

Trump, trade and workers

By Paul Krugman

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Donald Trump gave a speech on economic policy last week. Just about every factual assertion he made was wrong, but I'm not going to do a line-by-line critique. What I want to do, instead, is talk about the general thrust: the candidate's claim to be on the side of American workers.

Of course, that's what they all say. But Trumponomics goes beyond the usual Republican assertions that cutting taxes on corporations and the rich, ending environmental regulation and so on will conjure up the magic of the marketplace and make everyone prosper. It also involves posing as a populist, claiming that getting tough on foreigners and ripping up our trade agreements will bring back the well-paying jobs America has lost.

That's a departure, although not as much as you may think — people forget that Mitt Romney similarly threatened a trade war with China during the 2012 campaign. Still, it was interesting to see a Republican presidential candidate name-check not just Bernie Sanders but the left-leaning Economic Policy Institute, which has long been critical of globalization.

But the institute is having none of it: Lawrence Mishel, the think tank's president, put out a derisive reply to what he called the "Trump trade scam." His point was that even if you think, as he does, that trade agreements have hurt American workers, they're only part of a much broader set of anti-labor policies. And on everything else, Donald Trump is very much on the wrong side of the issues.

About globalization: There's no question that rising imports, especially from China, have reduced the number of manufacturing jobs in America. One widely-cited paper estimates that China's rise reduced U.S. manufacturing

employment by around one million between 1999 and 2011. My own back-of-the-envelope calculation suggests that completely eliminating the U.S. trade deficit in manufactured goods would add about two million manufacturing jobs.

But America is a big place, and total employment exceeds 140 million. Shifting two million workers back into manufacturing would raise that sector's share of employment back from around 10 percent to around 11.5 percent. To get some perspective: in 1979, on the eve of the great surge in inequality, manufacturing accounted for more than 20 percent of employment. In the 1960s it was more than 25 percent. I'm not sure when, exactly, Mr. Trump thinks America was great, but Trumponomics wouldn't come close to bringing the old days back.

In any case, falling manufacturing employment is only one factor in the decline of the middle class. As Mr. Mishel says, there have been "many other intentional policies" driving wages down even as top incomes soar: union-bashing, the failure to raise the minimum wage with inflation, austerity, financial deregulation, the tax-cut obsession.

And Mr. Trump buys fully into the ideology that has driven these wage-destroying policies.

In fact, even as he tried to pose as a populist he repeated the same falsehoods usually used to justify anti-worker policies. We are, he declared, "one of the highest taxed nations in the world." Actually, among 34 advanced countries, we're No. 31. And, regulations are "an even greater impediment" to our competitiveness than taxes: Actually, we're far less regulated than, say, Germany, which runs a gigantic trade surplus.

As Mr. Mishel wrote, “if is he so keen to help working people, why does he then steer the discussion back toward the traditional corporate agenda of tax cuts for corporations and the rich?” I think we know the answer.

But never mind Mr. Trump’s motivations. What’s important is that voters not mistake tough talk on trade for a pro-worker agenda.

No matter what we do on trade, America is going to be mainly a service economy for the foreseeable future. If we want to be a middle-class nation, we need policies that give service-sector workers the essentials of a middle-class life. This means guaranteed health insurance — Obamacare brought insurance to 20 million Americans, but Republicans want to repeal it and also take Medicare away from millions. It

means the right of workers to organize and bargain for better wages — which all Republicans oppose. It means adequate support in retirement from Social Security — which Democrats want to expand, but Republicans want to cut and privatize.

Is Mr. Trump for any of these things? Not as far as anyone can tell. And it should go without saying that a populist agenda won’t be possible if we’re also pushing through a Trump-style tax plan, which would offer the top 1 percent huge tax cuts and add trillions to the national debt.

Sorry, but adding a bit of China-bashing to a fundamentally anti-labor agenda does no more to make you a friend of workers than eating a taco bowl does to make you a friend of Latinos.