Generic Negative: Foreign Trade Irrelevant

**By “Coach Vance” Trefethen and Joseph Graham**

This is a generic negative brief that may be useful in many Negative rounds where you don’t have any on-case evidence about the plan AFF is running, or as a supplement to provide additional arguments even when you do have some on-case evidence. This brief argues that foreign trade really doesn’t matter one way or another, that there’s no benefit to increasing (or decreasing or reforming) foreign trade.

JOBS & WAGES 2

Manufacturing jobs displaced by imports are relatively small 2

Low foreign wages have small effect on US workers 2

Decline in manufacturing due to higher productivity not trade. Increasing manufacturing jobs won’t raise wages and trade policy won’t help 3

Foreign trade doesn’t have a significant impact on wages nor the total number of jobs in the US economy 3

Trade influences where the jobs are, not the total number of jobs 3

Trade effect on labor markets is exaggerated: Other factors (immigration, capital flows, technology) have far more impact 4

ECONOMIC GROWTH 4

Macroeconomic forces more important than trade 4

No consensus on direct impact of trade on income inequality 4

No clear benefits to more trade or less trade: Different studies show different results 4

Increased trade between rich & poor countries doesn’t accomplish much. More impact from poor to poor country trade 5

Foreign trade is, and always will be, an insignificant amount of the US economy 5

Studies show no correlation historically between increasing or decreasing trade and economic growth 5

“Economic growth correlates with more trade” wouldn’t prove that trade caused growth. Could be growth caused the trade 6

The “globalization” and “trade interdependence” worldview is wrong: The facts show we can get along without it 6

OTHER FACTORS 7

Other factors may outweigh the impact of international trade 7

Technology and foreign investment have more significant effect on income in developing countries than trade 7

Digital Revolution upending global trade and labor markets 7

Trade models not structured to directly estimate job gains or losses from trade agreements 8

Impact of trade on the economy is less important than multiple other factors 8

International study finds potential gains from trade depend heavily on supportive policies 9

Difficult to determine how trade agreements will affect job gains and losses – too many other factors 9

No public policy factor -- trade or anything else -- consistently correlates to economic growth over decades of history 10

EXPORTS 10

US Exports have not increased job growth since 1990, productivity outpaces export increases 10

Increased exports don’t create jobs: They just shift jobs from other parts of the economy toward the export goods sector 10

“Increased export strategy”: Everyone is trying to increase exports, but exports require someone on the other end to import 11

Foreign trade is not crucial to the US economy: It grows when exports slow down, and a lot of the exports are just corporate outsourcing anyway 11

DISADVANTAGES 12

Trying to boost trade with poorer countries will make the US worse off: It would be better to stop trying 12

Increased trade won’t increase US jobs – it may even reduce employment 12

JOBS & WAGES

Manufacturing jobs displaced by imports are relatively small

Stephen J. Rose 2021 (Stephen J. Rose is a non-resident adjunct fellow with the Scholl Chair in International Business at the Center for Strategic and International Studies in Washington, D.C.) 4 Oct 2021 "Do Not Blame Trade for the Decline in Manufacturing Jobs” <https://www.csis.org/analysis/do-not-blame-trade-decline-manufacturing-jobs>  (accessed 27 June 2022)

Using the above methodology, this study finds that 8.9 million manufacturing workers were displaced by imports from 1991 to 2019 and that 5.4 million workers were needed to produce the growing exports. The net effect of trade saw a loss of 3.5 million workers. Other researchers using different techniques and different time periods report similar results. It is important to put these numbers in context. This number is not large when compared to the size of the labor force (over 150 million) or the growth in employment by 40 million jobs from 1991 to 2019. The net 3.5 million jobs lost in manufacturing do not affect the 40 million jobs gained over these years because they are determined by larger macro factors, government spending, taxation, and Federal Reserve actions. Finally, the U.S. labor force has many workers entering and leaving jobs—some voluntarily and some involuntarily. According to the BLS’s Job Openings and Labor Market Turnover Survey, 36 million workers voluntarily leave their jobs each year, and another 24 million workers were either laid off or discharged per year from 2000 (the first year of the survey) to 2019. In contrast, the yearly manufacturing loss due to imports was 310,000 a year (this number would be 120,000 jobs lost per year if the gains from more exports were included). In other words, the number of workers who involuntarily lost jobs each year from U.S. employers was 70 times more than the job losses from imports. In the sea of employer hirings (over 3 million per month), many displaced manufacturing workers find jobs, although few will be at or above their former wage rate.

Low foreign wages have small effect on US workers

Stephen J. Rose 2021 (Stephen J. Rose is a non-resident adjunct fellow with the Scholl Chair in International Business at the Center for Strategic and International Studies in Washington, D.C.) 4 Oct 2021 "Do Not Blame Trade for the Decline in Manufacturing Jobs” <https://www.csis.org/analysis/do-not-blame-trade-decline-manufacturing-jobs>  (accessed 27 June 2022)

While it seems intuitive that having foreign workers with very low wages should translate into downward pressures on low-earning U.S. workers, there are many reasons why this effect is small. This section explores eight of those factors. First, the number of workers affected is small in comparison to the size of the labor force and the number of workers losing jobs because of decisions made by domestic companies. Second, less than half of all imports come from low-income countries. Trade with high-income countries (e.g., Canada and Western Europe) does not affect U.S. earnings inequality because of their similar earnings. Third, there is a significant amount of literature showing the rising earnings advantage of graduates of four-year schools—often called “skill-biased technological change.” As Figure 3 shows, the median earnings of those with a four-year degree versus the median earnings of those with just a high school diploma and no post-secondary education grew from 45 percent in 1960 to 82 percent in 2019 (sometimes called the “BA premium”). Fourth, declining unionization certainly had a negative effect on manufacturing wages. While the threat of moving facilities overseas has been used as an effective tactic to keep wages low, companies’ attacks on unions predate the jump in international trade. As Figure 4 shows, half of the decline in manufacturing unionization occurred from 1973 to 1985, when trade deficits were small. From 1986 through 2019, unionization rates declined steadily while the trade deficit experienced big swings.

Decline in manufacturing due to higher productivity, not trade. Increasing manufacturing jobs won’t raise wages and trade policy won’t help

Stephen J. Rose 2021 (Stephen J. Rose is a non-resident adjunct fellow with the Scholl Chair in International Business at the Center for Strategic and International Studies in Washington, D.C.) 4 Oct 2021 "Do Not Blame Trade for the Decline in Manufacturing Jobs” <https://www.csis.org/analysis/do-not-blame-trade-decline-manufacturing-jobs>  (accessed 27 June 2022)

The import problem is that anti-trader perspectives have focused on the several million jobs lost by manufacturing firms. As shown above, this is a small number, and the involuntary separations of American-based companies dwarf the negative effect of trade. The bottom line is that almost the entire decline from 32 percent of the labor force in 1955 to 8 percent in 2019 was not caused by imports but by higher productivity. This is a worldwide phenomenon, as even Germany and other countries with positive trade balances also had their shares of manufacturing employment suffer comparable declines. Job losses in Europe have been less contentious because European governments generally provide greater income and training support for displaced workers.  Public support for manufacturing and agriculture is visceral. The manufacturing sector is much larger and consists of many large firms that are anchors of their communities. The people who supported trade deals such as NAFTA oversold the benefits—which undermined support when the added manufacturing jobs did not appear. And it does not seem to matter that neither Obama, nor Trump, using very different approaches, created the large number of manufacturing jobs that they promised. The bottom line is that manufacturing produces more with fewer workers. It is fulfilling its mandate, and moving to a trade balance would only increase manufacturing employment by a few million workers at most. This paper shows that the shift away from manufacturing changes what Americans consume and creates high-paying professional and managerial jobs. The problem of low-paying jobs will not be solved by increasing manufacturing employment through changes in trade.

Foreign trade doesn’t have a significant impact on wages nor the total number of jobs in the US economy

Dick K. Nanto 2011 (Coordinator, Specialist in Industry and Trade, Congressional Research Service) 4 Jan 2011 “Economics and National Security: Issues and Implications for U.S. Policy” <https://books.google.fr/books?id=SJv6wqVPyOEC&pg=PA55&lpg=PA55&dq=%22foreign+trade%22+%22total+number+of+jobs%22&source=bl&ots=IXgue2QYJc&sig=J8UuPgFkRA4zSQrazSb8aRetqF4&hl=en&sa=X&ved=0CB8Q6AEwADgKahUKEwiKntzk07fIAhXDfRoKHfR_AxI#v=onepage&q=%22foreign%20trade%22%20%22total%20number%20of%20jobs%22&f=false> (accessed 22 June 2022)



Trade influences where the jobs are, not the total number of jobs

[Lael Brainard](http://www.brookings.edu/experts/brainardl) and Robert E. Litan 2004 (Brainard - Vice President and Director, [Global Economy and Development](http://www.brookings.edu/about/programs/global), Brookings Institution. Litan - Senior Fellow, [Economic Studies](http://www.brookings.edu/about/programs/economics), Brookings Institution) Apr 2004 "Offshoring" Service Jobs: Bane or Boon and What to Do? <http://www.brookings.edu/research/papers/2004/04/macroeconomics-brainard> (accessed 22 June 2022)

Historically, the number of jobs has closely followed the growth of the labor force, despite major increases in foreign trade and the advent of a host of new job-displacing technologies, such as voicemail, word processors, and optical scanners. Indeed, despite a surge in openness, the U.S. economy since 1985 has added 30 million workers to its payrolls, even taking into account the recent recession and the unusually low job creation during the recovery. At the same time, median family income has jumped 20 percent. Structural changes, including trade and technology, influence where the jobs are, not the total number of jobs.

Trade effect on labor markets is exaggerated: Other factors (immigration, capital flows, technology) have far more impact

Prof. Richard B. Freeman 2003. (prof. of economics, Harvard Univ.;  Senior Research Fellow in Labour Markets at the London School of Economics' [Centre for Economic Performance](http://cep.lse.ac.uk/) ) Trade Wars: The Exaggerated Impact of Trade in Economic Debate, World Economy Annual Lecture, 26 June 2003, revisions Sept 2003 <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=450881> (accessed 22 June 2022)

While complete autarky or imposition of advanced country standards on LDCs would have huge effects on economies around the world, the actual policies around which debate has focused and observed changes in trade patterns have not come close to having their ballyhooed or feared effects on labor markets or on economies writ large. Both the proponents and opponents of globalization WC [Washington Consensus] style have exaggerated the importance of trade. Instead of dominating economic outcomes, changes in trade policy and trade have had modest impacts on labour market and economic outcomes beyond trade flows. Other aspects of globalization – immigration, capital flows, and technology transfer – have greater impacts on the labour market, with volatile capital flows creating great risk for the well-being of workers.

ECONOMIC GROWTH

Macroeconomic forces more important than trade

Congressional Research Service, 2018. (public policy research institute of the United States Congress.) “The Economic Effects of Trade: Overview and Policy Challenges.” 20 April, 2018 <https://crsreports.congress.gov/product/pdf/r/r44546> (Accessed 27 June 2022)

From the perspective of the U.S. economy as a whole, trade is one among a number of forces that drive changes in employment, wages, the distribution of income, and ultimately the standard of living. Most economists argue that broad macroeconomic forces, including technological advances, are generally considered to be more important than trade.

No consensus on direct impact of trade on income inequality

Congressional Research Service, 2018. (The Congressional Research Service is a public policy research institute of the United States Congress. Operating within the Library of Congress, it works primarily and directly for members of Congress and their committees and staff on a confidential, nonpartisan basis) “The Economic Effects of Trade: Overview and Policy Challenges.” 20 April, 2018 <https://crsreports.congress.gov/product/pdf/r/r44546> (Accessed 27 June 2022)

Some argue that trade, trade agreements, and globalization more broadly contributed to growing wealth and income equality within countries. Growing income inequality domestically is not unique to the United States, or even to developed countries, but is found in both developed and developing countries. Despite intense focus in the academic literature, there is no consensus on the direct impact that trade or trade agreements have on income inequality.

No clear benefits to more trade or less trade: Different studies show different results

Prof. Richard B. Freeman 2003. (prof. of economics, Harvard Univ.;  Senior Research Fellow in Labour Markets at the London School of Economics' [Centre for Economic Performance](http://cep.lse.ac.uk/) ) Trade Wars: The Exaggerated Impact of Trade in Economic Debate, World Economy Annual Lecture, 26 June 2003, revisions Sept 2003 <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=450881> (accessed 22 June 2022)

Particular measures (the Sachs-Warner openness variable, for instance) may give the desired result that trade increases growth in some regressions, but not in others, and other equally valid measures do not show the expected positive link in almost any case. Using three separate indicators and a dynamic panel framework Greenaway, Morgan and Wright (2002) find that liberalisation has a modest positive lagged effect on growth in developing countries. By contrast, Yanikkaya (2003) finds that trade barriers are positively associated with growth, especially for developing countries.

Increased trade between rich & poor countries doesn’t accomplish much. More impact from poor to poor country trade

[Betsy M. Oloyede](https://pubmed.ncbi.nlm.nih.gov/?term=Oloyede%20BM%5BAuthor%5D), [Evans S. Osabuohien](https://pubmed.ncbi.nlm.nih.gov/?term=Osabuohien%20ES%5BAuthor%5D) and [Jeremiah O. Ejemeyovwi](https://pubmed.ncbi.nlm.nih.gov/?term=Ejemeyovwi%20JO%5BAuthor%5D)c 2021 (Oloyede - Dept of Economics & Development Studies, Covenant University, Nigeria, Statistics Dept, Central Bank of Nigeria. Osabuohien - Centre for Economic Policy & Development Research-CEPDeR, Covenant Univ., Ota, Nigeria. Ejemeyovwi - Dept of Economics & Development Studies & Research Fellow at CEPDeR, Covenant Univ., Nigeria ) “Trade openness and economic growth in Africa's regional economic communities: empirical evidence from ECOWAS and SADC” May 2021 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8141770/> (accessed 22 June 2022) (in this context “North” is used as a synonym for rich countries, “South” is referring to poor countries) (brackets added)

While the North-South RTAs [regional trade agreements] have successfully increased trade between countries, developed countries have continued to rely on political and economic independence for themselves. South-South partnership theories became essential parts of most developed countries' economic strategies in the late 1970s. By building trading relations with other developed countries rather than dependent on the wealthy North, most developing countries found that they were more likely to benefit from low-cost solutions to their economic development problems. Consequently, regional integration became a key strategy which allowed first Asia, and then other developing regions, to turn their small and mostly agricultural economies into more highly industrialised economies by benefiting from economies of scale.

Foreign trade is, and always will be, an insignificant amount of the US economy

Erik Rauch 2002 (PhD candidate at Mass. Institute of Technology) Is "globalization" exaggerated? (Paul Krugman, cited in the quote below, is a PhD and Nobel Prize winner in economics; ethical disclosure about the date: the article is undated but contains internal references to 2002 and none later) <https://groups.csail.mit.edu/mac/users/rauch/misc/globalization/> (accessed 22 June 2022)

In the last year or two, there has been an obsession in the media with the export of service sector jobs such as programming jobs and call centers. However, consider all the non-manufacturing workers that you have an economic interaction with in the course of a day, directly or indirectly. The person who cuts your hair. A food worker who assembled your sandwich. A call center worker. A police officer directing traffic. The person who processed your auto insurance claim. The person who cleaned the restroom at the restaurant you ate at. How many of these jobs could be exported? A small percentage. Paul Krugman estimates that 90% of the value of the U.S. economy has nothing whatsoever to do with international trade, and this is not likely to ever change dramatically, until your restroom can be cleaned from Hyderabad and your sandwich can be assembled in Jakarta. Consider what this number means: in principle, if international trade were to disappear, the U.S. GDP would decrease by 10%. If that sounds like a lot, consider that GDP was 10% lower than it is today only 5 years ago.

Studies show no correlation historically between increasing or decreasing trade and economic growth

Prof. Richard B. Freeman 2003. (prof. of economics, Harvard Univ.;  Senior Research Fellow in Labour Markets at the London School of Economics' [Centre for Economic Performance](http://cep.lse.ac.uk/) ) Trade Wars: The Exaggerated Impact of Trade in Economic Debate, World Economy Annual Lecture, 26 June 2003, revisions Sept 2003 <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=450881> (accessed 22 June 2022)

Most disappointing is the failure of seemingly simple demonstrations that “globalizers”, defined as countries that reduce trade barriers and/or expand trade, have better growth records than other countries. The definition of who is a globalizer varies from researcher to researcher (compare Rodrik,1999 with Dollar and Kraay, 2000) and even in the same paper from revision to revision (compare Dollar and Kraay, 2000 with Dollar and Kraay 2001), with correspondingly disparate findings. Since Dollar and Kray’s globalizers had higher tariff rates than nonglobalizers in the 1990s as well as in the 1980s (Dollar and Kray, figure 2) and lower ratios of trade to GDP in both decades (figure 2), moreover, it is unclear how to interpret differences among the groups. The statement that low tariffs and trade are bad for growth is as consistent with the data in the figures as the claim that reductions in tariffs and increases in growth are good for growth. What is needed is a general equilibrium model of how the entry of China and India into the global economy. In any case, the collapse of Argentina, a country on all lists of globalizers, devastates any simple comparisons.

“Economic growth correlates with more trade” wouldn’t prove that trade caused growth. Could be growth caused the trade

Prof. Richard B. Freeman 2003. (prof. of economics, Harvard Univ.;  Senior Research Fellow in Labour Markets at the London School of Economics' [Centre for Economic Performance](http://cep.lse.ac.uk/) ) Trade Wars: The Exaggerated Impact of Trade in Economic Debate, World Economy Annual Lecture, 26 June 2003, revisions Sept 2003 <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=450881> (accessed 22 June 2022)

Even if research found a strong relation between trade and growth, this would not prove that trade caused growth. Causality could easily run the other way. Frankel and Romer’s (1999) innovative use of the geography of countries to instrument for the independent effect of trade represents an interesting effort to identify causality. Successful or not (see Rodrik and Rodriguez for a criticism), however, this approach does little to inform the trade wars debate. This is because there is no reason to expect that policy-induced trade would affect growth in the same manner as geographically- induced trade.

The “globalization” and “trade interdependence” worldview is wrong: The facts show we can get along without it

Alan Tonelson 2002 (Research Fellow at the [U.S. Business and Industry Council](https://en.wikipedia.org/wiki/U.S._Business_and_Industry_Council) Educational Foundation) THE RACE TO THE BOTTOM <https://books.google.fr/books?id=kh3CX8CScOgC&pg=PP2&lpg=PP2&dq=tonelson+%22race+to+the+bottom%22&source=bl&ots=1VUUWJjHQA&sig=PtqwIvus74yqi0Sf568uX0D2T6A&hl=en&sa=X&ved=0CFEQ6AEwCGoVChMIof_cqI3AyAIVhVsaCh3Epw7A#v=onepage&q=tonelson%20%22race%20to%20the%20bottom%22&f=false> (accessed 22 June 2022)



OTHER FACTORS

Other factors may outweigh the impact of international trade

Congressional Research Service, 2018. (The Congressional Research Service is a public policy research institute of the United States Congress) “The Economic Effects of Trade: Overview and Policy Challenges.” 20 April, 2018 <https://crsreports.congress.gov/product/pdf/r/r44546> (Accessed 27 June 2022)

Changes at the microeconomic level of the economy, such as new technologies, also can affect particular industries or sectors of the economy in ways that are unrelated to international trade. In addition, changes in currency exchange rates, productivity, economic policies, and the business cycle can affect the overall performance of the economy in ways that may outweigh the effects of trade agreements, given the already open nature of the U.S. economy. For instance, the decline in the value of the peso in late 1994, followed by a financial crisis in Mexico and severe economic recession, had a major impact on U.S.-Mexico trade, arguably greater than anything anticipated by the completion of the North American Free Trade Agreement (NAFTA).

Technology and foreign investment have more significant effect on income in developing countries than trade

Congressional Research Service, 2018. (The Congressional Research Service is a public policy research institute of the United States Congress. Operating within the Library of Congress, it works primarily and directly for members of Congress and their committees and staff on a confidential, nonpartisan basis) “The Economic Effects of Trade: Overview and Policy Challenges.” 20 April, 2018 <https://crsreports.congress.gov/product/pdf/r/r44546> (Accessed 27 June 2022)

For the U.S. economy, some economists argue that international trade has accounted for a small share of the shift in income inequality between high-skilled and low-skilled workers. Academic economists are actively researching the relationship between trade and income inequality, which some consider to pose the greatest challenge to policymakers in developed and developing economies. There is growing academic support, however, for the position that factors other than trade, particularly technology and foreign investment, have a more significant effect on income distribution. Economists with the World Bank, for instance, argue that, “[t]he dismantling of trade barriers in many developing countries over the past two decades has dramatically increased developing countries’ exposure to foreign technologies” by increasing imports of capital and intermediate goods and by reducing restrictions on foreign direct investment. While this research is far from conclusive, evidence to date seems to indicate that factors other than trade liberalization are a main source behind the rising level of income inequality.

Digital Revolution upending global trade and labor markets

Congressional Research Service, 2018. (public policy research institute of Congress) “The Economic Effects of Trade: Overview and Policy Challenges.” 20 April, 2018 <https://crsreports.congress.gov/product/pdf/r/r44546> (Accessed 27 June 2022)

Another development that has upended global trade and capital and labor markets is the impact of the digital revolution. In particular, the digital revolution, as a form of technological advancement, is a new variant of the long-term trend of labor-saving technologies that improve productivity and provide opportunities for labor to shift from labor-intensive activities to more knowledge-intensive activities. According to one economist, the new technologies, termed labor linking, are transforming the global job landscape by linking labor with demand in faraway places and creating opportunities for small and medium-sized firms to participate in the global economy. In describing this new technology, this economist writes: What this new technology has done is to make it possible for nations that are not yet rich and industrialized, such as the low-income economies and lower middle-income economies, to connect workers with corporations in industrialized nations. If these nations are moderately well-organized and have basic infrastructure such as power and digital connectivity, their workers can do well by working for companies and customers in rich and upper-middle-income nations. This in turn is creating new competition for workers in rich and some middle-income countries, dragging their salaries down and exacerbating unemployment. In brief, while the rise of labor-saving technology is tending to curb labor demand all over the world, some emerging economies and developing economies are able to offset the decline by taking advantage of labor-linking technologies.

Trade models not structured to directly estimate job gains or losses from trade agreements

Congressional Research Service, 2018. (The Congressional Research Service is a public policy research institute of the United States Congress) “The Economic Effects of Trade: Overview and Policy Challenges.” 20 April, 2018 <https://crsreports.congress.gov/product/pdf/r/r44546> (Accessed 27 June 2022)

Trade models are different from macroeconomic models used to forecast GDP, employment, wages, taxes, and investment in the economy. Trade models are not structured to allow them to directly estimate changes in the number of job gains or losses in the economy that may arise from a trade agreement. Instead, trade models estimate changes in employment between sectors of the economy given certain baseline assumptions about changes in prices of traded goods and GDP. The models are hampered by data limitations and other theoretical and practical issues that make it difficult to derive precise estimates of the impact of a particular trade agreement on the economy. In response, some groups use various methods and proxy estimators to assess the potential impact of trade agreements on jobs, producing a wide range of estimates.

Impact of trade on the economy is less important than multiple other factors

Congressional Research Service, 2018. (The Congressional Research Service is a public policy research institute of the United States Congress) “The Economic Effects of Trade: Overview and Policy Challenges.” 20 April, 2018 <https://crsreports.congress.gov/product/pdf/r/r44546> (Accessed 27 June 2022)

Some opponents of trade agreements contend that international trade, trade agreements, and globalization more broadly have been important factors contributing to the growing inequality in wealth and income within countries. They argue that international trade favors high-skilled activities and workers. Despite intense focus in the academic literature, there is no clear consensus on the direct impact of trade and trade agreements on income inequality. While trade and trade agreements may have a short-run impact on income inequality in some cases and in some sectors of the economy, over the long term, the distribution of income is determined by a range of other factors within the economy, with trade generally judged to be less important.

International study finds potential gains from trade depend heavily on supportive policies

Congressional Research Service, 2018. (The Congressional Research Service is a public policy research institute of the United States Congress. ICITE is the International Collaborative Initiative on Trade and Employment) “The Economic Effects of Trade: Overview and Policy Challenges.” 20 April, 2018 <https://crsreports.congress.gov/product/pdf/r/r44546> (Accessed 27 June 2022) (ellipses in original)

A group of 10 international organizations, including the Asian Development Bank, the International Labor Organization, the World Bank, the Organization of American States (OAS), Organization for Economic Cooperation and Development (OECD), World Trade Organization (WTO), and the United Nations Conference on Trade And Development (UNCTAD), among others, joined together to form the International Collaborative Initiative on Trade and Employment (ICITE) to analyze the relationship between trade and employment. A study published by ICITE surveyed the economic literature on trade and employment and restated the general position that over the long run higher levels of international trade are associated with positive rates of economic growth, rising wages, and higher levels of employment. Similarly, higher levels of economic growth are associated with higher levels of international trade, which complicates efforts to disentangle cause and effect relationships between economic growth and trade. The study also concluded that countries that experienced greater trade liberalization also experienced higher levels of investment, higher levels of productivity, and improvements in both physical and human capital. In addition, the study indicated that the positive correlation between trade and economic growth seems to be predicated on companion policies that countries adopted, including policies to create a positive investment climate and labor market as well as social protection systems that support trade liberalization. The study concluded that forces within the economy that support trade competitiveness, primarily shifts in capital and labor to more internationally competitive sectors with higher productivity, also may result in frictional unemployment and income losses for displaced workers in the short run. According to the authors, for those countries that experience greater income inequality, factors other than trade are likely to be more important. The authors concluded that “....working conditions in developing countries, contrary to the assertions of some, have not deteriorated with trade openness. Indeed the positive effect of trade on investment and incomes carries with it important implications for reduced child labor, workplace injuries, and informality, while offering new opportunities for female entrepreneurs. However, trade, as with changes in technology, does entail reallocation of resources, so policies that help workers to move more quickly into new, higher productivity jobs can help attenuate human costs of normal job transitions and unemployment arising from economic shocks as well as lay the foundations for more rapid growth”
In addition, the authors concluded “....trade liberalization may (sooner or later) be a necessary but not a sufficient condition for attaining more rapid growth. Whether countries realize the potential gains from trade liberalization depends heavily on companion policies and the general economic environment. These supportive policies—stable macroeconomic policies, adequate property rights, effective regulation, and well-designed public investments—can determine the difference between a trade reform that helps catapult trend growth to a higher level or one that produces little.”

Difficult to determine how trade agreements will affect job gains and losses – too many other factors

Congressional Research Service, 2018. (public policy research institute of the United States Congress) “The Economic Effects of Trade: Overview and Policy Challenges.” 20 April, 2018 <https://crsreports.congress.gov/product/pdf/r/r44546> (Accessed 27 June 2022)

Although trade agreements may have a limited impact on the U.S. economy as a whole, trade agreements with specific countries may have a concentrated impact on certain sectors of the economy due to the nature of the trade relationship. As indicated, it is difficult to determine beyond broad generalizations how a trade agreement will affect jobs in the economy, given the range of other factors that can affect job gains and losses in the U.S. economy, especially considering the extended phase-in period of most FTAs. Also, significant gaps in data, particularly relative to formal and informal barriers in the services sector, hinder the ability to model the effects of trade agreements that lower barriers to trade in services.

No public policy factor -- trade or anything else -- consistently correlates to economic growth over decades of history

David Lindauer & Lant Pritchett 2002 (David L. Lindauer is with Wellesley College. Lant Pritchett is with Harvard University and Center for Global Development) "What’s the Big Idea? The Third Generation of Policies for Economic Growth" <http://academics.wellesley.edu/Economics/Lindauer/Documents/lindauer.pdf> (accessed 22 June 2022)

By now, there are thousands of papers that put economic growth on the left-hand side and other stuff on the right-hand side. This research produces empirical findings that are translated, more or less crudely, into policy recommendations: a partial correlation of lagged enrollment rates and subsequent growth is interpreted as proof that education is good for growth, which is then used as the basis for recommending more public spending on education; a partial correlation of trade and growth outcomes indicates that openness is good, which becomes a recommendation to reduce tariffs; a partial correlation of inflation and growth shows that low inflation is good, which leads to the adage that fiscal austerity will promote growth. Sadly, many of these recommendations have not worked in practice, in part because nearly all of the growth regression research is essentially irrelevant to policymaking and policy implementation. The findings do not constitute a credible basis for meaningful development advice, since they are not empirically stable and they are not about policy. Estimates in the typical growth regressions are unstable over time and across countries. Clemens and Williamson show that the relationship between economic growth and measures of outward orientation or trade policy changes dramatically over time. In some periods it is good to be open, while in others it is bad.

EXPORTS

US Exports have not increased job growth since 1990, productivity outpaces export increases

Congressional Research Service, 2018. (Congressional Research Service is a public policy research institute of the United States Congress. ITA is the Dept of Commerce’s International Trade Administration.) “The Economic Effects of Trade: Overview and Policy Challenges.” 20 April, 2018 <https://crsreports.congress.gov/product/pdf/r/r44546> (Accessed 27 June 2022)

ITA projects that on average $1 billion of merchandise goods exports supported (not created) 5,223 jobs, and $1 billion of services exports supports 6,706 jobs, or an average of 5,744 jobs supported by goods and services exports combined. Expressed differently, $191,461 in merchandise goods exports, $149,120 in services exports, or an average of $174,095 in goods and services exports, supports one job in each respective sector. For the economy as a whole, the share of GDP associated with exports has increased since 1990. While the value of U.S. exports has grown, the number of jobs supported by exports is not significantly different from that estimated in 1990, suggesting that labor productivity in export sectors and export-supporting sectors has grown at a faster rate than that for the economy as a whole.

Increased exports don’t create jobs: They just shift jobs from other parts of the economy toward the export goods sector

Dick K. Nanto 2011 (Coordinator, Specialist in Industry and Trade, Congressional Research Service) 4 Jan 2011 “Economics and National Security: Issues and Implications for U.S. Policy” <https://books.google.fr/books?id=SJv6wqVPyOEC&pg=PA55&lpg=PA55&dq=%22foreign+trade%22+%22total+number+of+jobs%22&source=bl&ots=IXgue2QYJc&sig=J8UuPgFkRA4zSQrazSb8aRetqF4&hl=en&sa=X&ved=0CB8Q6AEwADgKahUKEwiKntzk07fIAhXDfRoKHfR_AxI#v=onepage&q=%22foreign%20trade%22%20%22total%20number%20of%20jobs%22&f=false> (accessed 22 June 2022)



 “Increased export strategy”: Everyone is trying to increase exports, but exports require someone on the other end to import

Dick K. Nanto 2011 (Coordinator, Specialist in Industry and Trade, Congressional Research Service) 4 Jan 2011 “Economics and National Security: Issues and Implications for U.S. Policy” <https://books.google.fr/books?id=SJv6wqVPyOEC&pg=PA55&lpg=PA55&dq=%22foreign+trade%22+%22total+number+of+jobs%22&source=bl&ots=IXgue2QYJc&sig=J8UuPgFkRA4zSQrazSb8aRetqF4&hl=en&sa=X&ved=0CB8Q6AEwADgKahUKEwiKntzk07fIAhXDfRoKHfR_AxI#v=onepage&q=%22foreign%20trade%22%20%22total%20number%20of%20jobs%22&f=false> (accessed 22 June 2022)



Foreign trade is not crucial to the US economy: It grows when exports slow down, and a lot of the exports are just corporate outsourcing anyway

Alan Tonelson 2002 (Research Fellow at the [U.S. Business and Industry Council](https://en.wikipedia.org/wiki/U.S._Business_and_Industry_Council) Educational Foundation) THE RACE TO THE BOTTOM <https://books.google.fr/books?id=kh3CX8CScOgC&pg=PP2&lpg=PP2&dq=tonelson+%22race+to+the+bottom%22&source=bl&ots=1VUUWJjHQA&sig=PtqwIvus74yqi0Sf568uX0D2T6A&hl=en&sa=X&ved=0CFEQ6AEwCGoVChMIof_cqI3AyAIVhVsaCh3Epw7A#v=onepage&q=tonelson%20%22race%20to%20the%20bottom%22&f=false> (accessed 22 June 2022)



DISADVANTAGES

Trying to boost trade with poorer countries will make the US worse off: It would be better to stop trying

Alan Tonelson 2002 (Research Fellow at the [U.S. Business and Industry Council](https://en.wikipedia.org/wiki/U.S._Business_and_Industry_Council) Educational Foundation) THE RACE TO THE BOTTOM <https://books.google.fr/books?id=kh3CX8CScOgC&pg=PP2&lpg=PP2&dq=tonelson+%22race+to+the+bottom%22&source=bl&ots=1VUUWJjHQA&sig=PtqwIvus74yqi0Sf568uX0D2T6A&hl=en&sa=X&ved=0CFEQ6AEwCGoVChMIof_cqI3AyAIVhVsaCh3Epw7A#v=onepage&q=tonelson%20%22race%20to%20the%20bottom%22&f=false> (accessed 22 June 2022)



Increased trade won’t increase US jobs – it may even reduce employment

Dr. Paul Krugman 2010 (PhD economics; Nobel Prize in economics) “Trade Does Not Equal Jobs” 6 Dec 2010 NEW YORK TIMES <https://worldtradelaw.typepad.com/ielpblog/2010/12/krugman-a-countervailing-duty-on-chinese-exports-would-be-job-creating-a-deal-with-south-korea-not.html> (accessed 22 June 2022)

There is a case for freer trade — it may make the world economy more efficient. But it does nothing to increase demand. And there’s even an argument to the effect that increased trade reduces US employment in the current context; if the jobs we gain are higher value-added per worker, while those we lose are lower value-added, and spending stays the same, that means the same GDP but fewer jobs.