Fair Competition Makes The Case for Assistance

Sallie James <u>complains</u> that "in their press releases, Senators <u>Casey</u> and <u>Brown</u> both alluded to the 'fact' that the TAA helps workers 'either get back to work or regain some measure of the financial security that has been stripped from them due to unfair foreign trade."

Indeed, I would say it's the very fact that a lot of people can lose jobs do to *perfectly fair* international competition that actually makes the case for financial assistance. If the problem was malfeasance of some kind, the right solution would be to halt the malfeasance. The main issue is that in a technologically and socially dynamic world, fair competition leads to people suffering economic hits through no fault of their own. This is one of several reasons why it's important to have public services and a social safety net. Even people who do everything right—acquire skills, work hard, etc.—can be subject to large and unpredictable negative shocks to their value as a worker. Halting all the possible sources of these shocks would be disastrous to economic growth. But refusing to acknowledge the reality and pervasiveness of this kind of misfortunate treats people unfairly and pushes political activity in the direction of rent-seeking.