

## **Guest commentary: Why populists are wrong about impact of free trade**

By Daniel Griswold / Vienna, Va.

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Tune in to cable TV, talk radio or the blogosphere in Florida and you will soon be hit over the head with the message that free trade is destroying America. According to the economic populists on the left and right, imports and outsourcing threaten the wages, jobs and futures of Main Street Americans.

On trade, as on so much else, the populists have it wrong again. Free trade and globalization are great blessings to families in Naples and across America. Trade is delivering lower prices and more variety to consumers while creating better-paying jobs for the middle class. Beyond our shores, the spread of economic openness is building a more peaceful, democratic and humane world for our children.

Now may seem an odd moment to tout the benefits of trade. After all, unemployment is 10 percent and housing and manufacturing remain in a slump. The great recession of 2008-09 was not caused by trade, however, but by misguided monetary and housing policies that were "Made in the USA."

During difficult economic times, import competition allows more American families to keep their heads above water by delivering lower prices on staples such as food, clothing and shoes. The prices we pay for goods exposed to global trade tend to rise more slowly than inflation or even fall. The imported fresh fruit and vegetables, T-shirts and discounted sneakers sold at big-box retailers are especially important in the budgets of poor and middle-class families.

Trade benefits producers by allowing Americans to sell our goods and services in growing markets abroad. Florida companies have been especially successful exporting to Brazil, Mexico and the rest of Latin America. Florida ranks fifth among states in total value of exports, with small and medium-sized companies accounting for almost two-thirds of state exports.

For Americans worried about their jobs, it is a big lie that we have been surrendering middle-class manufacturing jobs for low-paying service jobs. In fact, since 1991, two-thirds of the net new jobs created in the U.S. economy have been in sectors such as health care, education and business and professional services where the average pay is higher than in manufacturing.

Knock on doors in a typical middle-class neighborhood in southern Florida and you will meet teachers, managers, engineers, computer specialists, truck drivers, accountants, insurance and real-estate agents, registered nurses and other health-care

professionals and self-employed business owners. These are the occupations that now form the backbone of the American middle class.

Beyond American shores, the past three decades of expanding trade and globalization have witnessed dramatic global progress. Between 1981 and 2005, the share of the world's population living on the equivalent of \$1.25 a day dropped by half, from 52 to 25 percent, according to the World Bank. During this same period, real gains have been made in life expectancy, infant survival, nutrition and literacy. The most dramatic gains against poverty have occurred in those countries, such as China and Chile, that have most aggressively opened themselves to the global economy

As a global middle class has emerged, so too have more democratic forms of government. Trade has spread tools of communication and spurred the growth of civil society as an alternative to authoritarian government. As a result, the share of the world's population living in countries that respect civil liberties and the right to vote has climbed from 35 percent in 1973 to 46 percent today, according to Freedom House.

Fewer people are dying in wars today than in past decades, in large part because commerce has replaced military competition. Global commerce has allowed nations to gain access to resources through trade rather than conquest, while deeper economic integration has brought former enemies together and raised the cost of war. Even with the ongoing conflicts in Iraq and Afghanistan, young American adults living today are far less likely to fight and die in wars than their counterparts in the 1940s, '50s and '60s.

America and the world face daunting tasks today, as in generations past, but expanding trade is part of the solution, not part of the problem. Americans should have the same warm feelings toward free trade and globalization as they do toward iPods, e-mail, online shopping, a well-fed child going off to school and peace on Earth.

*Griswold is director of the Center for Trade Policy Studies at the Cato Institute in Washington and author of the new Cato book, "Mad about Trade: Why Main Street America Should Embrace Globalization." He will speak on trade and globalization at the Community Room of the Daily News, 1100 Immokalee Road, on Tuesday from 3 to 5 p.m. Admission is free. Seating is limited. To make reservations, go online to the Web site of the Naples Men's Discussion Group ([www.nmdgfl.com/](http://www.nmdgfl.com/)) and follow directions. Although the speech may appear to be open to members and guests, it actually is open to the public — first come, first served.*



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