

Date: July 13, 2016

To: Public Citizen

From: Stan Greenberg and Nancy Zdunkewicz, Democracy Corps

## Public anger about corporate power dominant factor in views on trade & TPP

---

New polling for Public Citizen provides powerful new insights about the public's views on the trade issue generally, the Trans-Pacific Partnership specifically, and one of TPP's central components – Investor State Dispute Settlement (ISDS). This unique survey of likely voters identifies key targets in the trade debate among Democrats, independents and Republicans and demonstrates how they can be moved to engage in the battle against TPP.<sup>1</sup>

The public begins the debate over TPP from a mostly disengaged and uncommitted position, bordering on neutrality. The public rates past trade agreements more positively than not, though many are unsure and few hold strong opinions. Like with many other issues, partisans of each party look different: Republicans are very negative and Democrats much more positive. That is likely exacerbated by the visible role of President Obama and demographic changes in both parties. And despite vocal opposition of major presidential candidates in both party primaries and the expectations of trade activists, the public begins almost evenly divided on the TPP, with many reporting they do not know enough to have an opinion and many still very unsure what to make of it.

In this period, the public very focused on and hostile to corporations and CEOs of big companies who take home huge pay packages, while failing to invest in their own companies or America. When trade arguments are married to the public's anger with corporations and big money influence over government and politicians who no longer work for ordinary citizens, voters shift dramatically to oppose past trade pacts and the TPP.

The public's aversion to corporate control over government turns to revulsion towards TPP when they learn that corporate advisors shaped this agreement in secret negotiations so it includes expanded rights for foreign corporations to sue the American government for damages in front of three unaccountable corporate lawyers at the taxpayers' expense. ISDS concretizes corporate influence at the expense of the people. To be sure, the public is very concerned that TPP exposes Americans to other threats from corporations – from allowing more imports of unsafe food from foreign providers to the greater incentives for American companies to offshore jobs and reduce

---

<sup>1</sup> Democracy Corps conducted a poll of 900 likely voters across the nation from June 23<sup>rd</sup> – 28<sup>th</sup>. Sixty-six percent of the surveys were completed among cell phone respondents. The margin of error is +/- 3.27 percentage points at the 95 percent confidence level. Margin of error is higher among subgroups.



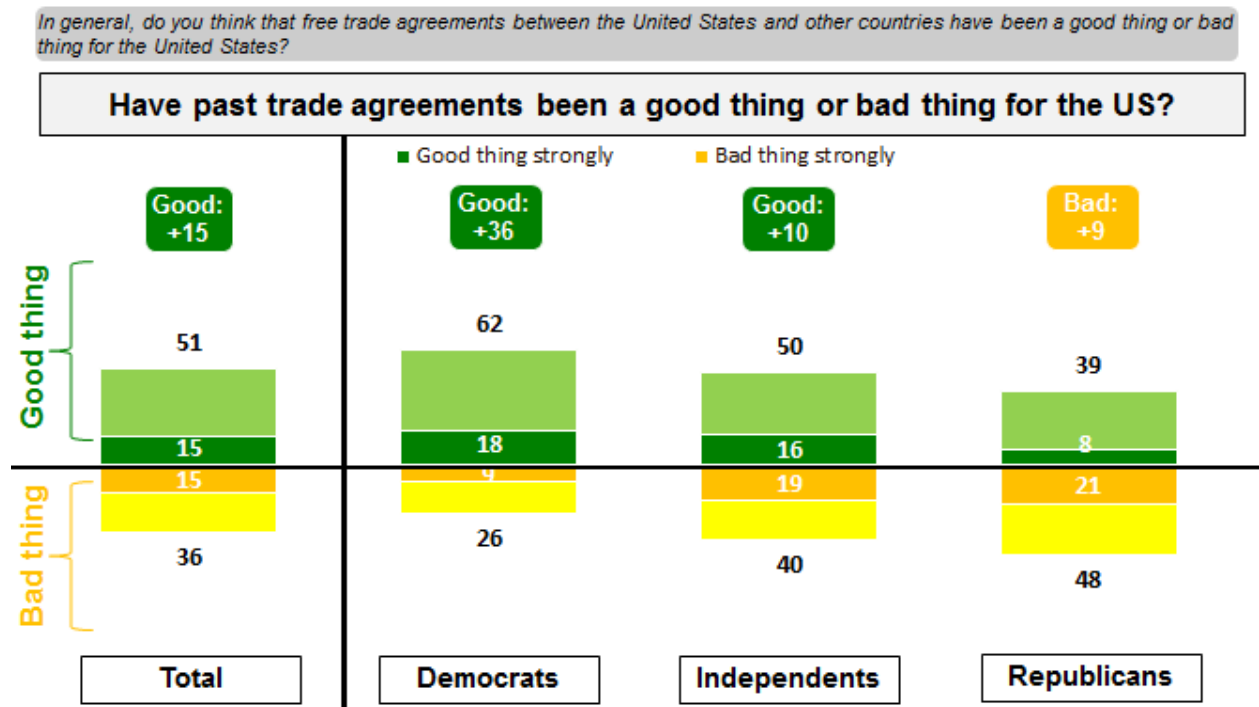
wages. But those arguments gain power within a message framework that condemns the backroom-dealing and new powers for corporations under ISDS.

When voters hear this message, they become far more critical of past trade agreements, shift dramatically from support to opposition on TPP, and become intent on holding political leaders accountable should they vote to pass the new trade agreement. This big shift occurs after voters are exposed to a balanced contest of messages and arguments from both sides of the TPP debate. The opposition message and arguments are just much stronger.

This poll also finds a clear winning message for members of Congress faced with a vote on TPP in the “lame duck” session after the election. Voters want to hear their member voice respect for President Obama’s intentions, but they also want them to join the presidential candidates, economists and colleagues on both sides of the aisle and stand up for the middle class by refusing to support this agreement.

### The public’s starting point on trade

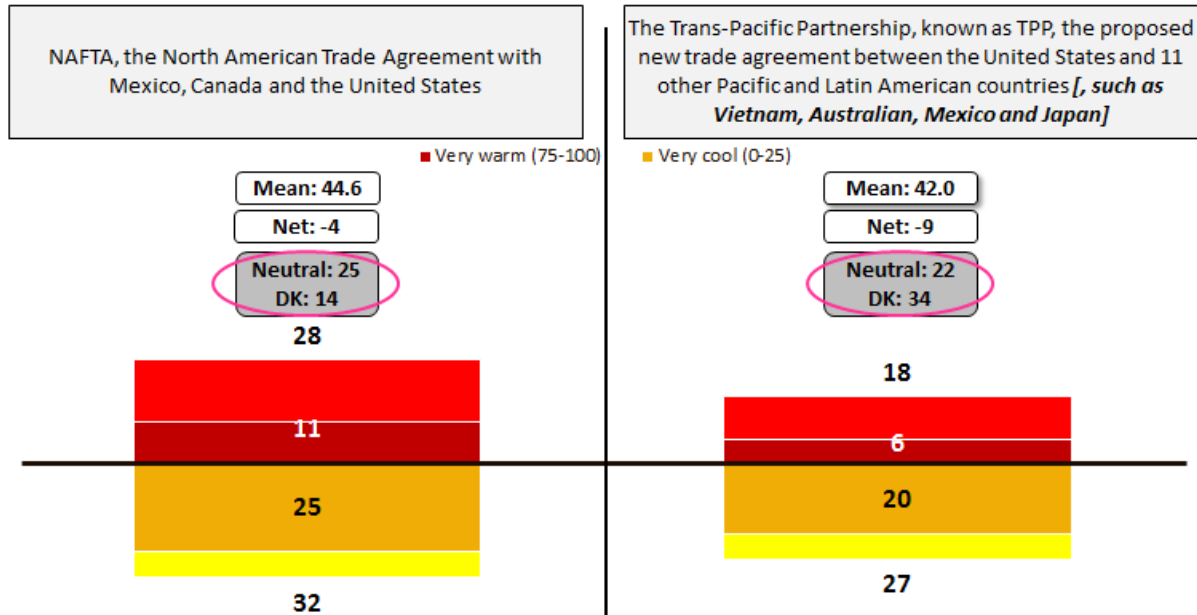
Before hearing about TPP and ISDS, we found the public was not very negative about trade agreements in principle, NAFTA or TPP.



While neither side has intense feelings about past trade agreements, the majority of voters say they have generally been a good thing for the United States, with only 36 percent saying it is a bad thing. Importantly, neither side has strong opinions: just 15 percent say it is a “very” good or bad thing. This suggests that the public is mostly unsure of the impact of past trade agreements.



Now, I'd like to rate your feelings toward some people and organizations, with one hundred meaning a VERY WARM, FAVORABLE feeling; zero meaning a VERY COLD, UNFAVORABLE feeling; and fifty meaning not particularly warm or cold.



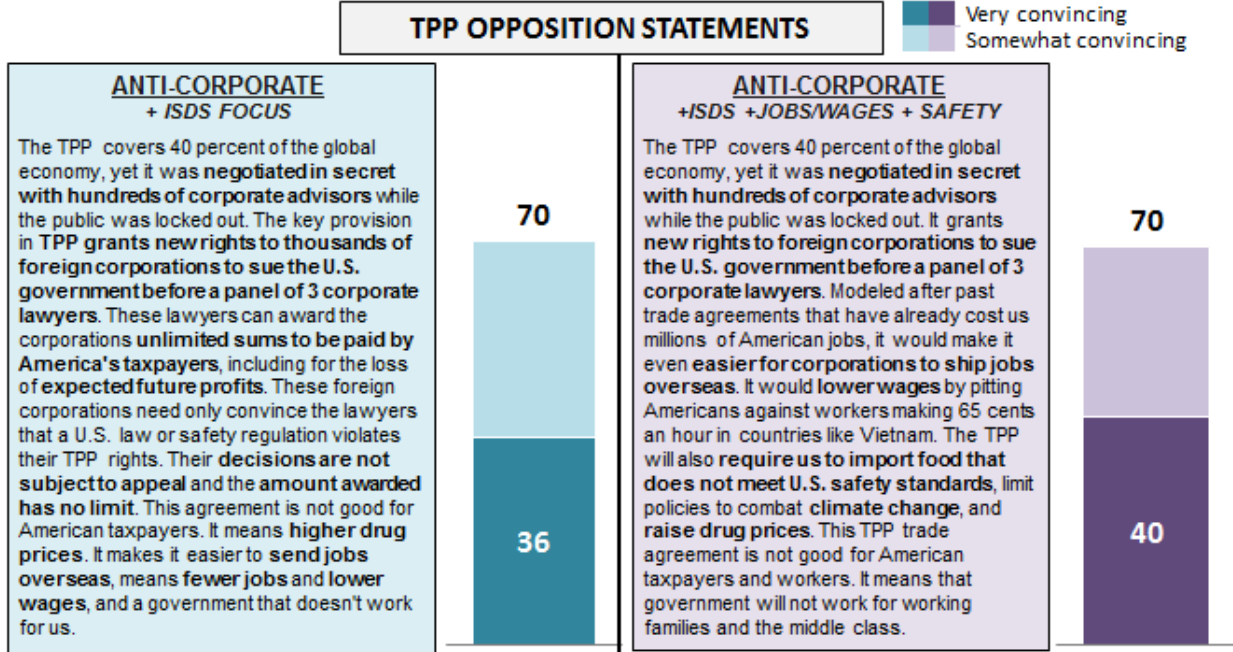
Voters are more negative about TPP than NAFTA, as illustrated above, but many are unsure of their opinion: on TPP, 34 percent say they are unfamiliar with it and 22 percent give a neutral rating. When asked if they support or oppose the new trade agreement, voters are split (38 support, 35 oppose), though one in three still do not know.

**Exposure to information about ISDS changes voters’ views**

While voters may begin with largely undefined views about TPP, they respond strongly to our anti-TPP attack statements that define the agreement and situate it in the public’s frustration with corporate influence over government. This characterization of TPP begins with the corporate advisors who shaped the agreement and crucially, the new rights given to foreign corporations at the heart of the agreement. While the public is angered by many TPP provisions, the more they hear about aspects of ISDS, the more they turn against TPP and the more they want to hold members of Congress accountable.



Now, I'm going to read you what some economists, consumer groups and political leaders who *OPPOSE* the agreement are saying about it. Is that a very convincing, somewhat convincing, a little convincing, or not at all convincing reason to *OPPOSE* the TPP?



A striking 70 percent find both statements about TPP convincing and about 38 percent strongly. The opposition statements about TPP perform well across regions and other important demographics like education:

TPP Opposition Statement [COMBINED]	Very Convincing	Very/Somewhat Convincing
East Coast	36	66
Midwest	36	72
South & Rural Heartland	42	76
West Coast	40	70
College Men	35	66
College Women	37	71
White Non-College Men	44	77
White Non-College Women	43	74
<b>TOTAL</b>	<b>38</b>	<b>70</b>

By contrast, just 57 percent found the pro-TPP statement from President Obama, Republican leaders and American businesses convincing and only 20 percent with intensity.

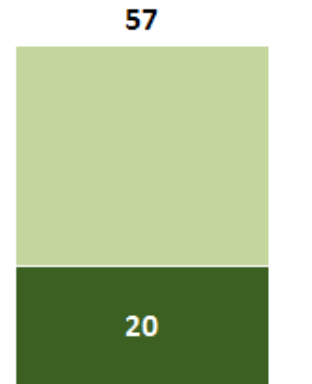


Now, I'm going to read you what President Obama, some Republican leaders and major American businesses who SUPPORT the agreement are saying about it. Is that a very convincing, somewhat convincing, a little convincing, or not at all convincing reason to SUPPORT the TPP?

**PRO-TPP STATEMENT**

Very convincing  
Somewhat convincing

The TPP is a new trade agreement that brings together 12 countries representing 40 percent of the global economy. It would strengthen America's economy by removing barriers to selling our goods overseas, including eliminating more than 18,000 taxes other countries put on products made in America. It levels the playing field and improves people's lives in partner countries by setting the highest enforceable labor and environmental standards. It strengthens the intellectual property protections our innovators need to take risks and create. Once the TPP is in place, American businesses will export more and that means supporting more higher-paying jobs here. As we speak, China is negotiating a trade deal that would carve up these fast-growing markets at our expense, putting American jobs and businesses at risk. But TPP will ensure America writes the rules for the global economy in the 21st century, not China.



TPP opponents also have much stronger specific arguments about TPP, both in terms of overall agreement and intensity. The strongest specific pro-TPP arguments (cutting foreign taxes on U.S. exports to expand overseas markets and create more jobs here, promoting stronger human rights in other countries, and writing the rules so China does not) do not even score as well as any of the top six specific anti-TPP arguments. From food safety to the ISDS system to concerns about the impact of TPP on wages and jobs to the corporate advisory role in the secret negotiations – between two-thirds and three-quarters of voters say these arguments raise serious concerns about TPP.

Now I'm going to read you what some OPPONENTS are saying about the new trade agreement, TPP. Please tell me whether it raises very serious doubts, somewhat serious doubts, minor doubts, or no real doubts in your own mind about TPP?

**ARGUMENTS AGAINST TPP**

Very serious doubts  
Somewhat serious doubts

**FOOD SAFETY:** The U.S. currently rejects a significant portion of food imports from TPP countries like Vietnam and Malaysia as unsafe, but TPP would require us to accept food imports that do not meet U.S. safety standards.



**ISDS LAWYERS:** TPP will allow foreign corporations to sue the U.S. government in private tribunals/ corporate courts run by three corporate lawyers who rotate between judging these cases and representing corporations, which is a conflict of interest, and there is no outside appeal



**ISDS FUTURE PROFITS:** Under TPP, the American taxpayers could be forced to pay foreign corporations compensation for any American law or safety rule. They can sue for their current losses but also future expected profits, and there is no limit to the amount they can win from U.S. taxpayers.



**LOWER WAGES/FEWER JOBS:** TPP will pit American workers against workers in Vietnam making less than 85 cents an hour. Economists who have looked at this deal say it will lower wages for 90 percent of Americans and gives corporations more incentives to move American jobs overseas



**ISDS CORPORATE RIGHTS:** TPP gives foreign corporations that come to the U.S. even more rights and privileges than the American people and our businesses, and elevates foreign corporations to the status of the U.S. government by allowing them to sue our country in special tribunals/corporate courts.



**SECRET CORPORATE NEGOTIATIONS:** The terms of the new TPP trade agreement were negotiated in secret with over 500 corporate advisors, but the people, the press, and even the U.S. Congress were shut out so it favors corporations, not working families.



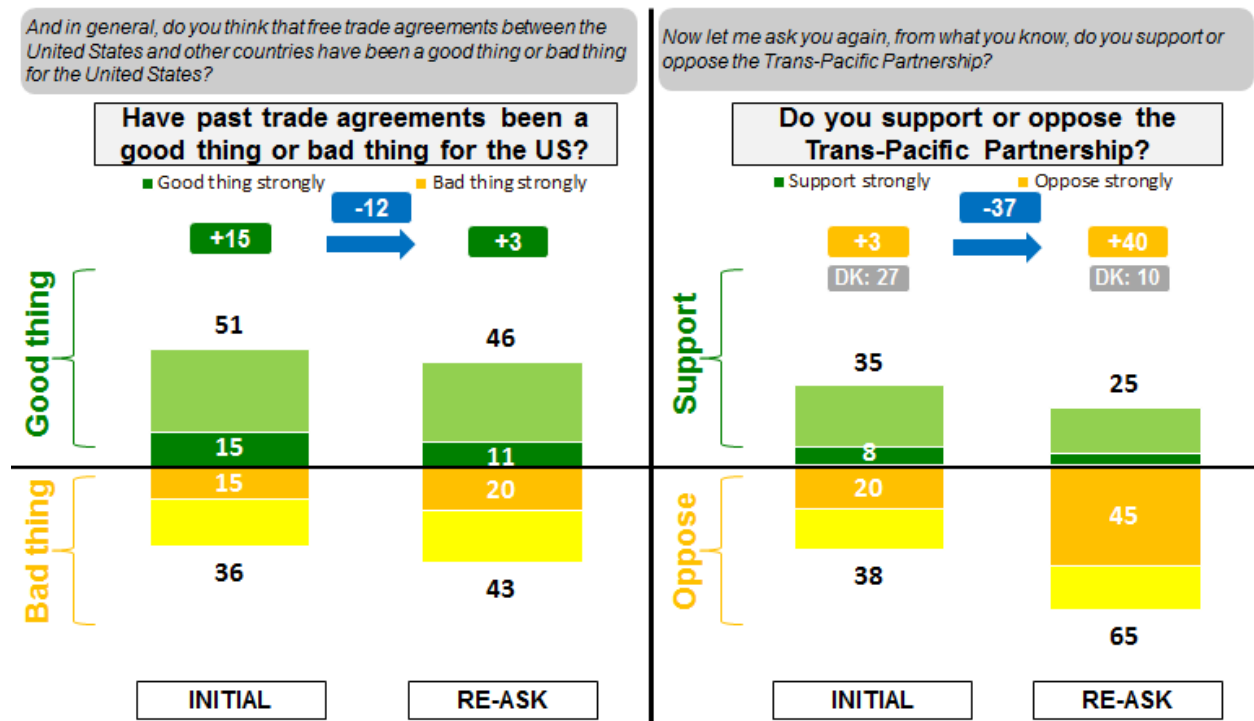


Both Republicans and Democrats shared the top two most intensely rated concerns about TPP – food safety and the ISDS system that uses three corporate lawyers to decide cases against the U.S. government. Both Democrats and independents put secret corporate advisors participating in the TPP negotiations among their top concerns; Republicans were particularly concerned with the impact of TPP on offshoring and wages; both Republicans and independents were concerned that under ISDS, foreign corporations can sue for all future expected losses without limit.

It is important to note a fifth argument – that this deal gives foreign corporations more rights and privileges – as it correlated most strongly with opposing TPP at the end of the survey.

### Exposure to more information has a dramatic effect

After hearing a balanced debate – including overall statements and specific arguments in support and in opposition to TPP – voters become dramatically less positive about the value of past trade agreements and much more pessimistic about TPP. Voters move from believing past trade deals are positive by 15 points to parity with those believing they are a bad thing, and voters shift from parity in the argument over TPP to two-thirds opposing it. Most importantly, 61 percent of voters are now eager to hold a Member of Congress accountable should he or she vote to pass the TPP when it is taken up.



What’s more, voters now have intensity behind these views. Forty-five percent of the 65 percent who oppose TPP oppose it strongly, and 36 percent of the 61 percent who say they are less likely to support a congressperson who votes to pass TPP say so strongly.





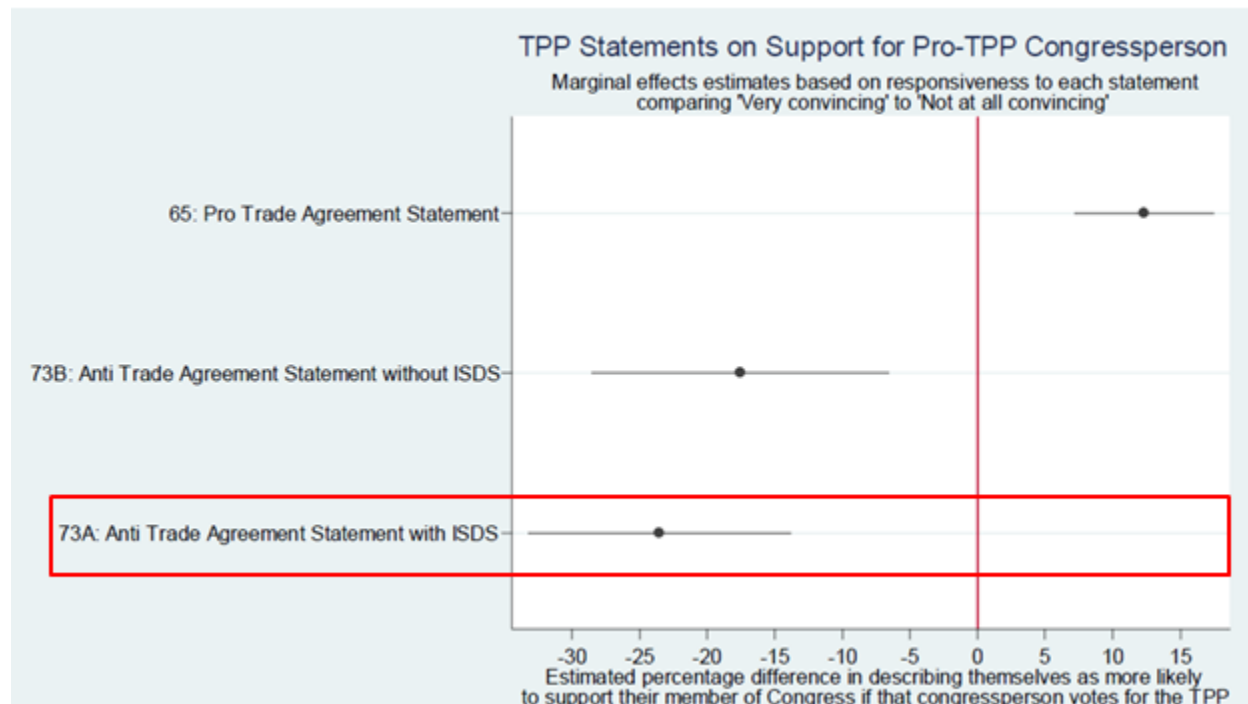
The changed willingness to hold members accountable is largely driven by the Republicans and independents. Three-quarters of GOP voters say they are less likely to support a pro-TPP voting Member of Congress, half with intensity; six-in-ten independents are also less likely to support such a Member, 43 percent much less likely.

After hearing this trade debate, half of Democrats say they will hold their congressperson accountable for a vote to pass TPP. Democrats who were not opposed to TPP at the start of the debate are now equally divided over whether to support or oppose a Member that votes for TPP.

### Investor State Dispute Settlement

Though this is often considered an esoteric topic, people understood ISDS quickly and it produced a powerful shift in the responses to trade and TPP. The more respondents heard about ISDS in our explanation of TPP, the more they came to oppose it.

Half of the sample heard the ISDS dominated anti-TPP statement which was nearly as convincing as the broader anti-TPP statement, in part because the broader anti-TPP statement began with attacks on corporate advisors and ISDS too. But the ISDS-focus proved more impactful in the end: shifts among the ISDS-focused split were somewhat stronger than the shifts observed within the split that heard the full gamut of arguments against TPP.

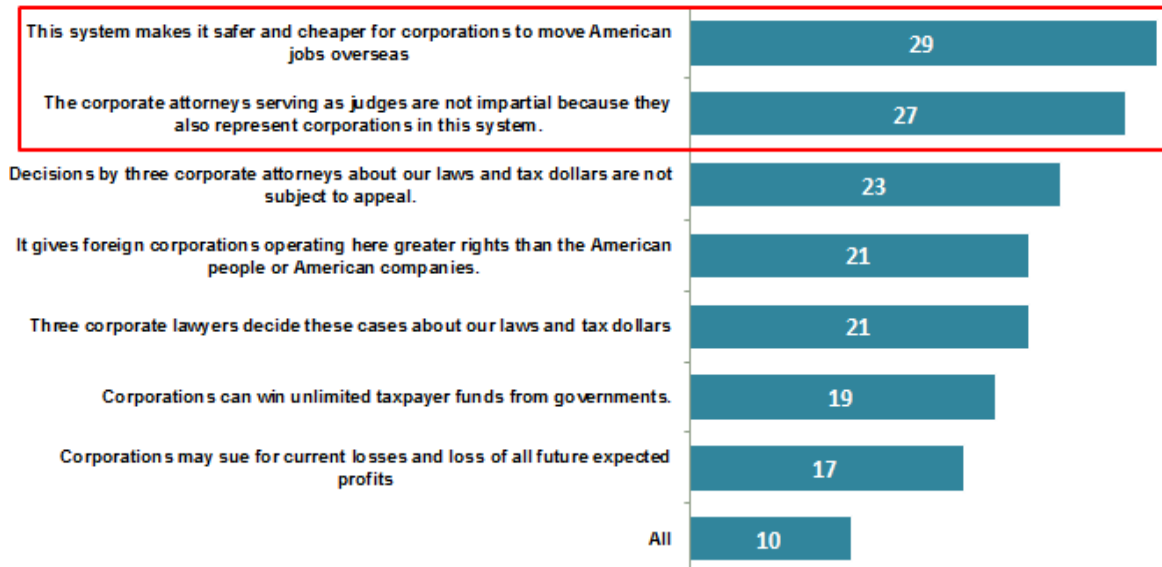


And as we have seen, specific arguments referencing the three lawyer process in ISDS and the new rights given to foreign corporations were some of the most powerful arguments against TPP.



When asked about specific elements of TPP, the public was most bothered by the fact that this ISDS system makes it easier for corporations to offshore jobs, that the corporate lawyers deciding these cases have conflicts of interests as they also represent corporations suing governments, and that their decision cannot be appealed.

*As you may know, the proposed new trade agreement, TPP, includes a system called Investor-State Dispute Settlement, or ISDS. I am going to read you a list of its elements and please tell me which TWO things are the most concerning to you.*



Across a number of groups – from Democrats who are not initially opposing TPP to Democrats who initially believe trade deals are a good thing to those who ultimately oppose TPP, the lack of impartiality of those deciding ISDS cases and the ease of moving jobs overseas are the top two concerns about this ISDS process.

When we provided participants an opportunity to describe ISDS in their own words, above all they characterized it as a corrupt deal where corporate America has created an unbalanced, one-sided, completely out-of-hand arrangement that benefits them at the expense of the American people.

### Lame Duck

Democratic, Republican and independent voters alike were moved by the same message from a Member of Congress declining to support TPP because it will hurt the middle class. Importantly, this message explicitly pays respect to President Obama’s intentions, but reflects that there is an emerging bipartisan consensus against the TPP. Seventy percent of Republicans and 58 percent of independents also said they were more positive about a Member of Congress who expressed this message in opposition to the TPP vote.





Now I'm going to read you some things that some Members of Congress are saying about the proposed new trade agreement.

**LAME DUCK MESSAGES**

**Democrats NOT Opposed to TPP**

**MIDDLE CLASS:** I am opposed to taking up the agreement. Both presidential candidates, my colleagues on both sides of the aisle, and the country's leading economists agree that TPP would be bad for the middle class. I know President Obama has the right intentions, but we need to put TPP aside and focus on other ways to help the middle class.

**ECONOMY:** I have to oppose the agreement. The leading presidential candidates and the best economists all agree that TPP will lead to lower wages for hard-working Americans and more American jobs moving overseas. This is too important to the American economy to get wrong.

**LEGACY:** I am opposed to taking up the agreement, and I'm thinking about President Obama. He doesn't get the credit he deserves for saving the economy despite unprecedented opposition, but TPP will undermine all of this progress and tarnish his legacy. I cannot in good conscious support this trade agreement unless major changes are made to protect the middle class

**CORPORATIONS:** I have to oppose the agreement. If TPP passes, it would give corporations new powers to attack our laws, raid our treasury and offshore more jobs. Congress cannot be allowed to pass the TPP after the election when retiring politicians and those who lose re-election are thinking more about their new corporate lobbying jobs than the people who they used to represent

