



## Think Tank Egghead: Caring About US Manufacturing Is Just A ‘Fetish’

Brianna Lyman

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Economist and President of the Peterson Institute for International Economics Adam Posen said Thursday that keeping manufacturing jobs domestic is just a “fetish” for propping up uneducated white men.

Speaking at the Cato Institute, Posen argued that people only care about the loss of manufacturing jobs when it impacts white people.

“I’m sure I’m gonna piss off both left and right, so I apologize,” Posen began. “The fetish for manufacturing is part of the general fetish for keeping white males with low education outside the cities in the powerful positions they are in in the U.S., that is really what’s going on here, because when you look at the cost of manufacturing ... the cost of the China shock or the cost of the decline of manufacturing, I always think ‘compared to what?’”

“For decades there was an enormous displacement of African Americans in this economy. Every time there was a recession African American unemployment rates shot up much faster and higher than white unemployment rate. Single women were methodically excluded from the workforce, especially if they became parents or ghettoed in particular sets of jobs throughout the economy well through the ’70’s and into the ’80’s,” Posen said.

“Displacements on large scales would happen when technology or trade broke through, like all the secretaries who got replaced by personal computers and other forms of office automation,” Posen continued, arguing these changes were never noticed, at least not until it started affecting white males who held manufacturing jobs.

Despite his claim, data shows that the decline of domestic manufacturing caused by the China trade shock affected Black hire rates the most while only increasing racial inequality.

A study by The Groundwork Collaborative focusing on the impacts of trade of black workers found that for every “1 percentage point increase in import exposure” there is a “3.2 percentage point reduction in the

share of overall Black working age employment.” There is also a 32.4 percentage point drop “in the share of Black working age employment in the exposed sector, which includes manufacturing, forestry and wholesale trade” when looking at “the average change across all commuting zones in import penetration from China.”

“Free trade policies over the past three decades led to mass job outsourcing that contributed to the loss of millions of jobs in the manufacturing sector,” the study read, noting that black and Hispanic workers are most impacted when manufacturing jobs are outsourced.