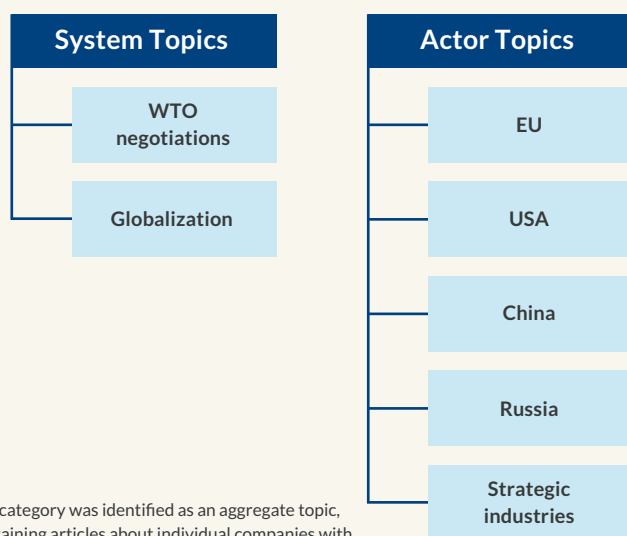
world trade remains fixed on the agenda. This does not change until the end of the 2000s, when the WTO temporarily falls almost entirely out of the media's coverage. U.S. reporting, by contrast, shows an entirely different pattern. Here, coverage is dominated by a few large events with strong relevance to U.S. domestic policy, such as the U.S.-China agreement, the Seattle conference overshadowed by violence in 1999, and Donald Trump's newly confrontational course in trade policy (see Fig. 10, p. 24).

3 Topics and trends – the image of the WTO in the German media

Using the topic-modeling approach, the reporting can be broken down thematically over the entire period. As part of its automated procedure, the algorithm creates categories of newspaper articles that deal with related topics. These categorized texts are then available for content analysis, additionally supplemented by lists of words and concepts characteristic of each category (see Box 1, pg. 7). The following figures, illustrating the proliferation of specific patterns of interpretation, show the significance of individual aspects of the WTO-related reporting over time. In a certain sense, they depict the averages of the content across a large number of articles. This allows the underlying currents in public opinion to be ascertained.

According to our qualitative analysis, two types of thematic patterns of interpretation (“topics”) can be distinguished (Figure 2): those which focus on individual actors (“actor topics”), and those which reflect general attitudes toward the WTO and globalization (“system topics”).

FIGURE 2 Categories of reporting patterns in German newspapers*



* An eighth category was identified as an aggregate topic, largely containing articles about individual companies with relevance to the WTO.
Source: Authors.

| BertelsmannStiftung

Focus: WTO negotiations

Among the system topics, examination of the WTO as an institution constitutes its own category of reporting. The perspective on the World Trade Organization taken here is consistently favorable. In articles assigned to this topic, personnel issues and statements by top WTO figures play a prominent role, along with news of progress and setbacks in the negotiation rounds. The following headlines are typical of such articles:

“Ruggiero wants more weight for developing countries”⁹

“India warns against WTO hurdles for poor countries”¹⁰

“WTO in deepest crisis since its creation”¹¹

“Greater weight for the Third World”¹²

“Clear progress in the world-trade round”¹³

“APEC states place hopes in WTO summit”¹⁴

“India launches new trade round”¹⁵

“Germany helps poor WTO states”¹⁶

The basic tenor of these articles is sympathetic toward the WTO. It might be described in this way: The further liberalization of world trade under the auspices of the WTO is a good thing, because the rules-based balancing of economic interests helps poorer countries in particular. When negotiations fail or recurrent disputes break out over filling the director-general’s position, for example, the reporting presents these events as setbacks on the way to a better global economic order. As Figure 3 shows, this narrative diminishes over time. After the failure of the Hong Kong conference in 2005, it gradually disappears from the reporting.

9 “Handelsblatt,” April 26, 1995

10 “Handelsblatt,” August 18, 1999

11 “Handelsblatt,” May 4, 1999

12 “Süddeutsche Zeitung,” January 21, 2001

13 “Süddeutsche Zeitung,” May 15, 2003

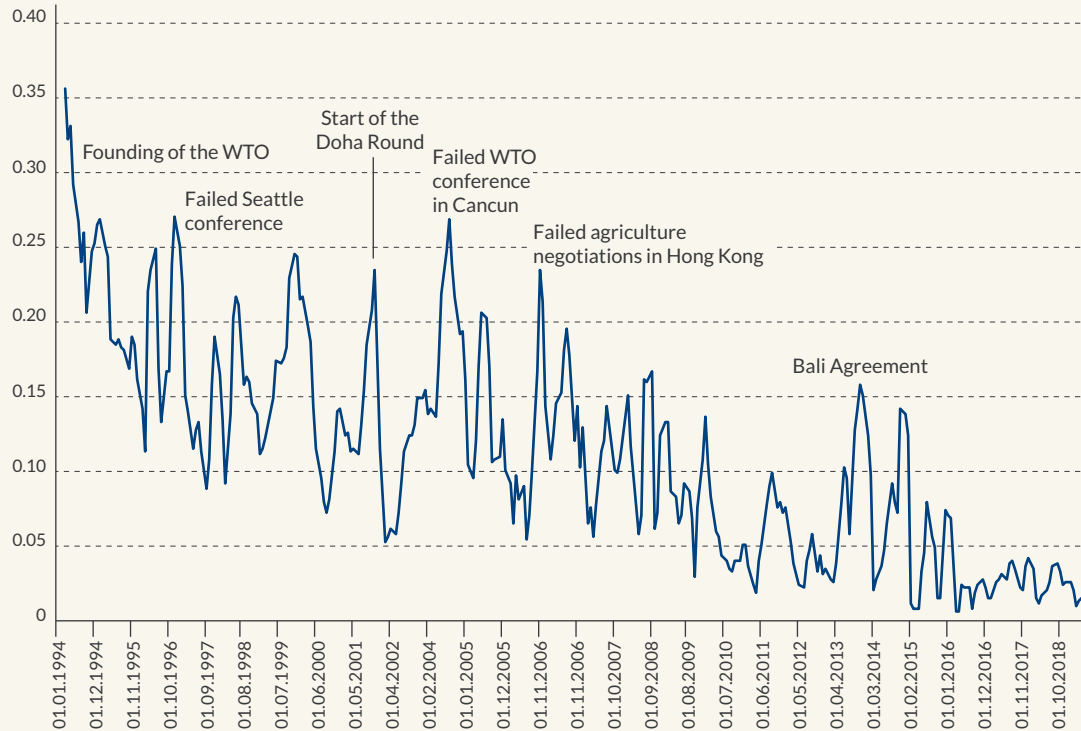
14 “Süddeutsche Zeitung,” November 14, 2005

15 “Handelsblatt,” July 30, 2009

16 “Süddeutsche Zeitung,” December 15, 2000

FIGURE 3 Reporting on WTO negotiations*

(predominately positive tone)



* Share in WTO-related reporting, three-month moving average.

Source: DoCMA.

| BertelsmannStiftung

Focus: evaluating globalization

As can be seen in Figure 4, the pattern of reporting on globalization and its side effects appears as nearly a mirror image of the previous topic. Here, the articles evince a critical attitude centering particularly on social and environmental problems, along with the power of large corporations. The texts express the fear that a largely unregulated world economy could pose a risk to societal, economic and ecological stability. The following headlines are typical of this topic:

“Establishing an international social market economy”¹⁷

“Experts call for upgrading of environmental protection following WTO model”¹⁸

“Growth, until it crashes”¹⁹

17 “Handelsblatt,” October 16, 2008

18 “Handelsblatt,” December 21, 2000

19 “Süddeutsche Zeitung,” August 22, 2011

“Competition in the global village”²⁰

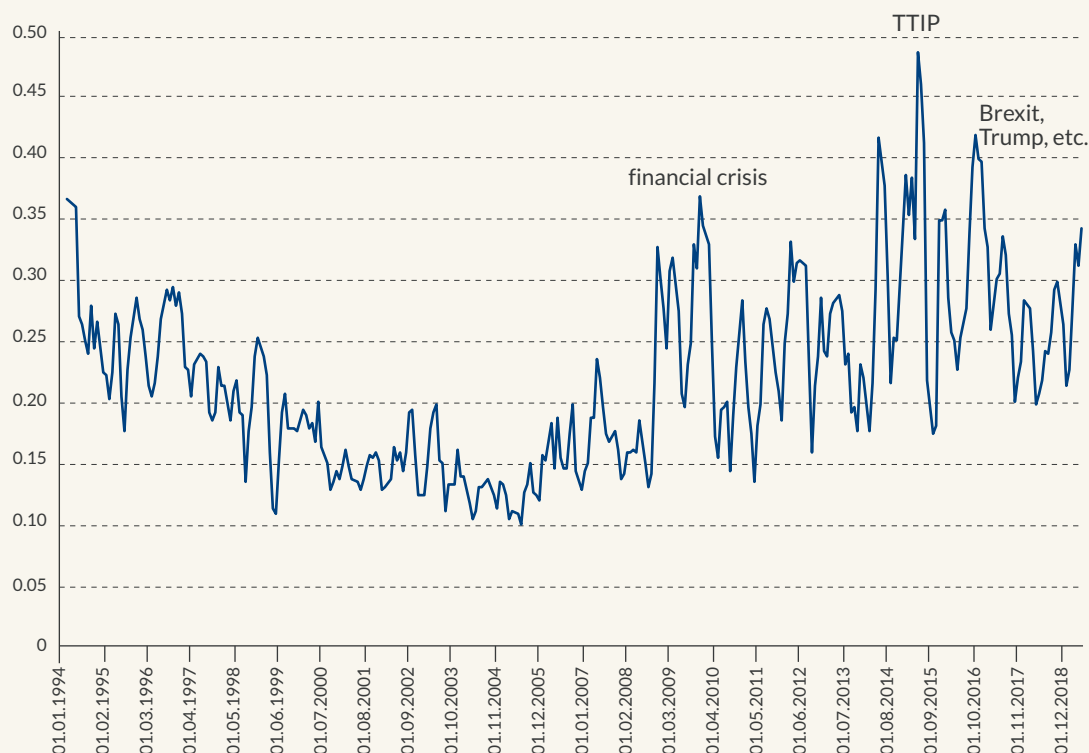
“The morality of business leaders in the era of globalization”²¹

“Tearing down barriers to trade”²²

“A vision against the coarsening of the world”²³

The WTO is seen as the nucleus from which a better and improved globalization can emerge. This involves creating an environment in which the power of the strongest no longer prevails but in which all actors subordinate themselves to common rules. However, according to this narrative, national and corporate self-interest have prevented this vision from materializing. Beginning in 2008, the financial crisis is one of the drivers of this topic. This narrative reaches its peak in the course of the 2015 conflict over the TTIP transatlantic economic agreement, which was negotiated outside the WTO framework. However, protectionist populism and its manifestations (Brexit, Trump) are also featured prominently.

FIGURE 4 Reporting on globalization in the context of the WTO*
(predominantly critical tone)



* Share in WTO-related reporting, three-month moving average.
Source: DoCMA.

| BertelsmannStiftung

20 "Süddeutsche Zeitung," November 17, 2001

21 "Süddeutsche Zeitung," March 27, 2001

22 "Handelsblatt," November 23, 2011

23 "Süddeutsche Zeitung," July 9, 2002

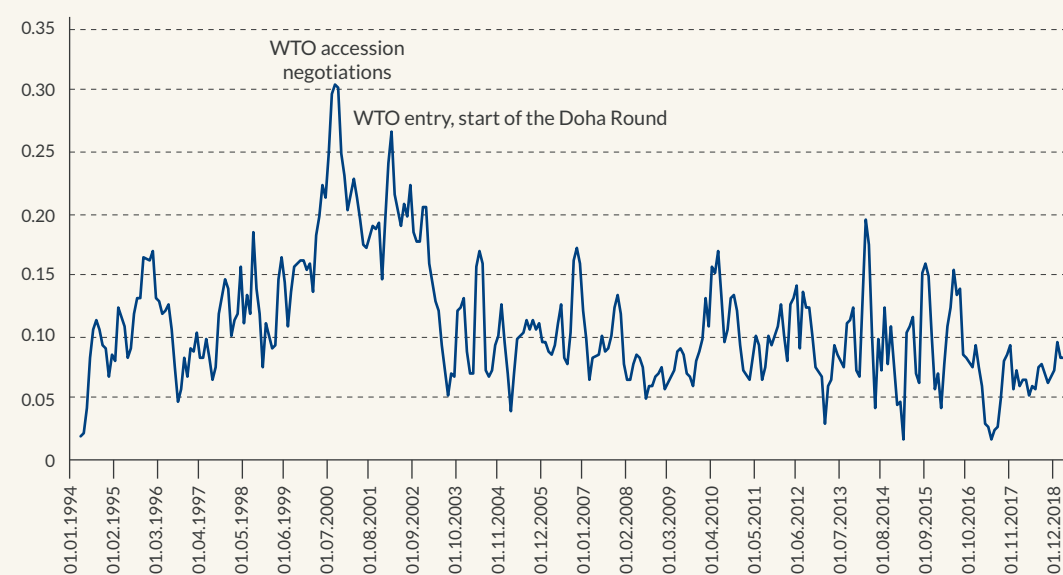
Looking at the two system topics in context, it is clear that there is a change in public perception. In the first half of the review period, the dominant view regards the multilateral trade order within the WTO framework as a hope-inspiring objective. In the second half, this optimistic attitude gives way to disillusionment, which is further exacerbated by the financial crisis.

Focus: China as an actor

The change of mood evident within the German media's handling of the system topics can also be seen in the actor topics. The perspective on the Far East is characteristic of this first phase. Close attention is paid to China's accession negotiations around the turn of the millennium. This represents the most important event in the WTO's history, an assessment evident even at the time (see peak in Graphic 1). In the reporting there are expectations throughout that the economic opening would also promote political and social openness (Figure 5). China's accession to the WTO is bound together with hopes for the triumph of the liberal order.

FIGURE 5 Reporting on China in the context of the WTO*

(predominantly optimistic tone)



* Share in WTO-related reporting, three-month moving average.

Source: DoCMA.

| BertelsmannStiftung

In the typical articles making reference to the WTO, there is considerable mention of “opening,” “reforms,” and “hope,” as well as of the opportunities afforded to Western companies through China's integration into the world economy.²⁴ In this

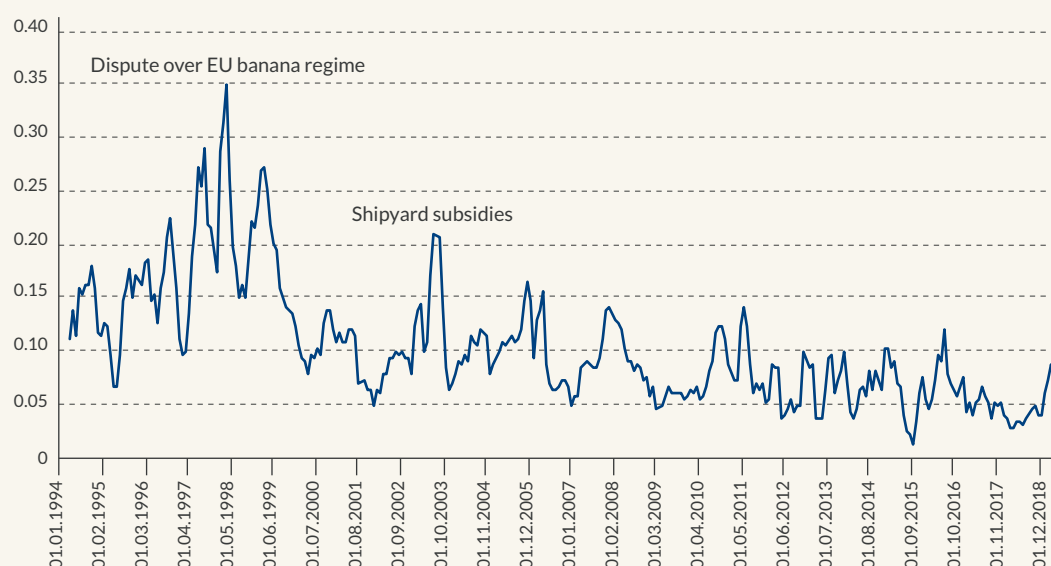
24 Typical headlines from articles in this topic area include: “Opening up to foreign banks” (“Handelsblatt,” January 28, 1999), “China plans to open markets” (“Süddeutsche Zeitung,” November 7, 2001), “Hurdles in China are falling” (“Handelsblatt,” January 3, 2006) or “China seeks to attract foreign investors” (“Süddeutsche Zeitung,” December 2, 2002).

regard, considerable hope is also clearly placed in a societal opening and gradual democratization. This optimistic narrative has its high point around the turn of the millennium, as the opportunities created by China's U.S.-led accession to the WTO are widely discussed. From 2003 onward, this topic loses relevance, and the fundamentally positive framing China fades into the background.

Focus: the EU as an actor

German reporting in the early years of the WTO's existence frequently takes a critical view of Germany's own trade policy which, to a great extent, is subsumed under the umbrella of the European Union. In the German media discourse, the EU is often regarded critically as a protectionist actor that hinders agricultural imports and subsidizes agricultural exports, while attempting to protect uncompetitive industries such as shipyards against foreign competition. Scare words and terms such as "banana battle," "hormone-soaked meat," and "GMO corn" are repeatedly found in this topic, which is dominated by the conflict with the United States over import quotas for "dollar bananas,"²⁵ as well as by the conflict with South Korea over aid for shipyards. In both arenas of conflict, the EU was repeatedly subject to WTO arbitration. Different positions are also evident within the European Union. For example, in the dispute over banana imports, Germany was on the side of consumers, advocating for a more liberal European position. In the case of the aid to shipyards, the German federal government (then

FIGURE 6 Reporting on the EU in the context of the WTO*
(predominantly critical tone)



* Share in WTO-related reporting, three-month moving average.
Source: DoCMA.

| BertelsmannStiftung

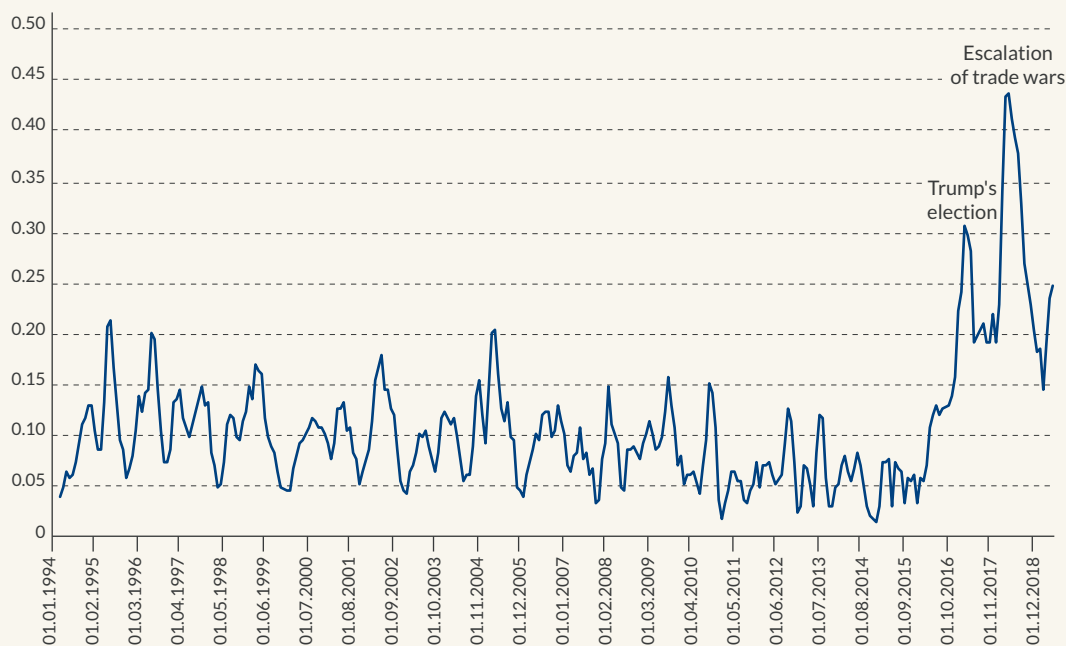
25 The objective of this scheme was to protect banana production in the EU, Africa and the Caribbean. These were mainly former French colonies.

a coalition between the Social Democratic Party and the Greens) supported defensive EU measures against alleged Korean dumping, while the United Kingdom and the Scandinavian member states argued against such measures. WTO arbitration rulings in favor of free trade tend to be welcomed in the German press – a stance that corresponds with what was at the time an overall optimistic view toward the WTO. From the middle of the 2000s onward, however, the critical examination of an EU perceived as protectionist disappears nearly entirely from the reporting. By the end of the review period, it has virtually vanished from the discourse (Figure 6).

Focus: the United States as an actor

The view of the United States also changes over the course of the WTO's history. Traditionally, the United States is seen in Germany as a trailblazer of free trade that fights protectionism and pushes other trading powers, including the EU, to open their markets. Washington's initiative in favor of China's accession to the WTO around the turn of the millennium underscores this view. Protectionist tendencies in the United States itself – the trend of the U.S.-as-actor topic – have been rarely addressed in the German media for twenty years, as the corresponding actor topic shows (Figure 7). In the mirror of public opinion, the United States is initially depicted as a kind of counterweight to the European Union. It is only toward the end of the review period that this comparative perspective turns on its heels. With the election of Donald Trump as U.S. president and the ensuing

FIGURE 7 Reporting on the United States in the context of the WTO*
(predominantly critical tone)



* Share in WTO-related reporting, three-month moving average.
Source: DoCMA.

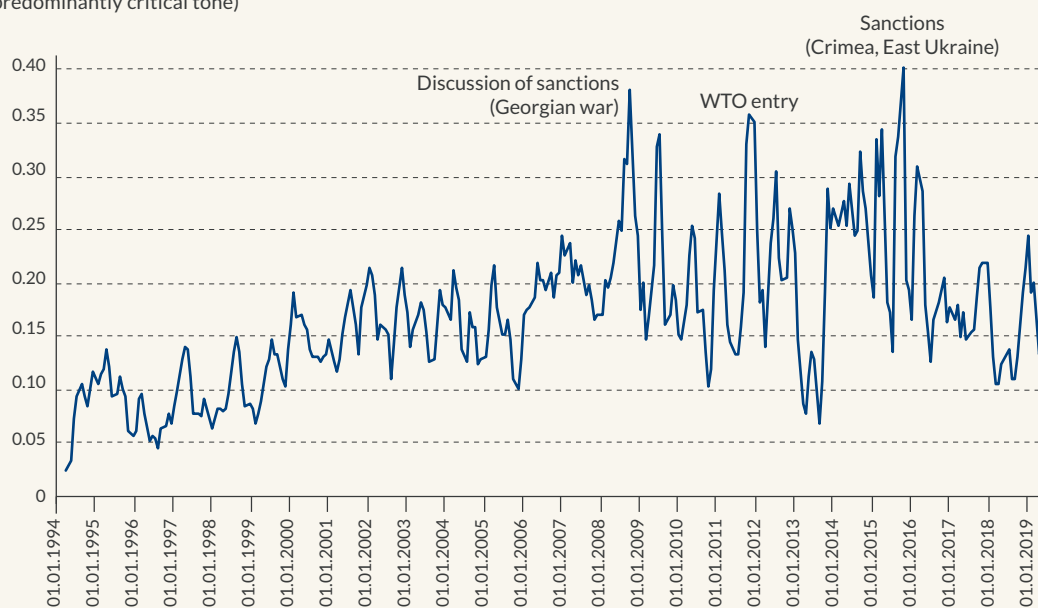
BertelsmannStiftung

escalating tariff battles, especially with China, the German media increasingly presents the United States as a protectionist power that wants to eliminate the multilateral trade regime – originally enforced by the United States itself – in favor of a unilateral approach.

Focus: Russia as an actor

Over the course of the WTO's existence, the global economic arena has developed from a rules-based order into a strategic struggle between major powers and corporations. This evolution is also evident in the depiction of Russia, which appeared aggressively on the world stage beginning in 2008. The starting point for this changed view of Russia is the Georgian war in 2008 and the subsequent debate over sanctions against Moscow. This pattern repeats after 2014, when sanctions were applied to Russia following the annexation of Crimea and the conflict in eastern Ukraine (Figure 8).

FIGURE 8 Reporting on Russia in the context of the WTO*
(predominantly critical tone)



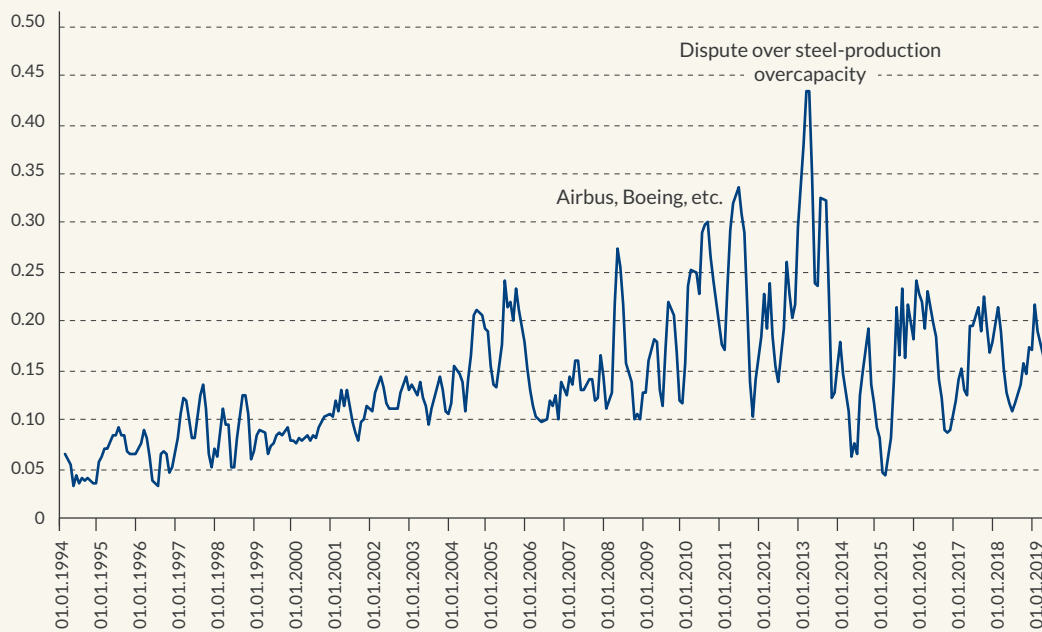
* Share in WTO-related reporting, three-month moving average.
Source: DoCMA.

| BertelsmannStiftung

Focus: strategic industries

In the early phase of the WTO, trade disputes were largely centered around agriculture and – somewhat later – aid to shipbuilders. Over time, however, the reporting comes to focus on the strategic struggle between corporations and industries regarded as strategically important. This is particularly true of the subsidy disputes between Airbus and Boeing, each of which accused the other of receiving unfair state aid, facing one another throughout a series of WTO proceedings. Beginning in 2013, the conflict over the global steel-production overcapacity, which originated primarily in China and ultimately prompted other trading nations to raise protective tariffs and file WTO complaints, becomes a prominent topic (Figure 9).

FIGURE 9 Reporting on strategic industries in the WTO context*
(predominantly critical tone)



* Share in WTO-related reporting, three-month moving average.
Source: DoCMA.

| BertelsmannStiftung

4 Preliminary conclusions:

Three phases – then what?

WTO history, as depicted by the media in Germany to date, can be summarized in three phases:

Phase 1: The optimism of the early years (mid-1990s to early 2000s)

Shortly after its founding, it was hoped that the WTO would finally bring an end to the protectionism of the postwar decades and promote further liberalization. During the early years of its existence, negotiations within the WTO framework are closely followed by the public. What's more, the intensification of international trade is seen as a means of integrating emerging, developing and transition countries into the West's liberal international order. This applies in particular to China.

Phase 2: A series of failures (mid- to late 2000s)

While the Doha Round, launched at the end of 2001, continues to draw considerable public interest, it soon becomes clear that rapid progress cannot be achieved. The failures of the Cancun Ministerial Conference at the end of 2003 and the Hong Kong Ministerial Conference at the end of 2005 hit the headlines again. The conflicts of interest between the highly developed and the developing economies on agriculture issues in particular seem insurmountable. In the wake of these conflicts, the United States and the EU intensify their strategy of "competitive liberalization." Both trading superpowers are committed to reaching bilateral trade and investment agreements outside the multilateral system. This change of course is reflected in the reporting: Negotiations within the WTO framework, which were during the first phase a recurrently prominent topic of public debate that was painted in positive terms, largely disappear from view. The public gradually loses interest in multilateralism and its most important institution.

Phase 3: Sliding into irrelevance (late 2000s to 2017)

Throughout this phase, public awareness of the WTO steadily declines. Even successes such as the Bali Agreement on Agriculture are hardly taken note of. While the multilateral trading system is gradually deteriorating, it becomes clear that international trade is now perceived primarily as a strategic struggle. As the results of the topic model analysis show, public opinion is increasingly shaped by the struggles of major powers and key industries. At the same time, critical public debate on globalization as a whole and the role of the WTO is growing. The financial crisis of 2008 triggers this criticism. This debate on the fundamentals of globalization reaches its climax in Germany in the course of the dispute over the TTIP. This agreement, which is planned as a bilateral treaty between the EU and the United States lies outside the multilateral framework of the WTO, but has some relevance within the WTO context.

While hopes of further economic and societal opening continue to dominate at the beginning of this phase, the WTO as an institution is increasingly marginalized as other actors take center stage. In this third phase, public perceptions of the United States also change. The United States is traditionally viewed as a country with an open economy that pushes the rest of the world to advance liberalization. This image changes abruptly with the election of Donald Trump as U.S. president. The United States is now viewed as a superpower that aggressively pursues protectionism in its self interest.

The present and future

The year 2017 marks the beginning of a new era for the WTO. The current era is marked by trade conflicts between the world's major economic areas. Most of these conflicts are waged beyond the framework of the WTO.

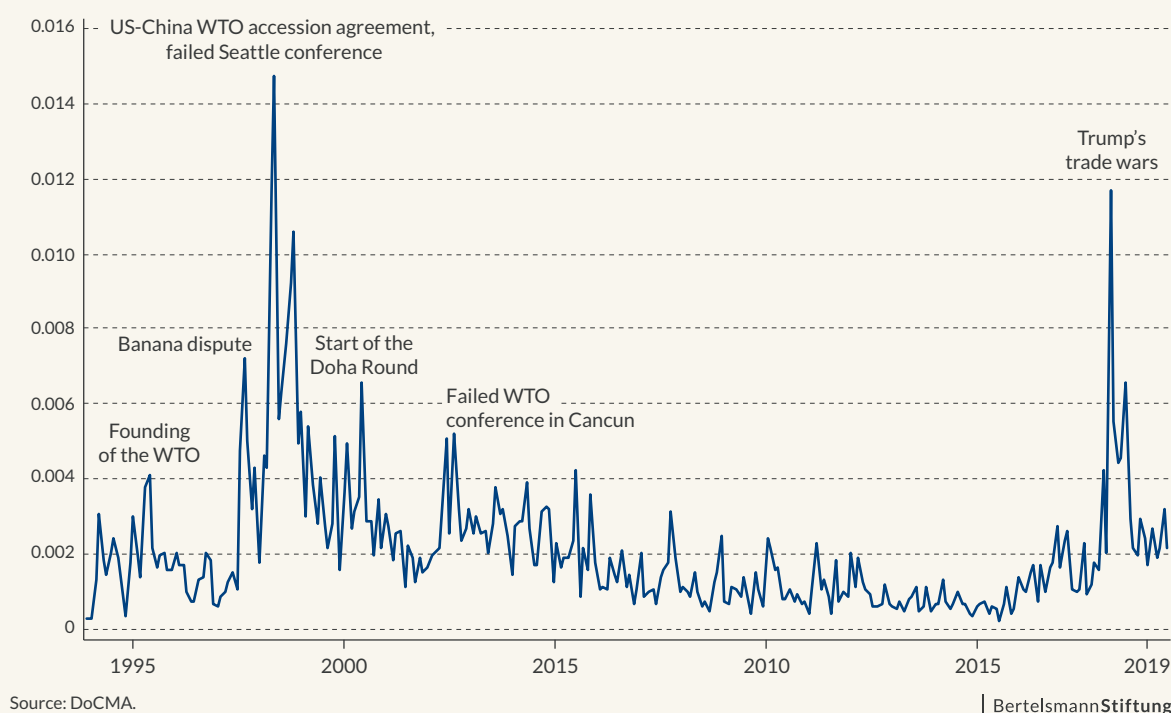
During the period from July 2018 to June 2019, global restrictions on imports are imposed on a trade in goods worth nearly \$800 billion.²⁶ In several cases, the Trump administration cites security issues as the motivation for import tariffs, a step rarely taken even during the Cold War and one that is not subject to verification by the multilateral trade regime. At the end of the observation period covered by the data, the WTO's dispute settlement mechanism loses its ability to operate when the Appellate Body becomes unable to rule in December 2019. This is a result of the U.S. administration's continued refusal to appoint new candidates to replace existing judges going into retirement. Whether and to what extent the WTO can be revived at some point in the future remains unclear.

26 see World Trade Organization (2019)

5 The image of the WTO in the U.S. media

As already noted, this study also examines U.S.-American media reporting on the WTO. In terms of intensity over time, the two profiles differ significantly. While continuous reporting over long periods of time is observed in Germany (see Figure 1, p. 10), there are two phases in the U.S. case in which the public takes particular note of the World Trade Organization. The first is around the turn of the millennium, when the Seattle protests sent out a shock wave and, shortly thereafter, the U.S. government reached an agreement with the Chinese leadership on China's entry into the WTO. The second phase begins with Donald Trump's presidency and his unilateral policy to engage in trade wars. Quality newspapers continue to report on the launch of the Doha Round, which coincides with China's WTO entry, and the failed Cancún conference. After that, however, the WTO largely disappears

FIGURE 10 Intensity of reporting on the WTO in the United States
(predominantly critical tone)

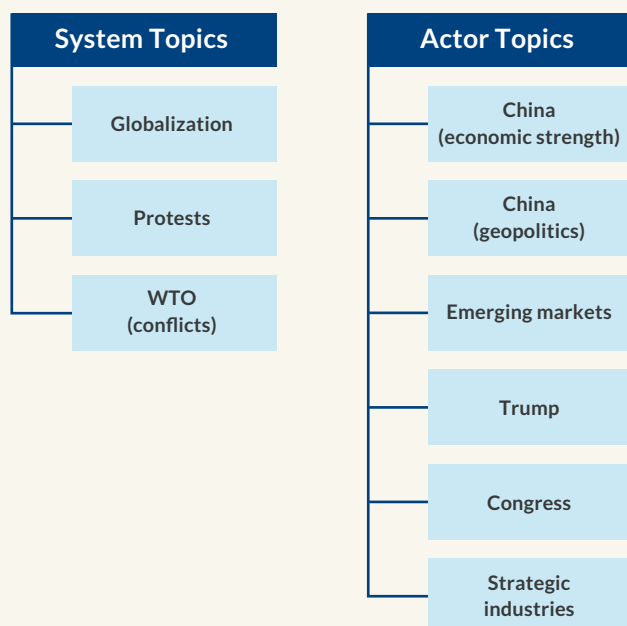


from reporting. A moderate recovery is observed from the second half of 2016 onwards, but the level of attention remains low. With the escalation of the tariff conflict that begins in early 2018, the intensity of reporting reaches a new high (Figure 10).

In order to determine which topics and trends have driven U.S. reporting over time, the topic-modeling approach was also applied to this dataset. As in the analysis for Germany, two categories could be identified (Figure 11).

In the United States, WTO-related reporting includes a critical discussion of globalization which, like its German counterpart, involves various reports on globalization protests, and a topic that addresses conflicts among WTO member states in particular. Among the actor topics there are two China topics (each with a different focus and slant, see Figure 15, p. 29), an emerging markets topic (which deals in particular with intellectual property conflicts between U.S. companies and competitors in Brazil or India in the pharmaceutical or agricultural industries), a clearly defined Trump topic, a Congress topic (which includes various trade policy legislative initiatives by members of Congress), and a topic that deals with strategic industries (such as the conflict between Airbus and Boeing).

FIGURE 11 Categories of reporting patterns in German newspapers*



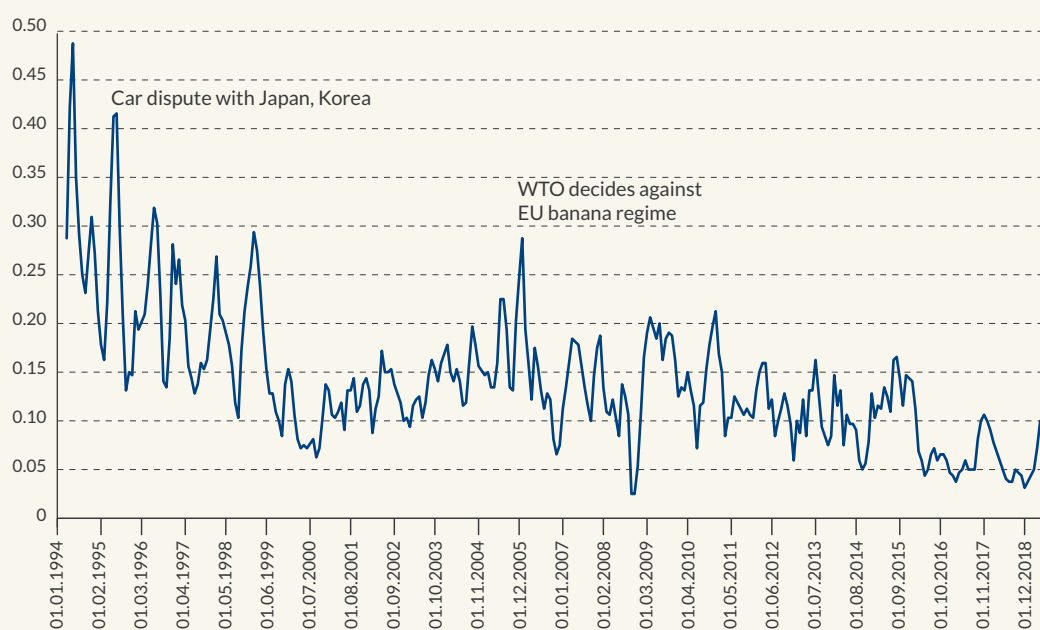
* A tenth category includes articles about the feature film "Battle in Seattle."
Source: Authors.

| BertelsmannStiftung

Focus: WTO trade disputes

The results of the analysis lead to the following conclusion: The limited attention paid to WTO arbitration proceedings in the United States is a key factor in the long absence of the WTO from the public eye there. Unlike the United States, in Germany, these proceedings repeatedly give rise to reports. From the second half of the 2000s onwards, fewer and fewer reports in the United States discuss the proceedings (Figure 12), even though the number of trade disputes actually increases into the 2010s, with the United States initiating the most complaints and China being the most frequent object of these complaints. However, these conflicts – and thus the benefits of independent arbitration proceedings – are no longer reflected in the media in any way that is commensurate to their relevance.

FIGURE 12 **U.S. reporting on trade conflicts in the context of the WTO***
(predominantly neutral tone)



* Share in WTO-related reporting, three-month moving average.
Source: DoCMA.

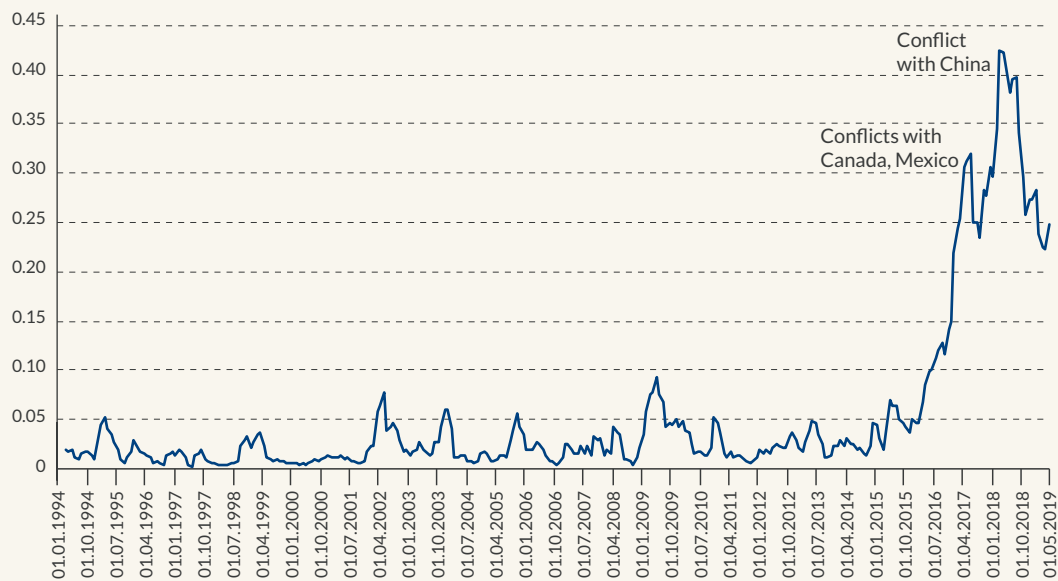
| BertelsmannStiftung

Focus: Donald Trump as an actor

The actors involved play a key role in shaping the difference in U.S. and German views of the WTO. Whereas in Germany, as global powers, the United States, China, Russia and the EU (which is slightly removed from the German public eye) are the main actors and are each represented by their own topics, in the United States, national actors are central to public opinion. The analysis identifies two topics that are concerned primarily with national actors: the U.S. Congress, whose recurring trade policy initiatives are regularly reported on, and Donald Trump. Toward the end of the observation period, the U.S. president's trade policy, which eschews

the multilateral order, becomes the determining factor for all WTO reporting in the United States (Figure 13).

FIGURE 13 U.S. reporting on (U.S. President) Donald Trump in the WTO context*
(predominantly critical tone)



* Share in WTO-related reporting, three-month moving average.
Source: DoCMA.

BertelsmannStiftung

Focus: Evaluating globalization

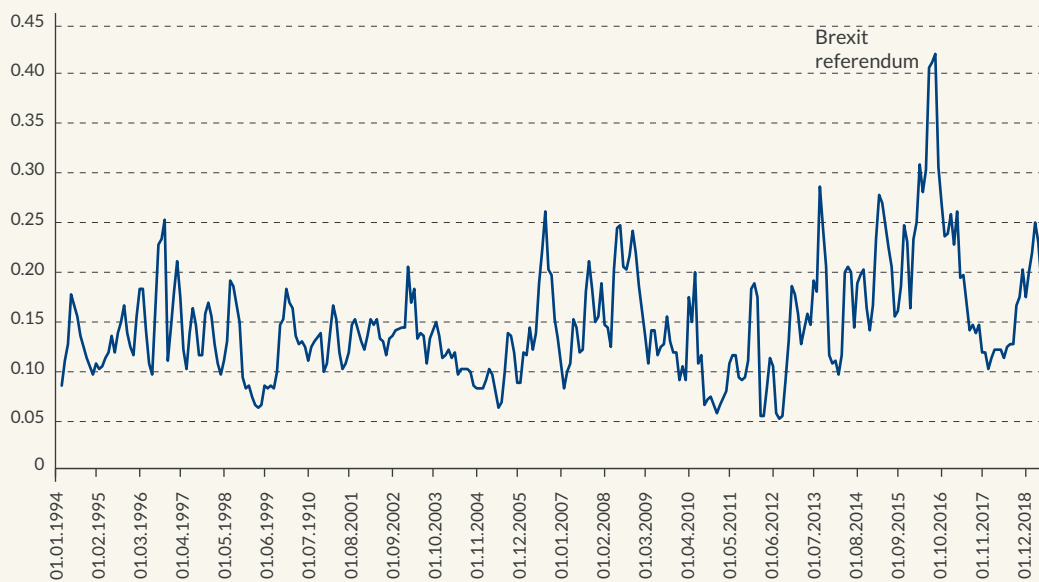
Similar to Germany, we see a globalization debate in the United States that has been present as a system topic throughout WTO history (Figure 14). But whereas social and sociopolitical issues are the focus of public attention in Germany, in the United States, the focus rests more on the impact these social shifts have on Western political systems and on the world order as a whole. The pivotal event in this topic is the Brexit referendum held in the summer of 2016, followed by the final phase of the U.S. election campaign delivering Trump as the Republican Party's top candidate. Both themes are combined, forming a pessimistic scenario. The following headlines are typical of this topic:

“The world’s losers are revolting, and Brexit is only the beginning”²⁷

“The end of the Anglo-American order”²⁸

“Trade in the Trump era: the ‘politics of resentment’”²⁹

FIGURE 14 **U.S. reporting on globalization in the context of the WTO***
(predominantly critical tone)



* Share in WTO-related reporting, three-month moving average.
Source: DoCMA.

| BertelsmannStiftung

Focus: China as an actor

A noteworthy aspect of U.S. public perception is the great importance attached to China as an actor. Unlike the EU and other key Western trading partners for the United States such as Canada, Mexico and Japan, China plays a significant role in shaping the U.S. view of global trade. In fact, the country has become so central to U.S. reporting that it is the subject of two topics at once. While the basic tenor of the China topic in German reporting in the years following the turn of the millennium is clearly optimistic, U.S. reporting reflects a more sober to skeptical view of the emergent nation. A long series of articles deal with China's economy

27 "Washington Post," June 27, 2016

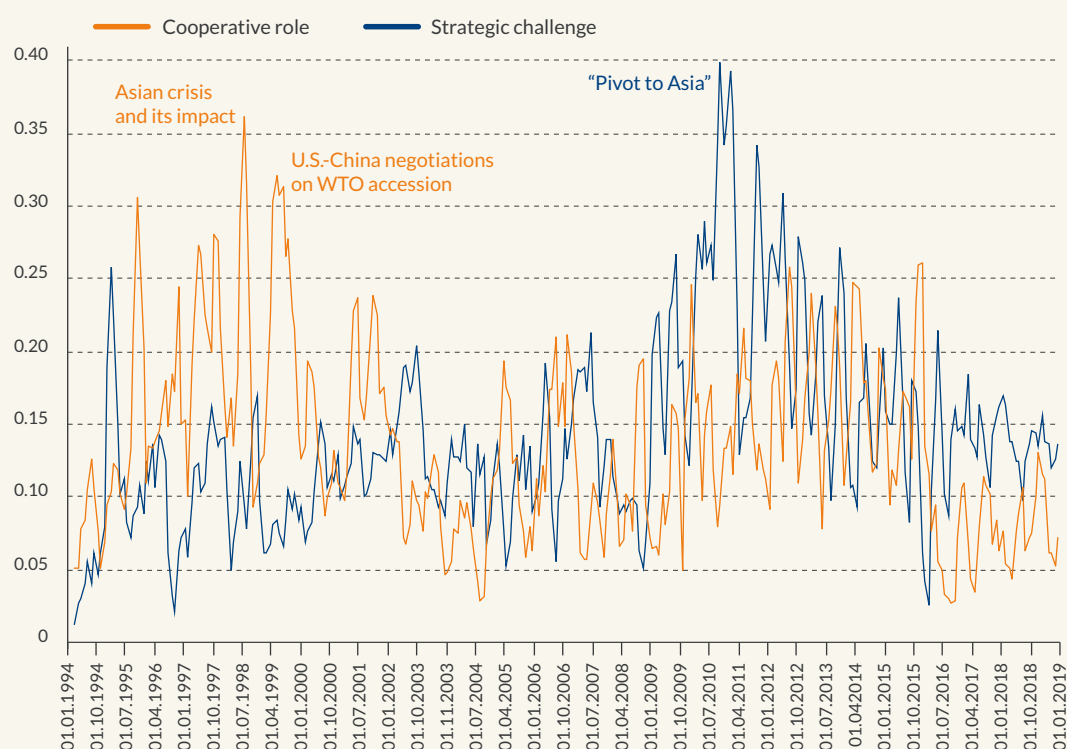
28 "New York Times," November 29, 2016

29 "New York Times," January 25, 2017

and its economic outlook in particular, China's role in stabilizing Asian economies in the years following the Asian crisis of the late 1990s, and Beijing's willingness to leave the yuan's exchange rate unchanged despite devaluations in other Asian countries. These developments are considered to be stabilizing for the region and the global economy. Whereas German media see China at the turn of the millennium primarily as representing an investment opportunity and promising sales market, U.S. reporting tends to emphasize China's cooperative role in managing what was at the time an unstable global economy. As Figure 15 shows (orange line), this view of China reaches its apex in the late 1990s and early 2000s. The U.S.-China negotiations on WTO accession are also included within this topic.

FIGURE 15 U.S. reporting on China in the context of the WTO*

(orange line = as a cooperative global economic power; blue line = as a strategic challenge for the United States)



* Share in WTO-related reporting, three-month moving average.
Source: DoCMA.

| BertelsmannStiftung

The second topic (Figure 15, blue line) shows a kind of mirror image to the first. In this topic, China is rendered as a challenge in terms of geopolitical issues. The new direction in U.S. foreign policy ("Pivot to Asia"³⁰) pursued by Barack Obama and his Secretary of State Hillary Clinton is based on this view. After this peak, however, the attention paid to China within a WTO context gradually subsides. The intensified economic disputes between the United States and China that follow

30 This shift in the focus of U.S. foreign policy was justified by then Secretary of State Hillary Clinton in an article for "Foreign Policy" (Clinton 2011).

Donald Trump's election take place for the most part outside the WTO framework, which is why they are not featured in this figure but in a separate topic (see Figure 13, p. 27).

Box 2 Names are news – WTO leaders in the media

A relevant indicator of an institution's standing in the public eye is the extent to which its leaders are well known. Since celebrity is an important news factor, it's often difficult for journalistic media to report on institutions not headed by prominent individuals. The WTO has a serious deficit in this respect. Current Director-General Roberto Azevêdo is not present in either the German or U.S. media. The WTO's leadership rarely plays a role in coverage of the organization (Figure 16). Much more well-known and present was Pascal Lamy, who served as EU Trade Commissioner before taking on the position as Director-General of the WTO and who influenced reporting on trade policy for more than 15 years. Only the WTO's first director-general, former GATT Chair Peter Sutherland, had a media presence similar to that of Lamy.

FIGURE 16 How often WTO heads are mentioned during their term of office, share of total corpus, German media

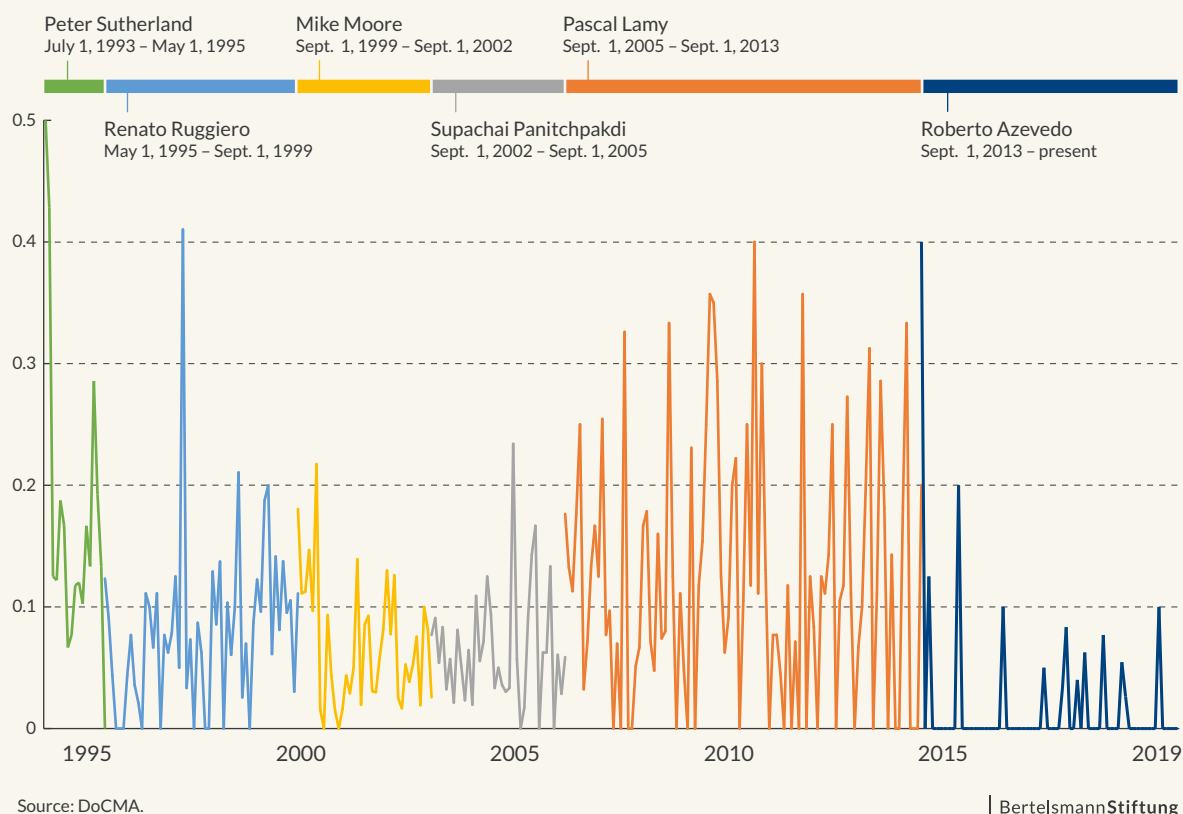
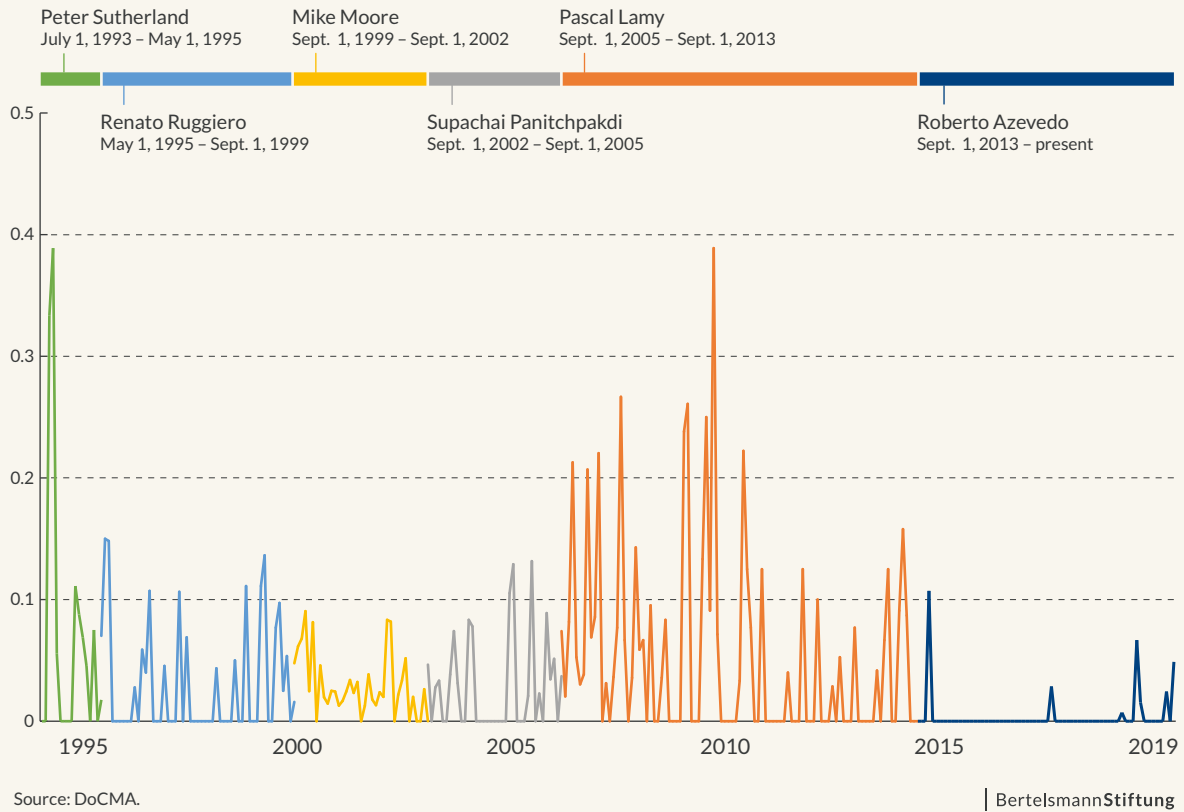


FIGURE 17 How often WTO heads are mentioned during their term of office, share of total corpus, U.S. media



6 Symptoms and underlying causes – in brief

Twenty-five years after being launched, the WTO no longer enjoys the reputation of being an influential forum for its member states. In the eyes of the public, the former “enabler” of multilateralism has become a marginalized institution that is threatened by conflicts among major powers. This perspective is underscored by the eroding importance ascribed to WTO Director-Generals: Earlier leaders of the organization – from Peter Sutherland to Pascal Lamy – were mentioned relatively often in media reports. However, toward the end of the review period, very little interest is shown in their successors (see Figure 16, p. 30).

The lack of public interest in the WTO in both Germany and the United States, which is likely to be similar in other countries, is a structural problem for the WTO as an institution and for multilateral trade governance as a whole. In democratic societies, those actors able to determine the issues and solutions on the agenda have an advantage. Should they falter, they lose their claim to framing the narrative as others begin determining the public debate. The issues associated with “world trade and globalization” are now dominated by national (and European) politics and by non-governmental organizations that are critical of globalization. For the most part, multilateral perspectives are being pushed out of the public eye. As a result, solutions presented from the multilateral point of view are increasingly no longer among the widely debated set of options. Conflict-laden unilateral strategies of trade enjoy advantages in highly competitive media systems³¹ while conflict management mechanisms, which are far more complex, risk losing popular support. The lack of attention paid to the WTO by the public is therefore not only symptomatic of the multilateral trade order’s decline but could also be a cause of its current malaise.

31 see Müller (2017)

Bibliography

Bergsten, C. F. (1996). "Competitive Liberalization and Global Free Trade: A Vision for the Early 21st Century." Working Paper Series WP96-15, Peterson Institute for International Economics.

Blei, D. M., A. Y. Ng and M. I. Jordan (2003). "Latent Dirichlet Allocation." *Journal of Machine Learning Research* 3. 993-1022. "<http://www.jmlr.org/papers/volume3/blei03a/blei03a.pdf> (accessed on December 20, 2019).

Clinton, H. (2011). "America's Pacific Century: The future of politics will be decided in Asia, not Afghanistan or Iraq, and the United States will be right at the center of the action." *Foreign Policy*, October 11, 2011. <https://foreignpolicy.com/2011/10/11/americas-pacific-century/> (accessed on December 20, 2019).

DiMaggio, P., M. Nag and D. M. Blei (2013). "Exploiting affinities between topic modeling and the sociological perspective on culture: Application to newspaper coverage of U.S. government arts funding." *Poetics* 41(6). 570-606.

Downs, Anthony (1972). "Up and Down with Ecology – the Issue-Attention Cycle." *The Public Interest* 28 (1972). 38-50.

European Commission (2000). "The banana case: background and history." July 5, 2000. https://ec.europa.eu/commission/presscorner/detail/en/MEMO__00__40 (accessed on December 20, 2019).

Flint, C., and C. Zhu (2019). "The geopolitics of connectivity, cooperation, and hegemonic competition: The Belt and Road Initiative." *Geoforum* 99. 95-01.

Koppers, L., J. Rieger, K. Boczek and G. von Nordheim (2018). "Tosca: Tools for Statistical Content Analysis." R package version 0.1-1. R-Paket. <https://cran.r-project.org/package=tosca> (accessed on December 20, 2019).

Müller, H. (2017). "Populism, de-globalization, and media competition: The spiral of noise." *Central European Journal of Communication* 9,1. 64-78.

Müller, H., G. von Nordheim, K. Boczek, L. Koppers and J. Rahnenführer (2018). "The value of words – How digital methods help to link communication and economics." *Publizistik* 63(4): 557-582. doi:10.1007/s11616-018-0461-x.

Shiller, R. J. (2017). "Narrative Economics." *American Economic Review* 107(4). 967–1004.

Weischenberg, S., M. Malik and A. Scholl (2006). "Journalismus in Deutschland 2005. Zentrale Befunde der aktuellen Repräsentativbefragung deutscher Journalisten." *Media perspectives* 7. 346–361.

World Trade Organization (2019). "Report on G20 Trade Measures (Mid-October 2018 to Mid-May 2019)" June 24, 2019. https://www.wto.org/english/news_e/news19_e/g20_wto_report_june19_e.pdf, 3 (accessed on December 20, 2019).

World Trade Organization (2012). "DS27: European Communities – Regime for the Importation, Sale and Distribution of Bananas." https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds27_e.htm (accessed on December 20, 2019).

World Trade Organization (see above). "The WTO." www.wto.org/english/thewto_e/thewto_e.htm (accessed on December 20, 2019).

Legal notice

© Bertelsmann Stiftung
February 2020

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh
www.bertelsmann-stiftung.de

Authors

Prof. Dr Henrik Müller
Jr. Prof. Dr. Karin Boczek

Managing editor

Thomas Rausch

Translation

Barbara Serfozo, Berlin

Cover photo

Montage: © Getty Images/iStockphoto/ricochet64
Bertelsmann Stiftung

Graphics

Jürgen Schultheiss, Bielefeld

Design / typesetting

Markus Diekmann, Bielefeld

Address | Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Thomas Rausch
Senior Project Manager
Global Economic Dynamics
Phone +49 5241 81-81330
Fax +49 5241 81-681330
thomas.rausch@bertelsmann-stiftung.de

www.bertelsmann-stiftung.de