

TRADE

Report: Chinese imports still causing major U.S. job losses

The trade deficit with China eliminated 3.7 million U.S. jobs between 2001 and 2018.

A new analysis by the Economic Policy Institute (EPI), a labor-backed non-profit think tank, shows that trade deficits with China cost 3.7 million U.S. jobs between 2001 and 2018—including 700,000 jobs lost in the first two years of the Trump Administration.

Despite the tariffs and other restrictions imposed on China trade by the Trump Administration, the bilateral trade deficit continued to grow between 2016 and 2018.

Job losses occurred in all 50 states and in every congressional district, with the highest rates of job loss occurring in New Hampshire, Oregon,

California, North Carolina, Minnesota, Massachusetts, Wisconsin, Vermont, Indiana, and Idaho—ranging from 2.81% to 3.66% of total state employment. The report is authored by Robert E. Scott, EPI's Director of Trade and Manufacturing Policy Research, with help from data analyst Zane Mokhiber.

"The growing trade deficit has been driven by China's history of currency manipulation and private investors bidding up the value of the U.S. dollar, making imports cheaper in the U.S. market and American-made goods more expensive for overseas consumers," Scott said.

Scott said the Trump Administration's newly announced trade deal with China does nothing to change an extremely unfavorable exchange rate and fails to address the key structural concerns responsible for the long-term trade imbalance, including China's huge subsidies and massive excess capacity in a wide range of industries.

Job losses have occurred in every industry, including sectors in which the United States has historically held a competitive advantage, but three-fourths of the losses were in manufacturing—an estimated 2.8 million jobs. China has also dominated global trade in advanced technology products. Between 2001 and

2018, the trade deficit in the computer and electronic parts industry grew the most—leading to the loss of 1.3 million jobs, 36% of total job losses.

Supporters of China's entry into the World Trade Organization in 2001 claimed that the move would create jobs and increase U.S. exports to China. However, China has continued to engage in unfair trade practices, which have limited the growth of U.S. exports, Scott said. Meanwhile, growth in outsourcing by multinational companies has created a flood of Chinese imports into the United States, leading to rapidly growing trade deficits and corresponding job losses.

The U.S. trade deficit with China has increased annually by \$19.8 billion, or 10.0%, on average since 2001. Overall, the U.S. trade deficit with

China has grown from \$83.0 billion in 2001 to \$419.5 billion in 2018, an increase of \$336.5 billion.

"A fundamental transformation of the U.S.-China trade relationship is long overdue," said EPI president Thea Lee, a former national AFL-CIO trade policy expert. "The top American trade priority must be to address the structural roots of the imbalanced and unfair trade relationship with China, including by ending currency misalignment and Chinese government subsidies to key industries. We need real dialogue with the Chinese government to make progress toward compliance with internationally recognized workers' rights, ideally in coordination with our allies."

The impact of the trade deficit with China is not limited to direct job losses. Competition with low-wage countries drives down wages and reduces bargaining power for millions of workers throughout the U.S. economy. Scott and Mokhiber find that trade with low-wage countries like China is largely responsible for reducing wages by nearly \$2,000 per worker per year for all of the 100 million U.S. workers without college degrees. Most of that income was redistributed to corporations and to workers with college degrees at the top of the income distribution.



Who's on our side?

By Graham Trainor Oregon AFL-CIO President

Humbly Recommitting to Justice for All

One of the things I love about the Oregon Labor Movement is the collective interest in making the lives of ALL workers better, not just union-represented workers, on display every single day. There's no question that at every step of the way in our fight for social and economic justice, an intentional and cynical agenda has been at play by corporations and billionaires to divide the working class by race, religion, sexual orientation, immigration status, and every other wedge they can think of. And sometimes this divide-and-conquer strategy has unfortunately been successful. Our Labor Movement has been on the wrong side of history at times.

During Black History Month every year, our Movement has an important reminder to reflect on our past and prepare for our future. We have an opportunity to recommit ourselves to the struggle for social justice and civil rights at the same time we are preparing to fight for the dignity of the members we represent. And from my perspective, every one of these struggles is interconnected. Whether we're talking about Black Lives Matter, the #MeToo and Times Up movements, the immigrant rights movement, or the fight for LGBTQ+ rights, every single one centers around justice for the working class. As Trade Unionists, we must never forget the intersectionality of our fights. We must understand and appreciate our interdependence on the broader fabric of organizations and individuals of conscience. Because corporations and the 1% want nothing more than to see us fighting, see us divided, and see us distracted.

We in the Labor Movement also know the life-changing impacts of a union card. With wealth inequality continuing to break records and the constant attacks on working people, strong unions are essential, just as they have always been, to being a check to a profits-over-people economic system.

I spend a lot of time talking about the winners and losers in today's economy, and there's no question that workers of color continue to fall further and further behind at far greater rates than white workers. The fact that black women earn just 61 cents on the dollar compared to their white male counterparts, while all women earn 80 cents on the dollar, speaks for itself. Our economy is not working for far too many workers.

To put a finer point on this, and despite what you might have heard during the recent State of the Union address, Black workers are twice as likely to be unemployed as white workers even in the midst of today's record-breaking unemployment rates. Our economy is not equal, but we know union membership makes a substantial difference and helps even the playing field. That's why it's no surprise that Black workers are among the most likely to join unions, according to the Bureau of Labor Statistics.

History shows us a tremendous legacy of bravery and leadership from Black unionists: Lucy Parsons, who was known as "more dangerous than a thousand rioters" by the Chicago police department, helped found the International Ladies Garment Workers Union in the early 1900's. Russell Lasley, President of the United Packinghouse Workers of America fought housing discrimination in Chicago in the 1950s as well. The list goes on, and I encourage us all to continue learning more about the Black union leaders whose fights and fierceness have shaped our Movement.

Our fight for fairness, dignity, respect, and equality will never stop so long as any worker is being left behind. Our work in Oregon as a national leader in tackling income inequality head-on with a focus on racial and gender justice as a guiding value gives me great pride. However, the statistics highlighting workers of color being left behind, particularly Black workers, are a stark reminder to me of the work we must continue year-round.

The Oregon AFL-CIO is a 138,000-member-strong federation of labor unions.