

INTERNATIONAL TRADE AND JOB LOSS IN OHIO

Although trade advocates argued that the North American Free Trade Agreement (NAFTA) and other trade agreements would add jobs to the U.S. economy, 45,734 Ohio jobs lost between 1995 and October 2003 can be directly traced to international trade. A new Policy Matters Ohio analysis of data from the Trade Adjustment Assistance (TAA) program and the former North American Free Trade Agreement-Trade Adjustment Assistance (NAFTA-TAA) program finds that 75 of Ohio's 88 counties experienced job loss as a result of international trade over the last 8 years.

OHIO IS LOSING MANUFACTURING JOBS

Manufacturing jobs decreased 18.5 percent in Ohio between November 1999 and November 2003. This is more than four times the 4.3 percent decrease experienced by all sectors combined. In fact, manufacturing jobs accounted for 191,000 of the 244,000 nonagricultural jobs lost in Ohio during that period. Of the losses in manufacturing, the subdivisions of electrical and electronic equipment, primary metals, and industrial machinery and equipment were hardest hit. Furthermore, urban counties, where a majority of these jobs were located, experienced the greatest losses.

WHY IS THIS A PROBLEM?

Manufacturing jobs are high-productivity, relatively high-paying positions that tend to generate many other jobs in the economy. So workers who lose these jobs often struggle to find positions with equal pay and benefits. Making things worse, manufacturing workers tend to be older, to have less formal education, and to have skills that may be tough to transfer to other sectors. Whereas the average hourly wage of a manufacturing worker is \$17.13, the available replacement wage is often less than \$10 per hour on average. The reduced income of displaced manufacturing workers decreases their purchasing power. Consequently, Ohio's economy as a whole has been hurt by manufacturing job loss.

INTERNATIONAL TRADE IS ADDING TO THE LOSSES

The Trade Adjustment Assistance (TAA) Program, which merged with the TAA-NAFTA program in 2002, aids trade-related displaced workers who both apply and qualify for aid. Since the TAA program rigidly defines trade-related job losses and many workers don't know about it, the number of workers involved in the program undercounts the total number of jobs lost due to international trade.

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So while it's a clear undercount, TAA data finds that 45,734 jobs were lost in Ohio between 1995 and October 2003 as a direct result of international trade. These losses accounted for more than one in six of the jobs lost in Ohio during that time.

Cuyahoga County was hardest hit, shedding more than 5000 jobs as a direct result of trade agreements over this period. But thirteen Ohio counties in all dropped more than 1000 jobs for trade-related reasons.

WHAT SHOULD THE U.S. DO?

Labor and environmental standards should be placed at the forefront of trade agreements. When we're trading with partners who can pollute, mistreat their workers, employ children and pay abysmal wages, we're certain to struggle. But if we trade with developing nations and promote worker and environmental standards with our partners, it should eventually lead to improved well-being all around.

WHAT CAN OHIO DO?

- Invest in job training and placement programs for displaced workers to prepare workers for long-term, high-wage employment.
- Improve the safety net for displaced workers and their families.
- Identify vulnerable areas so that communities can prepare for the economic hardships that they may encounter.
- Improve access to higher education.
- Recognize that Ohio's economy will continue to suffer unless environmental and labor standards are strengthened and enforced in all past and future trade agreements

**Find the whole report on International Trade and Job Loss in Ohio at
<http://www.policymattersohio.org/trade.htm>**

Policy Matters Ohio is a think tank dedicated to illuminating how policy decisions serve Ohio workers. We focus on work, wages, economic development, education, incarceration, budgets and taxes and we do it in a way that no other entity in Ohio has done. Our innovative approach led to more than 300 news stories last year alone, culminating in a recent appearance discussing job loss in Ohio on Cable Network News worldwide. Our work is unified by a belief in the "high road" – that we should encourage good jobs at good wages, strong public services, and investment in people. We shine a light on policies that allow a "low road" – poor public services, low wages, inadequate education and excessive incarceration. Learn more at www.policymattersohio.org.

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