



Where You Live Affects What You Think About Trade

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The issue of job security inevitably arises in any discussion about reducing international trade barriers. In 2006 the Chicago Council on Global Affairs and a number of partners surveyed public perceptions in the United States, China, India, and South Korea on a wide range of foreign policy issues.¹ Overall, the opinions expressed reveal similarities concerning the importance of protecting jobs as well as differences concerning the connection between international trade and job security. Specifically, responses from the U.S. survey help explain why international trade legislation in the United States is so controversial.

According to the 2006 survey, the American public feels that protecting the jobs of American workers should be the top U.S. foreign policy goal. The next three goals are preventing the spread of nuclear weapons, combating international terrorism, and securing adequate supplies of energy. In fact, the goal of protecting American jobs has been at or near the top of this survey's responses for more than twenty years.

The U.S. respondents see international trade as threatening American jobs. Although the majority of those surveyed think that international trade improves their standard of living, 67 percent of those surveyed also think that international trade adversely affects job security for American workers. Only 30 percent think international trade enhances job security.

Much job insecurity in the United States can be traced to the near doubling of the global pool of labor stemming from the integration of China and India into the world economy. China has become a major player in the export of manufactured goods, while India has become a major force in services. Perhaps surprisingly, this concern about job security does not translate into a desire for higher trade barriers. Although 36 percent do favor protectionism, 43 percent favor agreements that lower trade barriers so long as governmental assistance is provided to those who lose their jobs. An additional 15 percent would lower trade barriers without governmental assistance.

Like U.S. respondents, respondents in the Asian countries believe that protecting jobs in their countries should be a high priority for foreign policy. In China, protecting jobs was the highest-ranked foreign-policy priority; in South Korea, it was second behind promoting economic growth; and in India it

was in a three-way tie with promoting economic growth and combating world hunger. A key contrast between these three Asian countries and the United States involves their perception of the connection between international trade and job security. Recall that less than one-third of the American public believe that international trade contributes to job security. Meanwhile, the comparable percentages in India (49 percent) and South Korea (51 percent) are roughly one-half and the percentage in China (65 percent) is nearly two-thirds. Thus, Asians are much more inclined to believe that trade contributes to job security than job insecurity.

Although job security is not the only consideration that influences the public's position on trade liberalization, it certainly plays an important role. A comparison of American views with Chinese views on the desirability of free trade agreements provides some suggestive evidence on this claim. For example, the percentage of Americans who believe their country should have a free trade agreement with China, India, and South Korea was 34 percent, 36 percent, and 39 percent, respectively. Such a reluctance to support free trade agreements likely reflects concerns that freer trade will increase job insecurity. Meanwhile, the percentage of Chinese who think their country should have a free trade agreement with the United States, India, and South Korea was 66 percent, 59 percent, and 66 percent, respectively.

The survey results point to the following conclusion: Because jobs are very important, political support for trade liberalization will increase if the costs borne by those who are adversely affected are mitigated. The majority (62 percent) of respondents to a September 2006 survey by the German Marshall Fund of the United States, however, believe that the U.S. government does a poor job in helping workers adjust to new competition.² In today's political reality in the United States, without effective mitigation, the potential gains from trade liberalization are quite likely to remain unrealized. ■

¹ Australia and Japan also participated. See www.thechicagocouncil.org/dynamic_page.php?id=56.

² See www.gmfus.org/doc/GMF_TradeSurvey%202006.pdf.