

# THE ECONOMY AND YOU

## Note To The Administration: When It Comes To Jobs In America, Think Global, But Act Local



by Robert E. Swift

(NAPSA)—The news coverage in Genoa during the recent summit of the eight leading economies of the free world was dramatic and tragic. One protester was killed and scores of people injured, including many police, in what seemed like a disorganized melee populated by individuals and groups with an axe to grind over a variety of issues. But one theme stood out over all others: globalization.

### What is it about this issue that so inflames passions?

Globalization is motivated by a converging of interests and influences. Modern communications and rapid mass shipping of goods make it feasible to knit international manufacturing into a single cloth that covers most companies' requirements around the world. But it remains a complicated process, given differing cultures and social standards that inject the human factor into deals. And then there's the political agenda.

In the circumstance of global trade, business is politics and politics is business, and to date, the United States is a net loser on both these fronts. Our Administration uses trade as a weapon of "persuasion", often holding out agreements which provide freer access to the U.S. market—the largest on the planet—in exchange for political concessions. But this tactic comes at a cost, usually American jobs. And rarely do we achieve the political aims we seek.

As the industrialized countries meet, they do so in a recessionary atmosphere. Each of these countries' perspectives will be colored by their individual economic circumstances at home, and how their citizenry will be affected by global considerations.

For some difficult to fathom reason, our country's leadership has chosen to place the goals of globalization above the welfare of our domestic workers. No matter how you dress up the objectives of world trade, no matter how noble the hoped-for political returns from granting trade freedoms, for

many Americans it comes down to maintaining their livelihoods or, as has already occurred hundreds of thousands of times here in our manufacturing sector, losing jobs.

As the dean of the Yale School of Management recently wrote in an Op-Ed piece in *The New York Times*, the Administration has not "offered any strategy on globalization other than rhetorical support for free trade. This will have to change.

"Few mechanisms now exist to manage globalization. One risk of failing to manage globalization is political. Unfettered market forces can lead to job losses and financial problems. These developments would hurt our own recovery.

"The leading industrialized nations must also address the widening gap between rich and poor, which is a traditional cause for discontent in world history." And a byproduct of decisions made at meetings such as Genoa.

So globalization, or more specifically global trade, remains a difficult issue which to date, has created more problems than solutions. A box score of job losses reported in *The Wall Street Journal* noted that "The government's mass layoffs data, which track claims filed due to layoffs of 50 or more workers at one facility, showed the industrial Midwest and South were hit the hardest. Manufacturing jobs accounted for 47 percent of the total job loss of 878,000."

According to these numbers, we are rapidly losing some of our most important jobs. Many of these positions are going to the Third World as part of the collateral influences of global trade. So Yale's School of Management dean is quite correct: We need a rationale strategy as a platform for our approach to this issue. And we should keep American workers' interests at the forefront. No other country's administration will do that for us.

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