# Response to Lost Manufacturing Jobs – The Effects of Imports and Increased Productivity

I'd like to thank Kay Wilkie, who serves on the United States Trade Representative's Intergovernmental Policy Advisory Committee for offering useful comments concerning my post, "Lost Manufacturing Jobs – The Effects of Imports and Increased Productivity" Kay points out that *"It would be worthwhile to carefully examine and review the aspects of international trade and investment agreements, and US tax code, which favor the interests of Multinational Corporations over those of small and mid-sized US manufacturers and service providers. Such provisions, and the paucity of trade development assistance to US exporting firms compared to OECD competition, serve to encourage US offshoring activities."*

Kay also argues that *"the emphasis should be on mechanisms to improve pay in poorly paying service sector jobs, in providing educational opportunity for everyone, on creating apprenticeship programs on a larger scale in sophisticated manufacturing, by better aiding dislocated workers and by assisting domestic firms impacted by adverse trade and technology trends.*

*Note that US trade policy, since the post WWII era, has been premised on foreign policy rather than trade balance interests: making our marketplace available to other countries' exports to win adherents to the US vision of a world market economy. Hence, US trade policy typically has not focused on bolstering the competitiveness and exporting interests of domestic industry. Programs to offer technical and financial assistance to US-based firms have been paltry* *compared to our major trading partners, as US global dominance was assumed.*

*In the current context, trade in general, and imports are blamed for all job losses and economic ills. Protectionist impulses abound, with false promises that implementing 'Buy America' policies and shredding trade pacts will magically restore jobs from a 19th or 20th century industrial economy – notably in coal, steel and heavy manufacturing.*

*Missing from scrutiny has been any assessment of the comparative costs and benefits to the federal budget and US employment of the over-allocation of resources and trade protections to agricultural commodities, rather than technologies, manufactured products, and services sectors. Arguably, US agri-businesses need less taxpayer support for their commodities exports than do our SMEs.*

*Another area worth examination: the impact of provisions in international agreements, notably investor-state dispute settlement, that protect the interests of multinational corporations over US-based employers. Investment agreement provisions in some international agreements extend greater investor rights to foreign investors than those available to US investors via US federal, state and local courts, have redefined and constrained government regulation in the public interest at federal, state and local levels.*

*Rather than rhetoric that misleads and harms US workers and firms, improvements to a Technology and Trade Adjustment Assistance Program could make a difference. Since its inception by President Kennedy in 1962, when the US was running trade surpluses, Trade Adjustment Assistance (TAA) efforts have assisted US trade expansion objectives by mitigating the injuries to workers, firms and communities facing import competition. TAA programs, however, have been supported in a reluctant and miserly way, with the program's extension usually linked to approval of 'fast track' trade* *promotion authority.*

*The Trade Adjustment Assistance Program merits a significant redesign and relabeling as the “Technology and Trade Adjustment Program,” building on the expansion accomplished under ARRA in 2009-10 and providing sufficient funding to conduct nonpartisan research on the workforce impacts of technological advances confronting manufacturing and services industries in an increasingly competitive global context. At a minimum, programmatic flexibility needs to adapt to varying states’ needs, and there needs to be effective outreach to impacted workers, employers and communities. A reinvigorated program would better redistribute a small portion of the national gains from technology and trade growth to dislocated workers and communities, might foster more public understanding of, and support for, investments in education, research, technology, and engagement in the world economy.”*