CATO
POLICY
ANALYSIS

April 19, 2022 Number 925

The (Updated) Case for Free Trade

By Scott Lincicome and Alfredo Carrillo Obregon

EXECUTIVE SUMMARY

The long-standing bipartisan consensus in favor of free trade in the United States has unraveled as the nation's commitment to the multilateral trading system is increasingly subordinated to inward-looking ideological priorities. Like all forms of market competition, trade can be disruptive for some companies and workers, and various trade agreements may require updating to address both an increasingly authoritarian China and the 21st-century global economy. Nevertheless, both the seen and unseen economic benefits that free trade has delivered to countless individuals, businesses, and communities in America are undeniable and irreplaceable. Furthermore, the lone alternative to free trade, protectionism, has repeatedly proven to impose high costs for minimal benefits. In short, the case for free trade is an economic no-brainer.

That case is not just grounded in economics. Free trade is a critical foreign policy tool that promotes peace and cooperation, and it remains a pillar of the liberal international order. Free trade is also moral: as Adam Smith observed, humans are "an animal that bargains," unique in our ability to prosper through commerce. Government restrictions on these natural and voluntary transactions—whether across or within national borders—enrich a privileged few at the expense of all others, especially the poor. Trade also enriches and empowers the world's poorest and most vulnerable people, especially women and children who once lived in unspeakable conditions.

Finally, China represents real challenges, but dealing with it does not warrant abandoning free trade. Instead, historical and recent evidence demonstrate that China's economic threat to the United States has been exaggerated, that aggressive unilateralism will prove less effective in influencing the Chinese government's behavior than multilateral engagement, and that the United States will be better positioned to respond to a rising China if it embraces the openness and confidence that made America an economic powerhouse.


SCOTT LINCICOME is the director of general economics and the Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies. **ALFREDO CARRILLO OBREGON** is a research associate at the Stiefel Center.

INTRODUCTION

Free trade is under greater attack today than it has been in decades, especially in the United States. Despite continued public support for foreign trade and globalization generally (even during the height of the COVID-19 pandemic), a bipartisan cadre of American politicians, pundits, and policy wonks are increasingly skeptical of, or downright hostile to, the long-standing consensus in favor of trade liberalization.[1] In fact, the Biden administration's reluctance to remove former president Trump's tariffs or to pursue new trade agreements has signaled to many that the era of trade liberalization is "over."[2] Once the most ardent proponent of free trade and the architect of the multilateral trading system, the United States has subordinated its commitment to these ideals to concerns over national security and the people and communities "left behind" by our modern and globalized world.

This paper explains why the current skepticism of free trade remains misguided—even as some of its justifications have changed. Like all forms of free-market competition, international trade inevitably disrupts some American companies and workers—and, by extension, their surrounding communities—that, through government protection, formerly had the U.S. market to themselves. China's economic model, authoritarian government, and geopolitical ambitions represent an unprecedented challenge for both the United States and the global trading system. And complicated, corporatist rules in trade agreements—usually prompted by special interests during the negotiations—are indeed worthy of criticism.

> "The economic, political, and moral case for free trade is as strong today as it was when Adam Smith penned *The Wealth of Nations* almost 250 years ago."

Yet even accounting for these and other issues, the economic, political, and moral case for free trade is as strong today as it was when Adam Smith penned *The Wealth of Nations* almost 250 years ago. The benefits of trade and globalization are both undeniable and irreplaceable. Just as importantly, the alternative to free trade—protectionism—would not only fail to resolve concerns of trade skeptics, but also impose new political and economic burdens while making us all poorer and less safe in the process. And, far from undermining these conclusions, the events of the last few years have only reinforced them.

WHY FREE TRADE REMAINS THE RIGHT POLICY CHOICE

The Economic Case

Contrary to common descriptions of trade as transactions between nations (or even something that one country *does* to another), in reality it is millions of daily economic exchanges voluntarily undertaken by individuals across national borders. These international exchanges—little different from ones made between U.S. cities and states—make us richer in real terms by enabling us to consume more (in both quantity and variety) and work less, while improving broader economic growth and innovation in the process. "Free trade" simply gets the government (i.e., tariffs and nontariff barriers) out of the way.

The most direct benefit of free trade accrues to consumers who can access goods and services at lower prices and in greater varieties—gains that come from not only foreign-made items, but also from similar domestic items that are now forced to compete with imports on price or quality. Numerous studies show that trade's consumer surplus is far more significant than a few cents on the proverbial cheap T-shirt. For example, a 1993 United States International Trade Commission (ITC) report estimated that "significant" import barriers in 1991, which were substantial because they preceded most trade agreements, cost American consumers $11.6 billion ($23.1 billion in 2021 dollars), primarily through higher prices.[3] The ITC also has found that consumers saved $13.5 billion in 2014 ($15.45 billion in 2021 dollars) due to tariff reductions negotiated in U.S. bilateral trade agreements.[4]

More recently, economists have found that falling prices caused by Chinese imports into the United States during the 2000s generated hundreds of thousands of dollars in consumer benefits for each American job potentially displaced by that import competition—the equivalent of giving every American "$260 in extra spending per year for the rest of their lives."[5] Similar gains occur outside the United States: European consumers, for example, save €60 billion per year from lower tariffs resulting from the European Union's entry into the World Trade Organization (WTO).[6] Studies also uniformly find that these benefits—again contrary to the conventional wisdom—tend to most aid the poor and the middle class, who have tighter budgets and concentrate their spending on tradable sectors (e.g., food, clothing, footwear, or consumer electronics).[7]

The consumer gains from trade—our consumer surplus—are a big reason why Americans today work far fewer hours to own more and better essentials than at any prior time in U.S. history.[8] Indeed, Dartmouth economist Bruce Sacerdote finds that lower-income Americans' overall consumption (adjusted for inflation) increased by 62 to 164 percent between 1960 and 2015, not fully accounting for improvements in quality (which for some items, such as cars and homes, have been substantial).[9] In other words, today poorer Americans can consume about twice as many goods and services as their 1960 counterparts, and expanded international trade is undoubtedly a big reason.

Free trade also produces broader benefits for the American economy. The classic model of comparative advantage teaches that all countries, even those that are highly industrialized and productive, are made better off when their citizens specialize in the goods and services that they can produce most efficiently and then trade for the things that they produce less efficiently.[10] Thus, and somewhat counterintuitively, national welfare is maximized when two countries specialize in what they do best and trade with each other, even when one country has an absolute advantage over the other in all types of production. The overarching insights of this model (and subsequent ones that build off it) are that a country's removal of trade barriers will benefit not only its consumers but also its most productive industries and workers, and that, while liberalization might disadvantage other domestic parties in the short term, the nation as a whole and over the longer term will experience greater gains than under a policy of autarky (or any policy between these extremes).[11]

These insights are admittedly theoretical but make intuitive sense: U.S. companies could produce clothes that are instead imported from Guatemala and Vietnam, but doing so would require devoting finite human and material resources to those lower-productivity enterprises instead of to more innovative and profitable enterprises like aerospace manufacturing or software engineering. Thus, the United States benefits by harnessing its comparative advantages and devoting its resources to producing advanced, capital-intensive goods or skill-intensive services and then importing more-basic products at relatively cheaper prices. We each adopt similar practices in our own lives, choosing to buy food, clothing, or other items with money earned from working in a job to which we are better suited. And just as *we* avoid making everything ourselves, so should *the country*.

> "International exchanges—little different from ones made between U.S. cities and states—make us richer in real terms by enabling us to consume more (in both quantity and variety) and work less, while improving broader economic growth and innovation in the process."

Of course, reality differs from simple economic models. Production is fragmented across multiple countries, and trade in intermediate inputs is as important as (if not more than) trade in final goods.[12] Nontradable services like construction are a large share of the economy, while other services are increasingly traded—especially in digital form. (Around 35 percent of U.S. exports in 2019 were services.)[13] Nevertheless, comparative advantage remains important for understanding the trade patterns that are discernible throughout the world and, most importantly, for understanding that countries gain more by embracing, rather than rejecting, globalization. These gains occur through several channels.

First, trade benefits a wide range of American companies, including those in manufacturing. Most obviously, domestic companies and farmers gain financially from exporting their products: total exports of goods and services hit almost $2.5 trillion in 2019 ($2.65 trillion in 2021 dollars)—$1.6 trillion in goods and $876 billion in services ($1.7 trillion and $928.5 billion in 2021 dollars, respectively)—and the United States was the world's second-largest goods exporter and largest services exporter that year.[14]

American companies also benefit from imports, either by moving/selling foreign-made items in the United States or by using them to produce other things. For instance, total value-added in wholesale trade, retail trade, and transportation and warehousing was more than $3.1 trillion in 2019 ($3.3 trillion in 2021 dollars)—output that in many cases (e.g., from Gap or FedEx) wouldn't exist but for global trade.[15] On the latter activity, domestic firms gain from having unfettered access to goods and services from around the world. As the disruption induced by the Trump administration's tariffs and the COVID-19 pandemic has made clear, American companies often rely on imports and global supply chains.[16] When trade restrictions raise the price of steel, aluminum, semiconductors, machine parts, or other essential inputs, American firms that use these items—firms that typically produce more-advanced products (e.g., aircraft or automobiles) and employ more workers than their upstream counterparts (e.g., steel or aluminum producers)—must absorb these costs, raise prices, or seek alternate suppliers.[17]

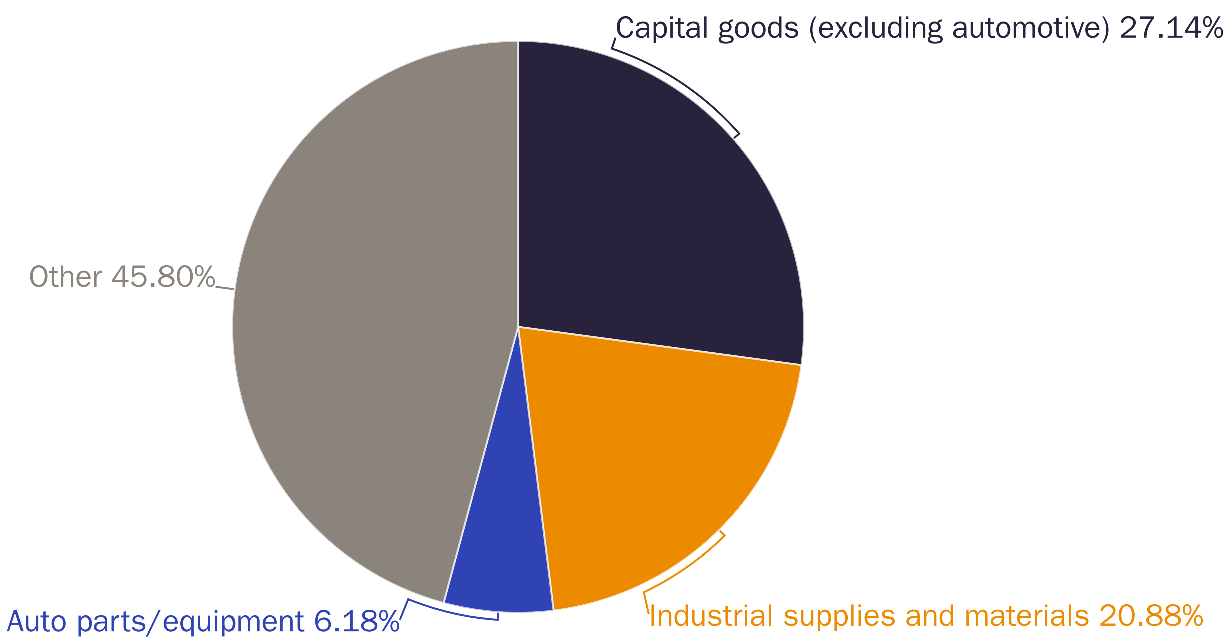
Historically, manufacturing inputs—products that boost American manufacturers' global competitiveness—constitute about half of all goods imported into the United States. As Figure 1 shows, this trend continued to hold in the last year before the onset of the COVID-19 pandemic.

Furthermore, American companies benefit from foreign direct investment—dollars that overseas investors acquired from foreign sales of goods and services to U.S. consumers. (The flipside of the trade deficit is an equal surplus amount of foreign capital entering the United States.) Total foreign direct investment assets ("stocks") in the U.S. manufacturing sector alone hit $1.8 trillion in 2019 ($1.9 trillion in 2021 dollars), and majority-owned affiliates of all foreign multinational companies contributed $1.1 trillion ($1.2 trillion in 2021 dollars) to gross domestic product that same year (the last year for which data were available).[18]

These "corporate" gains from trade inevitably translate to gains in American employment. For example, a 2020 report found that trade—imports and exports—directly or indirectly supported approximately 40.6 million jobs in both goods-producing industries (agriculture, construction, manufacturing, etc.) or services-producing industries

Figure 1

U.S. imports of goods by end-use category and commodity, 2019



Source: "U.S. International Trade in Goods and Services, Annual Revision," Bureau of Economic Analysis, June 4, 2020, https://www.bea.gov/news/2020/us-international-trade-goods-and-services-annual-revision.
Note: "Other" includes food, feeds, and beverages; consumer goods; automotive vehicles; and other goods.

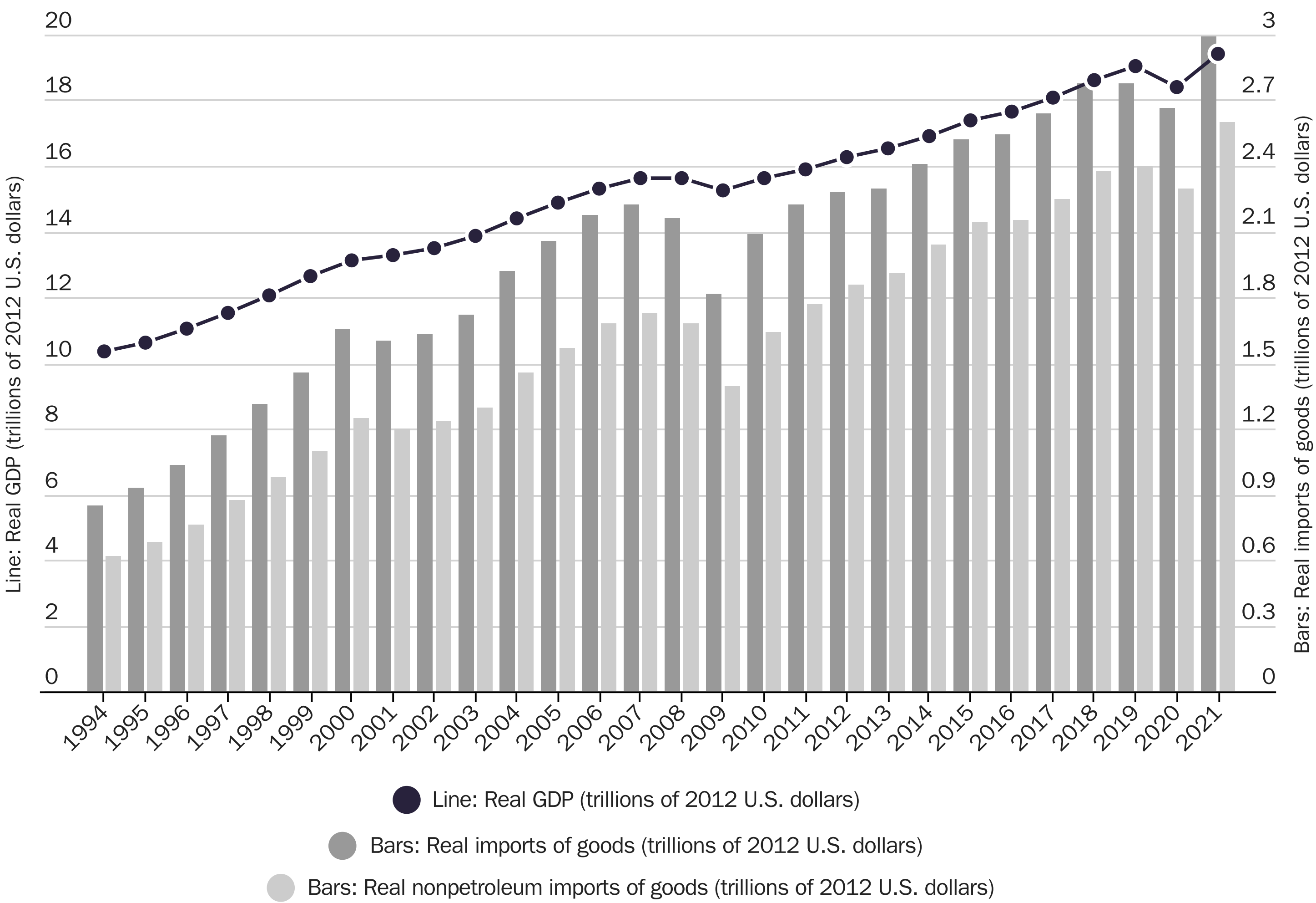
(wholesale/retail trade, transportation, professional services, etc.).[19] Imports alone support an estimated 17.3 million American jobs in transportation, logistics, wholesale and retail trade, and other services industries, which comprise more than 10 percent of total employment in the sector.[20] And almost half of all dollars spent on imported goods go to *American workers* rather than to the foreigners producing the goods.[21] Thus, new research finds that, while only 6 percent of U.S. firms in manufacturing and services are goods traders, these firms account for *half* of economy-wide employment today and supported *60 percent* of all new net jobs created after 2008, primarily through the establishment of new businesses.[22]

Meanwhile, foreign direct investment supported approximately 8 million jobs in 2019.[23] By contrast, these same American workers are harmed by protectionism: higher input costs, for example, typically mean reduced wages or unemployment in the consuming company or industry at issue.[24]

Second, trade has also enabled American companies and workers to focus on their comparative advantages in advanced manufacturing and skilled services. The increased prominence of these jobs in the American economy has enabled a transition from manual, inefficient, and even dangerous low-skill jobs to generally safer, more productive, and better paying jobs. Indeed, the ITC found that trade agreements led to higher real wages for workers across multiple occupations, with non-college-educated workers experiencing slightly *larger* increases than their college-educated counterparts. Interestingly, the ITC states that these gains were driven by "a higher level of domestic investment, as well

Figure 2

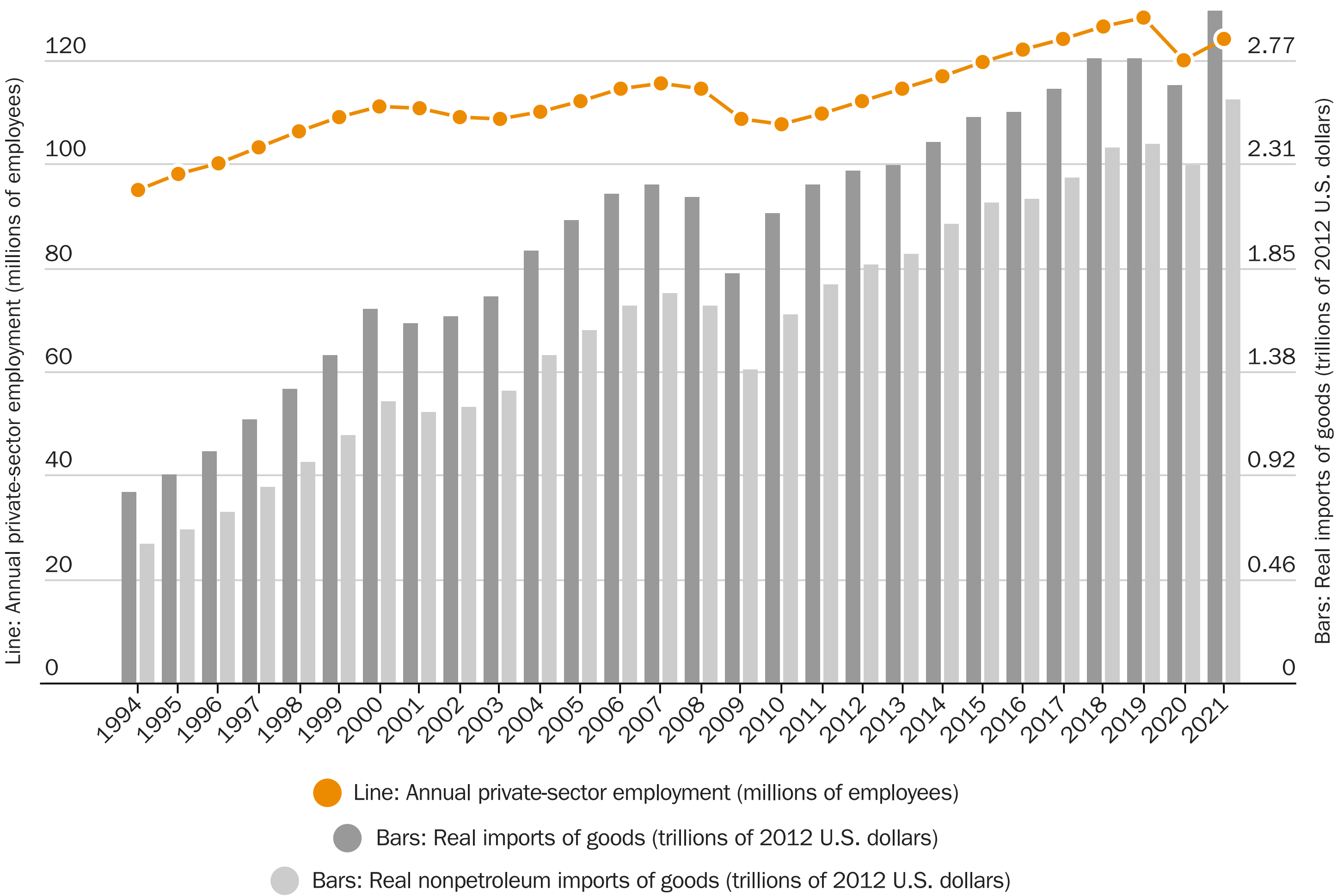
U.S. real GDP and real imports of goods, 1994–2021



Sources: "Real Gross Domestic Product, Chained Dollars," U.S. Bureau of Economic Analysis, March 30, 2022; and "Seasonally Adjusted: Real Exports, Imports, and Balance of Goods, Petroleum and Non-petroleum End-Use Commodity Category Totals," U.S. Census Bureau, March 8, 2022.
Note: Import data presented on a Census basis.

Figure 3

U.S. annual private-sector employment and real imports of goods, 1994–2021



Sources: "All employees, thousands, total private, not seasonally adjusted," Bureau of Labor Statistics, March 4, 2022; and "Seasonally Adjusted: Real Exports, Imports, and Balance of Goods, Petroleum and Non-petroleum End-Use Commodity Category Totals," U.S. Census Bureau, March 8, 2022.
Note: Import data presented on a Census basis.

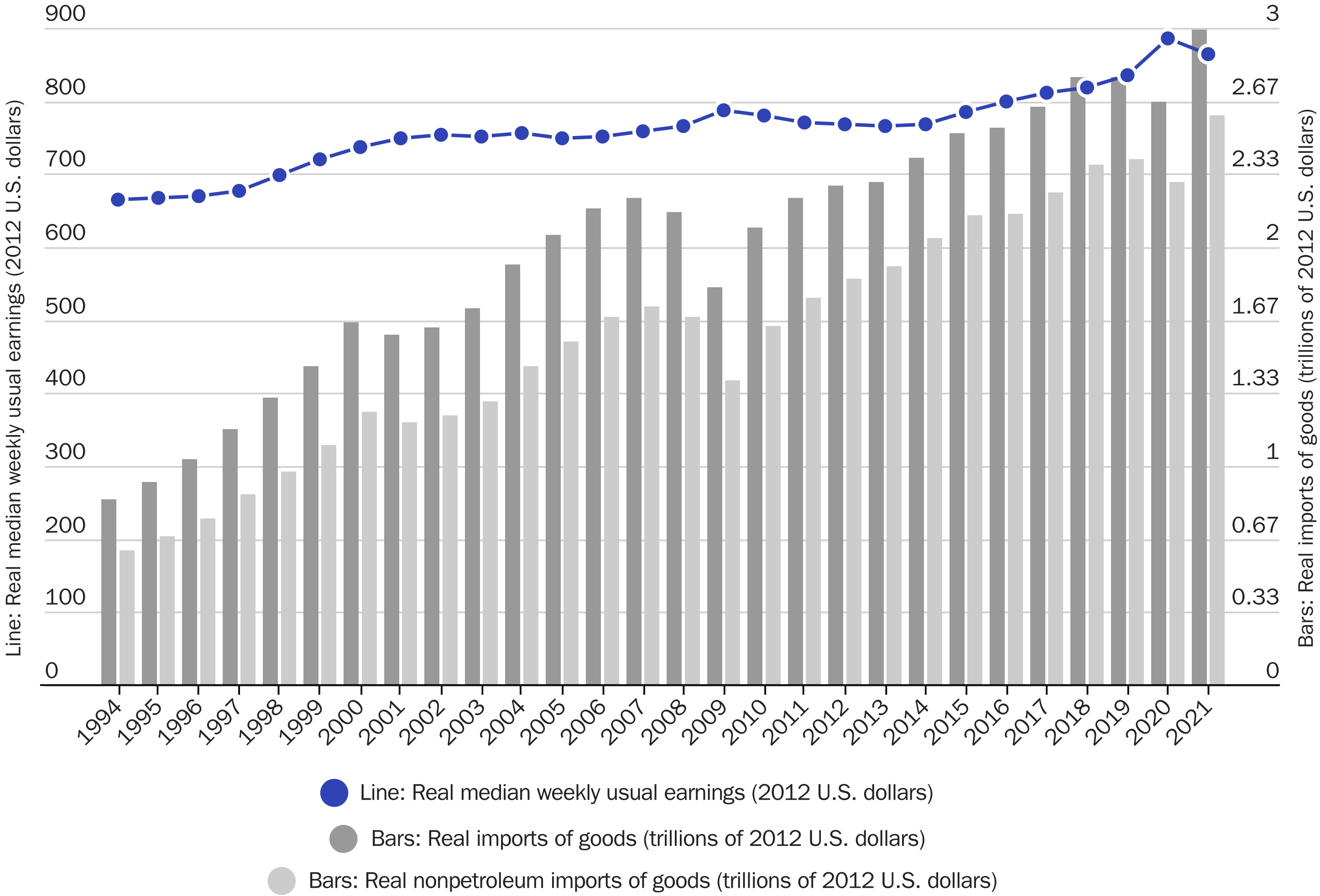
as resources being reallocated from manufacturing sectors to non-tradeable services sectors as a result of U.S. FTAs."[25] As Figures 2–4 show, in general, increased imports of goods into the United States have coincided with gains in output, employment, and real wages (up until the onset of the COVID-19 pandemic in 2020).

Third, trade is a cornerstone of the economy's "creative destruction"—that is, the birth, life, and death of firms that breeds innovation and raises living standards. While much of this activity is imperceptible, it is doubtlessly driven by consumers and capital seeking more productive ends in the global marketplace. International competition, for example, has long pushed American companies, such as the Big Three automakers in the 1980s, to improve their products or go out of business. And money Americans save by buying cheap foreign goods is often spent on, or invested in, promising domestic companies and their higher-skilled workers. The outcome of these unseen transactions is not just "cheaper stuff," but better and once-unimaginable goods, better jobs, better companies, and better lives.

Quantifying the overall benefits of trade is exceedingly complicated and uncertain, but economic studies uniformly show substantial gains. For example, a 2017 Peterson Institute for International Economics study calculated the payoff to the United States from expanded trade between 1950 and 2016 to be \$2.1 trillion (\$2.4 trillion in 2021 dollars), increasing GDP per capita and per household by around \$7,000 and \$18,000 (\$7,900 and \$20,400 in 2021 dollars), respectively. These benefits, again, accrue disproportionately to households in the bottom income decile.[26] The aforementioned 1993 ITC

Figure 4

U.S. real median weekly usual earnings and real imports of goods, 1994–2021



Source: "Employed Full Time: Median Usual Weekly Nominal Earnings (Second Quartile): Wage and Salary Workers: 16 Years and Over," Federal Reserve Bank of St. Louis, January 19, 2022, adjusted for constant 2012 dollars using "Personal Consumption Expenditures (Implicit Price Deflator)," Federal Reserve Bank of St. Louis, March 30, 2022; and "Seasonally Adjusted: Real Exports, Imports, and Balance of Goods, Petroleum and Non-petroleum End-Use Commodity Category Totals," U.S. Census Bureau, March 8, 2022.
Note: Import data presented on a Census basis.

report found that liberalization of all import restraints would generate almost $21 billion ($41.8 billion in 2021 dollars) in economic benefits on net (i.e., after accounting for employment and output losses in formerly protected sectors).[27] A more recent ITC study found that U.S. regional and bilateral free trade agreements in force since 1985 have led to a $98.3 billion ($108.7 billion in 2021 dollars) increase in real income, a measure that captures both gains to real GDP and gains realized through changes in international prices.[28]

These results also show that restricting the proper functioning of market forces through tariffs, quotas, import or export restrictions, or any other protectionist policies results in overall welfare losses for the whole of society, as the total costs inflicted upon consumers are almost always greater—and usually by many multiples—than the benefits conferred to domestic producers and the government.[29] Thus, for example, tariffs imposed in 2009 on tires from China cost Americans $900,000 annually per job saved in the domestic tire industry ($1.1 million in 2021 dollars)—money that the consumers could not save, spend, or invest elsewhere in the economy.[30] That's a terrible deal, not only for the tens of thousands of people in need of new tires each year, but also for the nation more broadly.

The Geopolitical Case

The case for free trade is not just grounded in economics, as trade has long been a pillar of national and global security.

The multilateral trading system arose in the second half of the 20th century, not only from a desire for global economic growth or to empower global consumers, but mainly from a fear that the division of the world into competing economic blocs could again fuel global military conflict.[31] Fresh out of two world wars that began, in part, due to trade conflicts, founders of the General Agreement on Tariffs and Trade (GATT) believed that countries that traded with each other, and furthermore had access to an institutionalized means for resolving commercial disputes, would be less prone to engaging in geopolitical competition or armed conflict with each other. And this system, for all its fits and starts, has met this aim reasonably well for over seven decades: the GATT and its successor, the World Trade Organization, have provided an avenue for the peaceful resolution of trade disputes and for countries to commit to a series of rules and economic reforms, mainly as a prerequisite for accession to the organization, that increase global interdependence and make bilateral disputes less likely to emerge. Even China signed on to the rules and undertook reforms (its backsliding post-accession is more a failure of WTO members' enforcement than of the accession commitments themselves).[32]

"As countries trade more with each other or become more exposed to each other's growth, they are less prone to engage in conflict, and they often form deeper alliances."

Numerous studies have found that increased trade leads to fewer armed conflicts among states—a core national security objective. As countries trade more with each other or become more exposed to each other's growth, they are less prone to engage in conflict, and they often form deeper alliances.[33] These national security benefits are driven by several factors: first, trade makes countries more economically interdependent; second, trade and bargaining are a more cost-effective way of resolving disputes and obtaining foreign resources; third, trade increases material prosperity and promotes mutual tolerance and understanding; and fourth, trade can limit the power of domestic constituencies that benefit from armed conflict.[34]

While the international security landscape has evolved since the multilateral trading system was established, this evolution does not negate trade's value as a tool for promoting national security.[35] As trade demonstrably produces not only economic growth, but also better opportunities and improved standards of living, extending these benefits to citizens of less-developed countries through increased trade can decrease the appeal and perceived benefits of joining terrorist organizations and networks.[36] These benefits are particularly important for developed countries at risk of bordering states' poverty or domestic instability spilling over into their territories through increased migration or refugee flows.

The Moral Case

Finally, removing restrictions on Americans' consumption of foreign goods, services, and capital is not only an economic and geopolitical decision, but also a moral one. As Adam Smith wrote in *The Wealth of Nations*, "man is an animal that bargains," as humans are unique in their ability to peacefully exchange goods and services to meet their needs.[37] On this basis, we have built communities, cultures, and societies around the principle of voluntary trade in order to facilitate individuals' participation in markets at home and abroad. When humans trade, moreover, we act as equals—even though we may be of different ages, genders, nationalities, races, or religions. When individuals can freely pursue their self-interest through trade, obtaining value by providing value, the "invisible hand" yields economic and social outcomes that benefit society at large.[38]

Intended or not, American trade liberalization has removed many of the political barriers that thwart these beneficial human interactions—*and* the many inequities that prevailed in the previous, more protectionist U.S. system. As will be shown in the following section, for example, protectionism in the United States has long propped up certain politically powerful workers and industries via hidden taxes on all other Americans, while generating burdensome economic and geopolitical conflicts along the way. Yet there is no *moral* reason for government to prioritize the protected groups' well-being above that of other American companies and individuals. Protectionism is thus *immoral* because it elevates the protected entities' welfare not merely above all others' welfare but *at their direct expense*—and it does so only because the beneficiaries are more politically important than the victims. Those on the left who aim to "get money out of politics" and those on the right who talk of "draining the swamp" reveal the weaknesses of such commitments when they turn a blind eye to the corruption and immorality directly resulting from the protectionism they support.

The morality of trade doesn't stop at the water's edge: the lowering of U.S. trade barriers, along with American leadership in creating agreements and institutions such as the WTO, has produced immeasurable benefits for the world's poorest people. The International Labour Organization reports that between 1993 and 2018, the share of working individuals in low- and middle-income countries living in extreme poverty (less than $1.90 a day, in purchasing power parity terms) fell from 41.7 to 9.8 percent—a decline of about 550 million people.[39] The pro-poor effects of trade on household consumption described in the previous section have also been observed in developing countries.[40] Other country- and region-specific studies have also confirmed that trade can contribute to these workers moving from subsistence and informal activities to formal wage or salary work.[41] And, contrary to popular belief, the job creation in developing countries did not happen primarily in sweatshop manufacturing: the share of manufacturing workers in low- and middle-income countries remained nearly unchanged between 1991 and 2018; rather, employment rose in construction and in market services like retail trade and transportation, and inflation-adjusted real wages in these countries nearly tripled between 1999 and 2017.[42] Child labor is disappearing too: the overall number of child workers (ages 5 to 17) decreased by approximately 38 percent, or 94 million, between 2000 and 2016.[43] All of these improvements have also played an important role in empowering women and girls around the world.[44] For example, trade has contributed to the proliferation of labor-saving technologies, such as dishwashers, that have given women around the world "greater control over their time, more freedom to choose their occupations and the earning power to shape their own lives—all while propelling economic changes that boosted the overall standard of living."[45]

As discussions on development increasingly center around the issue of climate change, leaders around the globe should not lose sight of the role that trade can play in promoting sustainable economic growth. Most obviously, trade makes developing countries wealthier and thus more able to afford better environmental quality.[46] Furthermore, liberalizing trade in environmental goods and services, such as solar panels or wind turbines, would increase access to, and consumption of, climate-friendly products and technologies, and in the process would help developing countries meet Goal 9 of the United Nations Sustainable Development Goals ("Build resilient infrastructure, promote sustainable industrialization, and foster innovation.").[47] Freer trade in environmental technologies also would support some of the most dynamic industries in the modern economy, such as solar and wind energy generation and electric vehicle (EV) manufacturing, while avoiding the costs, distortions, and conflicts that inevitably accompany industrial policy and other top-down economic planning.[48]

PROTECTIONISM: THE FAILED ALTERNATIVE

Free trade certainly does not produce perfect outcomes for all people—no policy does. Yet, for all the problems that international trade is accused of creating, the protectionist alternative has repeatedly proven to impose far higher costs, generate far fewer benefits, and foster far more political dysfunction.

> "Protectionism is *immoral* because it elevates protected entities' welfare not merely above all others' welfare but *at their direct expense*—and it does so only because the beneficiaries are more politically important than the victims."

A vast repository of economic literature uniformly shows that protectionist policies—tariffs, quotas, buy-local mandates, etc.—impose immense costs on American consumers, workers, businesses, and the economy more broadly. For example, protectionist policies during the mid to late 20th century have been estimated to cost an average of $620,000 *per year* ($685,000 in 2021 dollars) for every American job saved or created in the protected industries at issue.[49] Today, studies show that American consumers, both companies and individuals, have borne most of the burden of the Trump administration's tariffs on home appliances, steel and aluminum, and Chinese-origin goods.[50] Downstream manufacturing firms have been forced to pay higher prices for steel than their global counterparts; exporters (farmers and manufacturers) have lost competitiveness due to higher input costs and foreign retaliation; and investment has suffered due to uncertainty surrounding American and global trade policy.[51]

Since protectionism is often sold by politicians as a policy to benefit workers, the large costs that protectionist policies inflict on this group warrant emphasis. Workers in nonprotected industries represent most of the total U.S. labor force (and far outnumber protected workers). They are exposed to the harmful effects of protectionism through three channels. First, workers are also consumers. When protectionism leads to higher prices, without a commensurate increase in nominal wages, workers experience a decline in their purchasing power.[52] Second, when protectionist measures target upstream manufacturing, such as steel and aluminum, workers in downstream manufacturing (e.g., nails or automobiles) and in services connected to downstream manufacturing (retail, marketing, logistics, etc.) are at risk of losing their jobs if the manufacturers absorb the higher input costs or pass them on to consumers who have other options, such as imported nails or cars.[53] Third, when protectionism leads to foreign retaliation, workers in exporting industries that are impacted by these tariffs are also at risk of becoming unemployed.[54]

> "For all the problems that international trade is accused of creating, the protectionist alternative has repeatedly proven to impose far higher costs, generate far fewer benefits, and foster far more political dysfunction."

Protectionism also routinely fails to achieve its economic or geopolitical objectives. Historical surveys have found, for example, that protectionist policies have had minimal long-term benefits for workers in targeted industries.[55] This is likely because the decline in employment observable in these industries stems mainly and overwhelmingly from broader economic trends, especially technological change in the form of more automation.[56] Moreover, protected firms lack market incentives to invest in productivity- and competitiveness-enhancing technologies or in producing cutting-edge products. They may even be induced to raise prices, dampening demands for their goods *and* for the labor employed for their production. Even in the history books' protectionist "success" stories, such as Harley-Davidson motorcycles and the semiconductor industry in the 1980s, tariffs had, in fact, little to do with—and may have even hindered—the relevant industries' revival. Similar outcomes are found today for industries such as steel, lumber, and paper.[57]

Perhaps the clearest sign of protectionism's failed economic objectives is that beneficiary firms often choose to devote their windfall profits to executive pay or lobbying, and thus rarely emerge stronger or more innovative than when their protection began. As a result, the termination of protectionist policies often results in *new demands for protection*. American steelmakers and shipbuilders, for example, have benefitted from decades of government assistance, yet they continue to experience declining output, uncompetitive pricing, and negative employment trends.[58] But because they remain politically important and their lawyers, executives, and lobbyists continuously pass through the proverbial "revolving door," sometimes even having previously served in Congress, they are primed for continued special treatment at the expense of consumers, workers, and other businesses.[59]

Tariffs and other trade restrictions also have proven ineffective at compelling foreign countries to reduce their trade barriers or enact other policies demanded by the U.S. government.[60] In fact, foreign countries most often respond to unilateral protectionism by retaliating against American exports, in turn creating additional costs for the economy. For example, the U.S. Department of Agriculture estimates that American farmers lost more than *$27 billion* due to retaliation against tariffs imposed in 2018 by the Trump administration.[61]

Finally, protectionism has routinely failed to improve national security because it can weaken the country's economy and manufacturing sector—particularly when, as in the United States, tariffs are concentrated on intermediate inputs like steel and aluminum. This weakness makes the nation less resilient in the face of war or other shocks, reduces economic growth, and creates distortions that can divert resources from high-tech, high-productivity sectors that are essential to national security.[62]

Even when protectionist policies have been enacted in the United States in the name of national security, they have demonstrably failed: beyond the example of Trump's 2018 steel tariffs, which hurt domestic manufacturers without reviving the steel industry or addressing the core issue of global overcapacity, there's the case of the Merchant Marine Act of 1920, also known as the Jones Act, which was passed to ensure adequate domestic shipbuilding capability and a ready supply of merchant mariners in times of war or other national emergencies. However, it has only stunted domestic shipping and thereby led to a steady reduction in the number of Jones Act oceangoing ships.[63]

> "Protectionist policies, regardless of their perceived benefits for certain American workers or communities, cannot warrant the immense costs that are inflicted on the entire economy, or justify straining relations with trading partners and allies."

Recent experience with China reveals the folly of attempts to use bellicose protectionism to achieve geopolitical objectives. Far from bringing Chinese government planners to heel, reports suggest that the Trump administration's "trade war" actually pushed China to double down on self-sufficiency, distortive industrial policy, and nationalism more generally. American hawkishness may have also helped bring China closer to other authoritarian regimes, such as Russia, and to traditional U.S. allies, including countries in Asia-Pacific and the European Union, which led to the completion of the Regional Comprehensive Economic Partnership agreement and of the China-EU Comprehensive Agreement on Investment. Beyond trade issues, moreover, China's hardline stances on human rights, Hong Kong, the South China Sea, and other issues have only gotten worse since the U.S. moved from a policy of engagement to antagonism.[64]

These and other protectionist episodes show that the policies, regardless of their perceived benefits for certain American workers or communities, cannot warrant the immense costs that are inflicted on the entire economy. Nor do they justify straining relations with trading partners and allies in a manner that undermines the geopolitical case for free trade.[65]

CHINA DOES NOT UNDERMINE THE CASE FOR FREE TRADE

China presents a significant challenge for the United States and the multilateral trading system but does not warrant a rejection of free trade and embrace of protectionism.

There is little doubt that China's size, economy, and location make it an influential player in the important Asia-Pacific region and the global supply chains centered there. There also are legitimate questions as to whether global trade rules and classical economics can fully account for China's state capitalist model, its foreign policy bullying and adventurism, or the emergence of technologies such as artificial intelligence, surveillance equipment, and digital trade. Finally, a growing and increasingly authoritarian China has led many U.S. politicians and pundits to question the benefits of commercial engagement with not only China but also the world more broadly. They also use China to justify a shift in policy from one centered on multilateral engagement to one heavy on tariffs, subsidies, and unilateralism.

Nevertheless, none of the issues that China raises justifies an abandonment of free trade or engagement generally. First, a comprehensive economic and historical accounting of permanent normal trade relations (PNTR), China's WTO accession, and the subsequent "China Shock" increase in imports debunk the hawkish caricature of a naïve U.S. government fueling the destruction of the American workforce in the idealistic hope of Chinese democratization.

Claims that pro-trade elites in the 1990s were wrong about China's integration into the global economy, culminating with the United States granting of permanent normal trade relations to China and China's formal accession to the WTO, have been wildly oversold.[66] For starters, PNTR did not actually open the United States to Chinese imports: in every year since 1980, China faced no greater trade barriers than other most-favored U.S. trading partners; Chinese imports were already increasing substantially before PNTR; and economic, historical, and anecdotal evidence show the probability of congressional revocation of China's trade status to have evaporated by the late 1990s. At most, PNTR merely accelerated a bilateral economic integration that was already well underway.[67] (By contrast, China's WTO accession did open China: average tariffs dropped from around 40 percent in the early 1990s to less than 9 percent in 2006.)[68]

It is also a myth that the United States rubber-stamped Chinese WTO accession due to its dreams of Chinese democratization. Yes, American policymakers did hope that China's very real economic liberalization would produce political liberalization as well, but this hope was not the primary motivation for U.S. policy, nor did it cause Washington to go easy on Beijing. Instead, China's WTO accession took more than 15 years and required dozens of intergovernmental meetings, negotiating texts, and Chinese economic reforms (not just the aforementioned tariff reductions)—reforms shown to have been so significant as to have fueled China's post-WTO export competitiveness. The United States, meanwhile, was the final holdout among large industrialized nations to approve China's WTO accession via bilateral negotiations, demanding ever more concessions from the Chinese government—including the right to impose special duties on Chinese imports—during a contentious 13-year-long negotiation.[69] And key Clinton administration speeches and policy documents also demonstrate that U.S.-Chinese engagement was primarily a pragmatic decision to achieve commercial and foreign policy objectives, not "democratization."[70]

Indeed, based on the facts at the time, Washington policymakers had little choice when deciding whether to pass PNTR. Every other WTO member had done so years earlier; China was a growing, billion-person nuclear power reforming economically; annual NTR approvals would have almost certainly continued; and, even with higher U.S. tariffs, globalization (plus U.S. customs law) would have still allowed Chinese goods to enter the United States as parts of "non-Chinese" products. Rejecting PNTR would therefore have punished American companies, heightened diplomatic tensions, and denied the U.S. government a new venue to press for reforms—all while failing to prevent China's rise. Thus, the actual alternatives to PNTR—a counterfactual that critics rarely consider—would have been economically and geopolitically inferior.

Furthermore, numerous studies completed since the seminal article on the China Shock reveal fewer American jobs lost than the 2.4 million that is often claimed; significant consumer benefits in terms of lower prices and increased variety; substantial employment gains in services and export-oriented industries; and net economic benefits for the U.S. manufacturing sector and the country as a whole.[71] Even if one were to treat the China Shock as economic gospel and pin most job losses on PNTR, moreover, perspective on this damage is sorely needed: the two million American jobs destroyed over a 12-year period are less than the average weekly unemployment filings in April through June of 2020, and even in normal times, the one million manufacturing jobs attributable to the China Shock would constitute less than 20 percent of all such losses (and less than 5 percent of all job losses) over the same period.[72] Does that demand radical policy changes?

> "A comprehensive economic and historical accounting of permanent normal trade relations, China's WTO accession, and the subsequent 'China Shock' increase in imports debunk the hawkish caricature of a naïve U.S. government fueling the destruction of the American workforce in the idealistic hope of Chinese democratization."

Recent analyses also show that low-skill manufacturing employment and "late stage" industries with routine, standardized processes likely would have suffered the same fate in the last two decades, regardless of the China Shock, due to nontrade issues such as automation and competition from other developing countries.[73] In fact, the data show that manufacturing jobs as a share of the U.S. workforce experienced only a modest change in their downward trend before and after China entered the WTO, and that Chinese imports replaced other imports (particularly those from Asia), not domestic production, between 1990 and 2017.[74]

These numbers answer another counterfactual question that economic nationalists and other PNTR critics rarely ask: What would have happened without the China Shock? The data indicate that Chinese import restrictions would not have saved most of the American manufacturing jobs destroyed between 1999 and 2011—those jobs would have simply been lost due to other things, including non-China imports. That is precisely what officials in the George W. Bush administration saw in their data at the time, and exactly what happened when the Obama administration blocked Chinese tire imports under the special "safeguard" mechanism agreed as part of China's WTO accession. Instead of China tariffs boosting domestic production, imports simply shifted to non-China sources (while prices, of course, increased).[75] This trade diversion also resulted from the hundreds of trade-remedy duties that the United States has imposed on Chinese imports since 2001.[76]

Proper accounting of the substantial benefits of increased trade with China is also necessary. For example, Chinese import competition has been found to produce as much as $410,000 in consumer benefits for every job supposedly lost.[77] The benefits of cheaper goods also disproportionately help the poor and the middle class, as these consumers most frequently shop at large retailers that carry these goods.[78] The original China Shock authors also recently acknowledged these benefits in an update to their original work and found that, once you add in the consumer side of the Chinese trade ledger, only *6.3 percent* of the U.S. population lived in a place that—according to their own calculations—experienced a significant negative net welfare effect due to trade with China.[79]

Businesses and workers, including in manufacturing, have also reaped the benefits of trade with China. Cheaper inputs help manufacturers—and consequently, certain services providers, including in retail and wholesale trade, transportation, and warehousing—increase their output, thereby also benefitting their workers. And then there's the invisible mechanisms through which Chinese competition boosts our economy's dynamism, as competition incentivizes firms to innovate and offer higher-quality goods at relatively lower prices. After taking this pro-competition effect into account, studies find that the China Shock led to net gains in jobs, wages, and overall social welfare.[80]

Finally, protectionist proposals based on the China Shock ignore that the policy problem the shock revealed was not free trade or import competition but—as the China Shock authors themselves write—a failure of some American workers to adjust in the years after the shock arrived. Yet the federal government has repeatedly tried to retrain workers affected by import competition—most notably through generous Trade Adjustment Assistance subsidies—with little success. Indeed, multiple studies commissioned by the Labor Department have found that participants were worse off, as measured by future wages and benefits, than similarly situated jobless individuals outside the program.[81] States have since moved to de-emphasize the Trade Adjustment Assistance program and similar ones that have been found to be inefficacious.[82] These failures raise concerns but nevertheless rebut claims that policymakers simply passed PNTR and left workers to fend for themselves. As already discussed, moreover, past attempts to save American jobs via protectionism have repeatedly failed.

> "The last three years of U.S.-China policy reveal the inefficacy of using protectionism to achieve national economic or geopolitical objectives."

Indeed, many workers and communities affected by the China Shock *did* adjust and are today thriving.[83] The contrast between these people and towns and those still reeling from a trade shock that ended more than a decade ago shows that policymakers should not ask "Why did elites normalize trade with China in the 1990s?," but rather "What did many American towns, companies, and workers do right in the face of intense import competition, and how can local, state, and federal policies encourage that important, impressive improvement?"

Second, the last three years of U.S.-China policy reveal the inefficacy of using protectionism to achieve national economic or geopolitical objectives. Several rigorous academic studies have conclusively demonstrated that the tariffs that the Trump administration imposed on Chinese imports harmed American consumers and manufacturers; deterred investment (mainly due to uncertainty); lowered GDP growth; and hurt U.S. exporters (especially farmers but also American manufacturers that used Chinese inputs).[84] At the same time, the tariffs did little to promote the reshoring of essential industries to the United States because global supply chains primarily shifted final assembly of covered goods to other foreign countries, not the United States.[85] As Figures 5 and 6 show, even though U.S. trade barriers "succeeded" in reducing the trade deficit with China between 2016 and 2019, bilateral trade deficits with, for example, Vietnam, Thailand, Taiwan, the Philippines, Malaysia, Russia, France, Germany, Ireland, Italy, Switzerland, Mexico, and Canada increased in that same period. Indeed, the change in the U.S.-China trade balance was almost equal in nominal terms to the change in the bilateral balances between the United States and the countries most likely to replace China in the global supply chain (i.e., Asian countries, Mexico, Germany, and Canada).

Despite these supply chain shifts (and China's self-inflicted damage in retaliating against U.S. imports), American unilateralism's overall impact on China's economy has been relatively muted. An October 2020 paper found, for example, that the trade war—covering well more than half of all Chinese exports to the United States—decreased Chinese GDP by only 0.29 percent (about $35 billion).[86] Several factors drove this outcome, including China's ability to increase trade with other countries and exports of nontariffed items to the United States; Chinese exporters' ability to pass on tariff costs to American consumers; and multinational manufacturers' ability to lawfully skirt U.S. tariffs by using Chinese inputs and moving only the final assembly to another country.

The trade war also had numerous unintended consequences. For example, overbroad restrictions on exports of semiconductor equipment to China exacerbated the 2021 chip shortage. The tariffs also limited essential medical supplies in the early days of the pandemic, and helped certain Chinese companies become even stronger.[87] American hawkishness also likely pushed Chinese students, who provide substantial economic benefits and generally pose a low security risk, to other countries instead (including China, which has previously struggled to retain homegrown human capital).[88] Thus, if the goal of recent U.S.-China trade policy was countering Chinese economic power and boosting both American manufacturing and the economy more broadly, then it should be considered a failure.

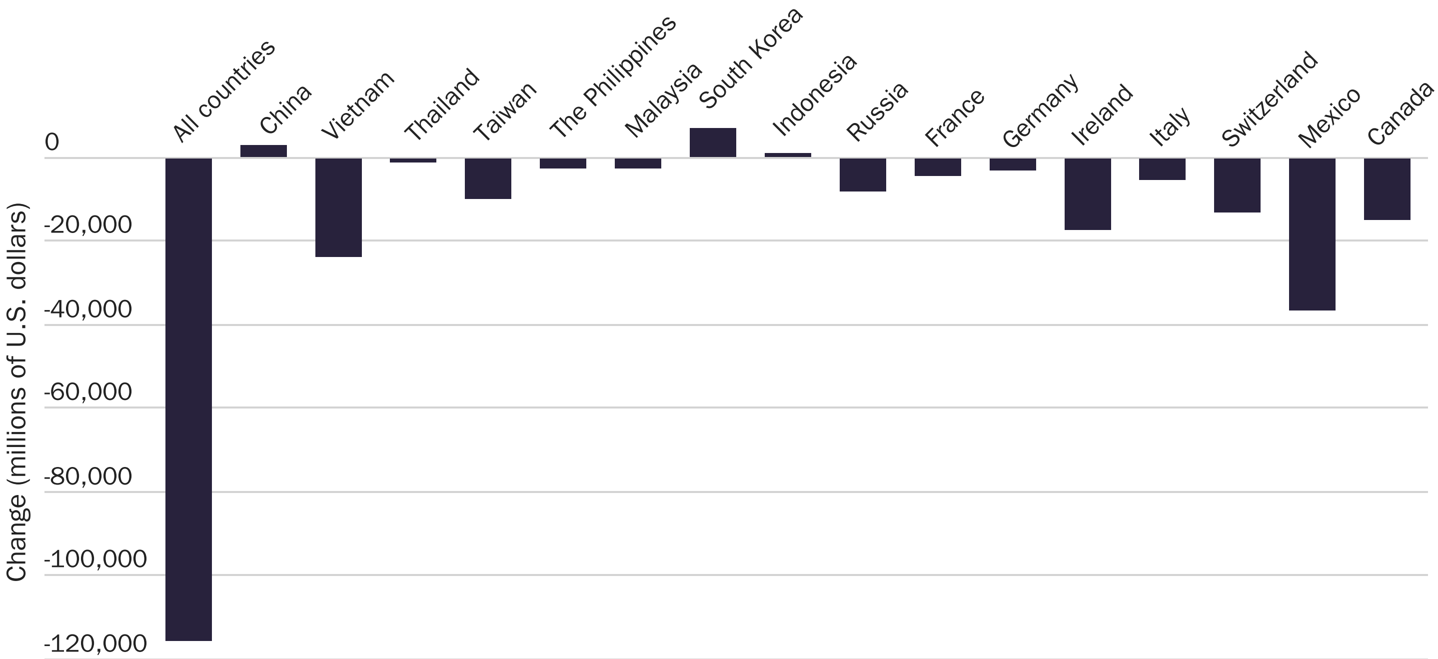
The trade war also has produced few, if any, geopolitical wins and may have actually made things worse for U.S. foreign policy. As already noted, China's problematic human rights actions and its foreign adventurism have increased since the tariffs were first imposed. Meanwhile, the "Phase One" deal negotiated between the Trump administration and China alienated U.S. allies (by stealing their Chinese market share via guaranteed U.S. export targets); encouraged more Chinese economic interventionism *and* American investment (which won new protections); failed to ensure China's compliance; and made many U.S. exporters more dependent on the Chinese market (and thus the Chinese government).[89] American policy also pushed Beijing to pursue its "techno-nationalist agenda" more intensively, and with the increased support of Chinese tech companies that, in the face of U.S. sanctions, now see their commercial interests aligned with the government's goal of self-reliance.[90] As one China expert put it, "by imposing restrictions on American products, the U.S. government has inadvertently done more than any party directive to incentivize private investment in China's domestic technology ecosystem."

> "A different approach to China is warranted—one that privileges engagement both at the WTO and outside of it, embraces the United States' traditional openness and confidence, and reforms the domestic policies that undermine American dynamism and competitiveness."

A different approach to China is clearly warranted—one that is not premised on unilateral trade sanctions and protectionism but that instead privileges engagement both at the WTO and outside of it, embraces the United States' traditional openness and confidence, and reforms the numerous domestic policies that inhibit economic dynamism and harm the competitiveness of American companies and workers. In practice, such an approach would entail

Figure 5

U.S. trade balance with select countries, nominal change, 2016–2019

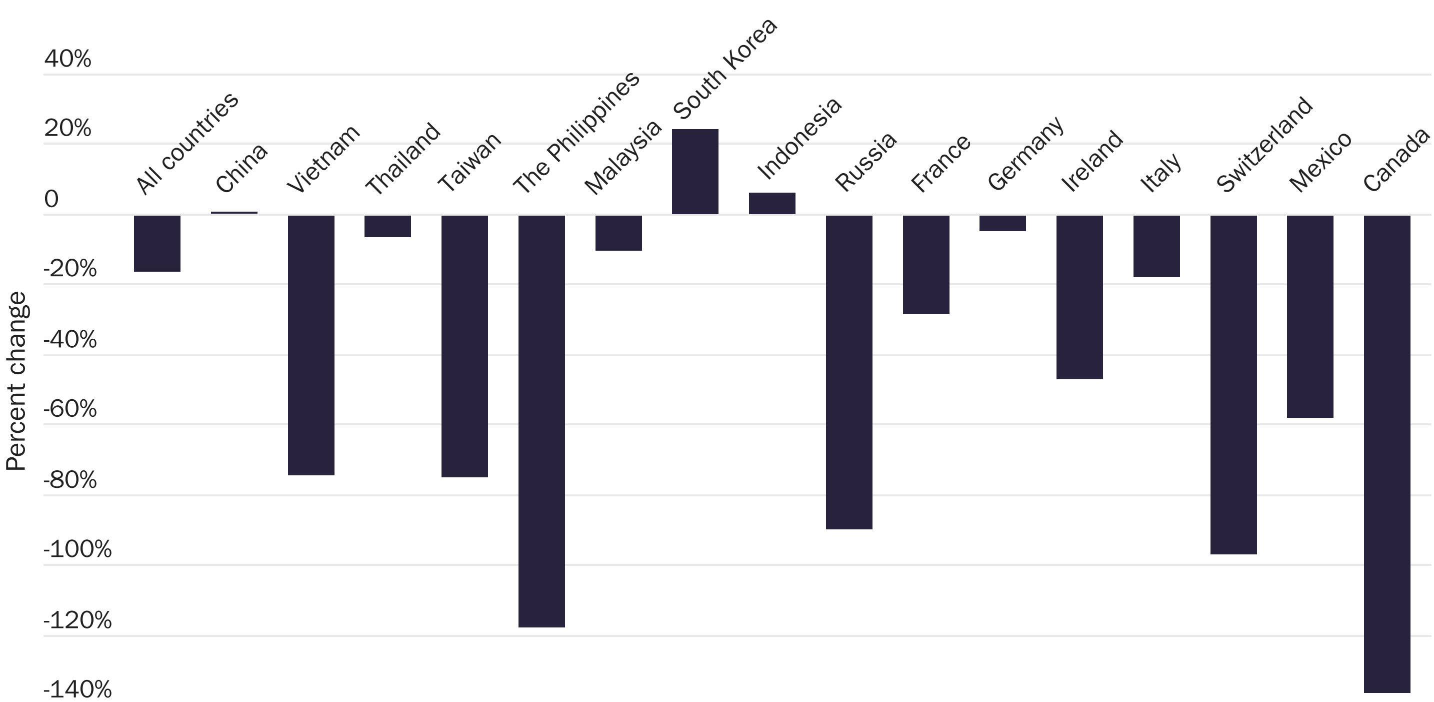


Source: “U.S. Trade in Goods by Country,” U.S. Census Bureau, February 8, 2022, https://www.census.gov/foreign-trade/balance/index.html; and author’s calculations.

Note: As the United States maintains trade deficits with all countries listed above, a positive value indicates that the trade deficit with the respective partner country shrank, and a negative value indicates that the trade deficit with the respective partner country grew.

Figure 6

U.S. trade balance with select countries, percent change, 2016–2019



Source: “U.S. Trade in Goods by Country,” U.S. Census Bureau, February 8, 2022, https://www.census.gov/foreign-trade/balance/index.html; and author’s calculations.

eliminating recent unilateral tariffs and reforming the U.S. trade laws that allow them to be implemented without congressional oversight; reconstituting the WTO Appellate Body and filing more dispute settlement cases and compliance proceedings against China; negotiating trade rules that can better equip the WTO for addressing China's economic model; establishing closer commercial ties with allies and trading partners—for example, by reentering the Trans-Pacific Partnership Agreement—to counterbalance China's economic and geopolitical gravity; and reforming and modernizing domestic tax, immigration, licensing, criminal justice, zoning, worker retraining, and other policies and programs that currently discourage adjustment, efficiency, and innovation.[91] Such an approach would emphasize what America does best and corrects long-standing U.S. policy mistakes—including our recent embrace of protectionism and retreat from the global stage.

CONCLUSION

Free trade is certainly not painless, but the disruptions that Americans face as a result of trade do not outweigh its tremendous economic benefits for both the country and the world. Moreover, such pains cannot obscure trade's geopolitical importance and fundamental morality, as well as the inefficacy of the lone alternative, protectionism. The challenges created by seismic technological shifts and structural transformations in industrial production, the rise of China, and even a once-in-a-lifetime pandemic are some of the hardest of our time, and the solutions are neither clear nor easy. But in general, the best approach remains an open American economy and active multilateral engagement. A rejection of freer trade and an embrace of protectionism would not benefit the United States or correct its real economic problems. In fact, it would only make things worse.

NOTES

1. Lydia Saad, "Americans' Vanishing Fear of Foreign Trade," Gallup, February 26, 2020; Simon Lester and Huan Zhu, "Can Democratic Voters Push Democratic Politicians Towards Trade Liberalization?," *Cato at Liberty* (blog), Cato Institute, August 28, 2020; Dina Smeltz et al., "2021 Chicago Council Survey," Chicago Council on Global Affairs, October 7, 2021; Mohamed Younis, "Sharply Fewer in U.S. View Foreign Trade as Opportunity," Gallup, March 31, 2021; Josh Hawley, "The W.T.O. Should Be Abolished," *New York Times*, May 5, 2020; and "Issues: Fight for Fair Trade and Workers," BernieSanders.com, https://berniesanders.com/issues/fair-trade/.

2. Andrea Shalal and David Lawder, "Domestic Investment Needed Before New Trade Deals: U.S. Treasury Pick Yellen," Reuters, January 21, 2021.

3. "The Economic Effects of Significant U.S. Import Restraints," U.S. International Trade Commission, Publication no. 2699, November 1993, table 2, pp. 8–9.

4. "Economic Impact of Trade Agreements Implemented under Trade Authorities Procedures, 2016 Report," U.S. International Trade Commission, June 2016), p. 144.

5. Xavier Jaravel and Erick Sager, "What Are the Price Effects of Trade? Evidence from the US and Implications for Quantitative Trade Models," Centre for Economic Performance Discussion Paper no. 1642, August 2019; and "What Is the Impact of Chinese Imports on U.S. Jobs?," *On the Economy* (blog), Federal Reserve Bank of St. Louis, May 15, 2017.

6. Lucian Cernat et al., "Consumer Benefits from EU Trade Liberalisation: How Much Did We Save since the Uruguay Round?," Directorate General for Trade, European Commission, Chief Economist Note, February 2018.

7. Daniel R. Carroll and Sewon Hur, "On the Heterogeneous Welfare Gains and Losses from Trade," Federal Reserve Bank of Cleveland Working Paper 19-06R2, September 23, 2019.

8. Charlie Giattino and Esteban Ortiz-Ospina, "Are We Working More than Ever?," Our World in Data, University of Oxford, December 16, 2020; and Mark Whitehouse, "Number of the Week: Americans Buy More Stuff They Don't Need," *Wall Street Journal*, April 23, 2011.

9. Bruce Sacerdote, "Fifty Years of Growth in American Consumption, Income, and Wages," National Bureau of Economic Research Working Paper no. 23292, March 2017.

10. Edward E. Leamer and James Levinsohn, "International Trade Theory: The Evidence," National Bureau of Economic Research Working Paper no. 4940, November 1994; and Jonathan Eaton and Samuel Kortum, "Technology, Geography, and Trade," *Econometrica* 70, no. 5 (September 2002): 1741–79.

11. See, for instance: Eaton and Kortum, "Technology,

Geography, and Trade," pp. 1741–79; Andrew Atkeson and Patrick J. Kehoe, "Paths of Development for Early- and Late-Bloomers in a Dynamic Heckscher-Ohlin Model," Federal Reserve Bank of Minneapolis, Research Department Staff Report 256, September 2000; Pol Antràs and Alonso De Gortari, "On the Geography of Global Value Chains," *Econometrica* 88, no. 4 (July 2020): 1553–98; and Michael Sposi, Kei-Mu Yi, and Jing Zhang, "Trade Integration, Global Value Chains, and Capital Accumulation," National Bureau of Economic Research Working Paper no. 28087, June 2021.

12. Sébastien Miroudot, Rainer Lanz, and Alexandros Ragoussis, "Trade in Intermediate Goods and Services," Organisation for Economic Co-operation and Development Trade Policy Papers no. 93, November 2009.

13. "Goods and Services (BPM6): Exports and Imports of Goods and Services, Annual," UNCTADStat, United Nations Conference on Trade and Development, https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx.

14. "Countries and Regions," Office of the United States Trade Representative, https://ustr.gov/countries-regions.

15. "Value Added by Industry," Bureau of Economic Analysis, Interactive Access to Industry Economic Accounts Data, September 30, 2021, https://apps.bea.gov/iTable/iTable.cfm?reqid=150&step=2&isuri=1&categories=ugdpxind.

16. Mihir Torsekar, "Intermediate Goods Imports in Key U.S. Manufacturing Sectors," U.S. International Trade Commission; Alonso de Gortari, "Disentangling Global Value Chains," National Bureau of Economic Research Working Paper no. 25868, May 2019; and Galina Hale et al., "How Much Do We Spend on Imports?," Federal Reserve Bank of San Francisco Economic Letter 2019-01, January 7, 2019.

17. Gene M. Grossman and Elhanan Helpman, "When Tariffs Disrupt Global Supply Chains," January 14, 2021.

18. "Activities of U.S. Affiliates of Foreign Multinational Enterprises, 2019," Bureau of Economic Analysis News Release BEA 20-57, November 13, 2020.

19. Laura M. Baughman and Joseph F. Francois, "Trade and American Jobs—The Impact of Trade on U.S. and State-Level Employment: 2020 Update," Trade Partnership Worldwide, LLC, October 2020.

20. Laura M. Baughman and Joseph F. Francois, "Imports Work for American Workers," Trade Partnership Worldwide, LLC, May 2021.

21. Hale et al., "How Much Do We Spend on Imports?"

22. Kyle Handley, Fariha Kamal, and Wei Ouyang, "The Rise of Exporters and Importers in US Job Growth: Insights from Newly Released Data," VoxEU, Centre for Economic Policy Research, February 14, 2021.

23. "Activities of U.S. Affiliates of Foreign Multinational Enterprises, 2019."

24. Erica York, "Tariffs Targeting Intermediate Goods Go into Effect," Tax Foundation, July 6, 2018.

25. "Economic Impact of Trade Agreements Implemented Under Trade Authorities Procedures, 2021 Report," U.S. International Trade Commission, p. 102.

26. Gary Clyde Hufbauer and Zhiyao (Lucy) Lu, "The Payoff to America from Globalization: A Fresh Look with a Focus on Costs to Workers," Peterson Institute for International Economics Policy Brief no. 17-16, p. 1, https://www.piie.com/system/files/documents/pb17-16.pdf; and "Economic Impact of Trade Agreements Implemented Under Trade Authorities Procedures, 2021 Report," p. 102.

27. "The Economic Effects of Significant U.S. Import Restraints," p. 5n28.

28. "Economic Impact of Trade Agreements Implemented Under Trade Authorities Procedures, 2021 Report," p. 98.

29. Mark J. Perry, "An Economic Analysis of Protectionism Clearly Shows That Trump's Tariffs Would Make Us Poorer, Not Greater," *Mark J. Perry* (blog), December 9, 2016.

30. Gary Clyde Hufbauer and Sean Lowry, "US Tire Tariffs: Saving Few Jobs at High Cost," Peterson Institute for International Economics Policy Brief no. PB12-9, April 2012.

31. Robert Kagan, "Opinion: This Is What Sleepwalking into War Looks Like," *Washington Post*, October 5, 2018; and Chad P. Bown, "The WTO and the GATT: A Principled History," in *Self-Enforcing Trade: Developing Countries and WTO Dispute Settlement* (Washington: Brookings Institution Press, 2009), 11.

32. Scott Lincicome, "Testing the 'China Shock': Was Normalizing Trade with China a Mistake?," Cato Institute Policy Analysis no. 895, July 8, 2020, pp. 17–18.

33. See, for instance: Jong-Wha Lee and Ju Hyun Pyun, "Does Trade Integration Contribute to Peace?," *Review of Development Economics* 20, no. 1 (February 2016): 327–44; Benny Kleinman, Ernest Liu, and Stephen J. Redding, "International Friends and Enemies," National Bureau of Economic Research Working Paper no. 27587, September

2021; John R. Oneal, Bruce Russett, and Michael L. Berbaum, "Causes of Peace: Democracy, Interdependence, and International Organizations, 1885–1992," *International Studies Quarterly* 47, no. 3 (September 2003): 371–93; and Patrick J. McDonald, "Peace through Trade or Free Trade?," *Journal of Conflict Resolution* 48, no. 4 (2004): 547–72.

34. Scott Lincicome, "Manufactured Crisis: 'Deindustrialization,' Free Markets, and National Security," Cato Institute Policy Analysis no. 907, January 27, 2021, pp. 32–34.

35. Jacob Poushter and Moira Fagan, "Americans See Spread of Disease as Top International Threat, Along with Terrorism, Nuclear Weapons, Cyberattacks," Pew Research Center, April 13, 2020; and Scott Neuman, "Intelligence Chiefs Say China, Russia Are Biggest Threats to U.S.," NPR, April 14, 2021.

36. Quan Li and Drew Schaub, "Economic Globalization and Transnational Terrorism: A Pooled Time-Series Analysis," *The Journal of Conflict Resolution* 48, no. 2 (April 2004): 230–58.

37. "An Animal That Trades," Adam Smith Works, https://www.adamsmithworks.org/documents/biographical-video-series; and Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. Edwin Cannan, vol. 1 (London: Methuen, 1904), pp. 15–17.

38. Ryan Young, "Review of Michael Munger, *The Sharing Economy: Its Pitfalls and Promises*," Competitive Enterprise Institute (blog), November 17, 2021.

39. International Labour Organization, *World Employment Social Outlook: Trends 2019* (Geneva: International Labour Organization, 2019), p. 16.

40. Jakob Engel et al., *The Distributional Impacts of Trade: Empirical Innovations, Analytical Tools, and Policy Responses* (Washington: World Bank, 2021), pp. 37–43.

41. International Labour Organization, *World Employment Social Outlook*, p. 9; and Engel et al., *The Distributional Impacts of Trade*, pp. 19–37.

42. International Labour Organization, *World Employment Social Outlook: Trends 2019*, pp. 14, 17–18.

43. International Labour Organization, *World Employment Social Outlook: Trends 2019*, p. 70.

44. World Bank, *Women and Trade: The Role of Trade in Promoting Gender Equality* (Washington: World Bank, 2020).

45. Virginia Postrel, "How Job-Killing Technologies Liberated Women," Bloomberg, March 14, 2021.

46. Zheng Fang, Bihong Huang, and Zhuoxiang Yang, "Trade Openness and the Environmental Kuznets Curve: Evidence from Cities in the People's Republic of China," Asian Development Bank Working Paper no. 882, November 2018.

47. James Bacchus and Inu Manak, "Free Trade in Environmental Goods Will Increase Access to Green Tech," Cato Institute Free Trade Bulletin no. 80, June 8, 2021.

48. International Renewable Energy Agency, *Renewable Energy and Jobs: Annual Review 2020* (Abu Dhabi: International Renewable Energy Agency, 2020); and Laura Millan Lombrana, "Lithium Battery Dreams Get a Rude Awakening in South America," Bloomberg, October 11, 2019.

49. Scott Lincicome, "Doomed to Repeat It: The Long History of America's Protectionist Failures," Cato Institute Policy Analysis no. 819, August 22, 2017, p. 9.

50. Mary Amiti, Stephen J. Redding, and David E. Weinstein, "Who's Paying for the US Tariffs? A Longer-Term Perspective," *American Economic Association Papers and Proceedings* 110 (May 2020): 541–46; Mary Amiti, Stephen J. Redding, and David E. Weinstein, "The Impact of the 2018 Tariffs on Prices and Welfare," *Journal of Economic Perspectives* 33, no. 4 (Fall 2019): 187–210; Alberto Cavallo et al., "Tariff Pass-Through at the Border and at the Store: Evidence from US Trade Policy," *American Economic Review: Insights* 3, no. 1 (March 2021): 19–34; Aaron B. Flaaen, Ali Hortaçsu, and Felix Tintelnot, "The Production Relocation and Price Effects of U.S. Trade Policy: The Case of Washing Machines," National Bureau of Economic Research Working Paper no. 25767, April 2019; Felipe Benguria and Felipe Saffie, "Dissecting the Impact of the 2018–2019 Trade War on U.S. Exports," December 17, 2019; Aaron Flaaen and Justin Pierce, "Disentangling the Effects of the 2018–2019 Tariffs on a Globally Connected U.S. Manufacturing Sector," December 10, 2021; and Pablo D. Fajgelbaum et al., "The Return to Protectionism," *Quarterly Journal of Economics* 135, no. 1 (February 2020): 1–55 (for updated results with 2019 tariffs, see: Pablo D. Fajgelbaum, "Updates to Fajgelbaum et al. (2020) with 2019 Tariff Waves," January 21, 2020, http://pfajgelb.mycpanel.princeton.edu/rtp_update.pdf).

51. Scott Lincicome, "How American Steel Protectionism Harms American Manufacturers in One Simple Chart," *Cato at Liberty* (blog), June 18, 2021; Amiti et al., "Who's Paying for the US Tariffs?," pp. 541–6; Heather Long, "Trump's Steel Tariffs Cost U.S. Consumers $900,000 for Every Job Created, Experts Say," *Washington Post*, May 7, 2019; Gary Clyde Hufbauer and Euijin Jung, "Steel Profits Gain, but Steel Users

Pay, under Trump's Protectionism," *Trade and Investment Policy Watch* (blog), Peterson Institute for International Economics, December 20, 2018; Joseph Francois and Laura M. Baughman, "Does Import Protection Save Jobs? The Estimated Impacts of Proposed Tariffs on Imports of U.S. Steel and Aluminum," Trade Partnership Policy Brief, March 5, 2018; Dario Caldara et al., "The Economic Effects of Trade Policy Uncertainty," International Finance Discussion Paper 1256, Board of Governors of the Federal Reserve System, September 2019; and Mary Amiti, Sang Hoon Kong, and David Weinstein, "The Effect of the U.S.-China Trade War on U.S. Investment," National Bureau of Economic Research Working Paper no. 27114, May 2020.

52. Jeffrey Kucik, "How Trump's Trade War Affects Working-Class Americans," *The Conversation*, August 3, 2018.

53. Flaaen and Pierce, "Disentangling the Effects of the 2018–2019 Tariffs"; and Kadee Russ and Lydia Cox, "Steel Tariffs and U.S. Jobs Revisited," EconoFact, February 6, 2020.

54. "Estimated Impacts of Tariffs on the U.S. Economy and Workers," Trade Partnership Worldwide, February 2019; Erica York, "Tracking the Economic Impact of U.S. Tariffs and Retaliatory Actions," Tax Foundation, October 19, 2021; and Flaaen and Pierce, "Disentangling the Effects of the 2018–2019 Tariffs."

55. Lincicome, "Doomed to Repeat It."

56. Lincicome, "Testing the 'China Shock,'" pp. 2, 21; and Lincicome, "Manufactured Crisis," pp. 3–7.

57. Lincicome, "Doomed to Repeat It," pp. 21–23; Russ and Cox, "Steel Tariffs and U.S. Jobs Revisited"; and "Data Retrieval: Employment, Hours, and Earnings (CES)," U.S. Bureau of Labor Statistics, https://www.bls.gov/webapps/legacy/cesbtab1.htm.

58. On steel protectionism and the steel industry, see: John Ydstie, "Protection for the Steel Industry Is as Old as America," NPR, April 24, 2018; Lincicome, "Doomed to Repeat It," pp. 9–17, 21–23; Scott Lincicome, "U.S. Steel and the Ubiquitous 'Market Failure,'" *The Dispatch*, May 5, 2021; Lincicome, "How American Steel Protectionism Harms American Manufacturers"; Scott Lincicome, "By Supporters' Own Standards, the Steel Tariffs Haven't Been 'Effective,'" *Cato at Liberty* (blog), Cato Institute, March 10, 2021; "Industrial Production: Manufacturing: Durable Goods: Raw Steel (NAICS = 3311,2pt.)," Federal Reserve Bank of St. Louis, January 14, 2022, https://fred.stlouisfed.org/series/IPN3311A2RS; "Producer Price Index by Commodity: Metals and Metal Products: Iron and Steel," Federal Reserve Bank of St. Louis, January 13, 2022, https://fred.stlouisfed.org/series/WPU101; and "Employment for Manufacturing: Iron and Steel Mills and Ferroalloy Production (NAICS 3311) in the United States," Federal Reserve Bank of St. Louis, June 7, 2021, https://fred.stlouisfed.org/series/IPUEN3311W200000000. On maritime protectionism and the Jones Act, see Colin Grabow, Inu Manak, and Dan Ikenson, "The Jones Act: A Burden America Can No Longer Bear," Cato Institute Policy Analysis no. 845, June 28, 2018; Colin Grabow, "Rust Buckets: How the Jones Act Undermines U.S. Shipbuilding and National Security," Cato Institute Policy Analysis no. 882, November 12, 2019; and "All Employees, Ship and Boat Building," Federal Reserve Bank of St. Louis, January 7, 2022, https://fred.stlouisfed.org/series/CES3133660001.

59. "Client Profile: U.S. Steel," OpenSecrets, October 22, 2021; "Lobbying by American Iron and Steel Institute," ProPublica, January 18, 2021; "Client Profile: American Maritime Partnership," OpenSecrets, October 22, 2021; "Lobbying by American Maritime Partnership, Represented by K&L Gates LLP," October 16, 2021; and Camille Erickson, "The Special Interests Lobbying to Uphold the Century-Old Law Hampering Relief to Puerto Rico," OpenSecrets, June 4, 2019.

60. Lincicome, "Doomed to Repeat It."

61. Stephen Morgan et al., "The Economic Impacts of Retaliatory Tariffs on U.S. Agriculture," U.S. Department of Agriculture Economic Research Service, January 2022.

62. Lincicome, "Manufactured Crisis," pp. 23–24.

63. Lincicome, "By Supporters' Own Standards, the Steel Tariffs Haven't Been 'Effective'"; Russ and Cox, "Steel Tariffs and U.S. Jobs Revisited"; and Grabow, "Rust Buckets."

64. Scott Lincicome, "The Tariff Beatings Will Continue Until Morale Improves," *Cato at Liberty* (blog), Cato Institute, October 5, 2021; Hung Tran, "Decoupling/Reshoring versus Dual Circulation: Competing Strategies for Security and Influence," Atlantic Council Issue Brief, April 2021; Andrew Browne, "Bloomberg New Economy: China Is Winning the Trade War with Trump," Bloomberg, September 19, 2020; and Scott Lincicome, "Memory-Holing the Last Three Years of U.S.-China Trade Policy," August 4, 2021, *The Dispatch*.

65. Geoffrey Getz, "Did Trump's Tariffs Benefit American Workers and National Security?," Brookings Institution, September 10, 2020.

66. Lincicome, "Memory-Holing the Last Three Years of U.S.-China Trade Policy."

67. Lincicome, "Testing the 'China Shock,'" pp. 8–17.

68. “Tariff Rate, Applied, Weighted Mean, All Products (%) – China,” World Bank Data, https://data.worldbank.org/indicator/TM.TAX.MRCH.WM.AR.ZS?locations=CN.

69. Lincicome, “Testing the ‘China Shock,’” pp. 8–17.

70. Neil Thomas, “Matters of Record: Relitigating Engagement with China,” *Macro Polo*, September 3, 2019.

71. For literature on job loss, see: Robert C. Feenstra, Hong Ma, and Yuan Xu, “US Exports and Employment,” National Bureau of Economic Research Working Paper no. 24056, November 2017; Robert C. Feenstra and Akira Sasahara, “The ‘China Shock,’ Exports and U.S. Employment: A Global Input-Output Analysis,” National Bureau of Economic Research Working Paper no. 24022, November 2017; Adam Jakubik and Victor Stolzenburg, “The ‘China Shock’ Revisited: Insights from Value Added Trade Flows,” World Trade Organization Staff Working Paper ERSD-2018–10, October 26, 2018; Yuan Xu, Hong Ma, and Robert C. Feenstra, “Magnification of the ‘China Shock’ through the U.S. Housing Market,” National Bureau of Economic Research Working Paper no. 26432, November 2019; Rafael Dix-Carneiro et al., “Globalization, Trade Imbalances and Labor Market Adjustment,” National Bureau of Economic Research Working Paper no. 28315, January 2021; and William Cline and David Xu, “Calculating the China Shock to US Employment: An Input-Output Labor-Accounting Approach,” Economics International Inc. Working Paper 20-01, March 2020. For literature on consumer benefits, see also: Jaravel and Sager, “What Are the Price Effects of Trade?”; Liang Bai and Sebastian Stumpner, “Estimating US Consumer Gains from Chinese Imports,” *American Economic Review* 1, no. 2 (September 2019): 209–24; Mary Amiti et al., “How Did China’s WTO Entry Affect U.S. Prices?,” National Bureau of Economic Research Working Paper no. 23487, December 2018; and Christian Broda and John Romalis, “Inequality and Prices: Does China Benefit the Poor in America?,” University of Chicago working paper, March 10, 2008. For literature on employment gains, see also: Lorenzo Caliendo, Maximiliano Dvorkin, and Fernando Parro, “Trade and Labor Market Dynamics: General Equilibrium Analysis of the China Trade Shock,” *Econometrica* 87, no. 3 (May 2019): 741–835. And for literature on net economic benefits, see also: Zhi Wang et al., “Re-examining the Effects of Trading with China on Local Labor Markets: A Supply Chain Perspective,” National Bureau of Economic Research Working Paper no. 24886, October 2018; Simon Galle, Andrés Rodríguez-Clare, and Moises Yi, “Slicing the Pie: Quantifying the Aggregate and Distributional Effects of Trade,” National Bureau of Economic Research Working Paper no. 23737, August 2017; Hale et al., “How Much Do We Spend on Imports?”; and Pol Antràs, Teresa C. Fort, and Felix Tintelnot, “The Margins of Global Sourcing: Theory and Evidence from US Firms,” *American Economic Review* 107, no. 9 (September 2017): 2514–64.

72. “Gross Job Gains and Gross Job Losses in the U.S. Private Sector, by Industry, Seasonally Adjusted (in Thousands),” U.S. Bureau of Labor Statistics, Graphics for Economic News Releases, https://www.bls.gov/charts/business-employment-dynamics/gross-job-gains-gross-job-losses-industry.htm.

73. Katherine Eriksson et al., “Trade Shocks and the Shifting Landscape of U.S. Manufacturing,” National Bureau of Economic Research Working Paper no. 25646, January 2020; and Simon Galle and Linnea Lorentzen, “The Unequal Effects of Trade and Automation across Local Labor Markets,” March 28, 2021.

74. Lincicome, “Testing the ‘China Shock,’” pp. 2–8; Wayne M. Morrison, “China-U.S. Trade Issues,” Congressional Research Service, RL33536, July 30, 2018; and Hale et al., “How Much Do We Spend on Imports?”

75. Phil Levy, “Did China Trade Cost the United States 2.4 Million Jobs?,” *Foreign Policy*, May 8, 2016; and Hufbauer and Lowry, “US Tire Tariffs.”

76. Minsoo Lee and Donghyun Park, “Trade Effects of US Antidumping Actions against China,” *Asian Economic Journal* 31, no. 1 (March 2017): 3–16. For a specific case study, see Daniel J. Ikenson, “Poster Child for Reform: The Antidumping Case on Bedroom Furniture from China,” Cato Institute Free Trade Bulletin no. 12, June 3, 2004.

77. Jaravel and Sager, “What Are the Price Effects of Trade?”

78. Broda and Romalis, “Inequality and Prices: Does China Benefit the Poor in America?”

79. David Autor, David Dorn, and Gordon H. Hanson, “On the Persistence of the China Shock,” National Bureau of Economic Research Working Paper no. 29401, October 2021.

80. Caliendo et al., “Trade and Labor Market Dynamics,” pp. 741–835; Zhi Wang et al., “Re-examining the Effects of Trading with China on Local Labor Markets: A Supply Chain Perspective,” National Bureau of Economic Research Working Paper no. 24886, October 2018; and Simon Galle et al., “Slicing the Pie: Quantifying the Aggregate and Distributional Effects of Trade.”

81. Scott Lincicome, “The Truth about Trade,” *National Review*, April 4, 2016; and Eric Morath, “Retraining Programs Fall Short for Some Workers,” *Wall Street Journal*, December 30, 2018.

82. Morath, “Retraining Programs Fall Short.”

83. Alan Berube and Cecile Murray, "Renewing America's Economic Promise through Older Industrial Cities," Brookings Institution, April 2018; Nanette Byrnes, "Learning to Prosper in a Factory Town," *MIT Technology Review*, October 18, 2016; Craig Torres and Catarina Saraiva, "The New Startup South," Bloomberg *Businessweek*, June 21, 2018; Kate Allen, "Shrinking Cities: Population Decline in the World's Rust-Belt Areas," *Financial Times*, June 16, 2017; Eric Cunningham, "No, Wall Street Journal, Chinese Imports Didn't Kill My Hometown," *The Federalist*, August 16, 2016; Danielle Paquette, "In This Part of the Midwest, the Problem Isn't China. It's Too Many Jobs," *Washington Post*, June 20, 2017; Michael Sasso, "Lost Jobs of North Carolina Are Gone for Good. Few Seem to Mind," Bloomberg, August 23, 2019; James Fallows, "'Lessons From Danville,'" *The Atlantic*, September 19, 2019; and Jaison R. Abel and Richard Deitz, "Where Are Manufacturing Jobs Coming Back?," *Liberty Street Economics* (blog), Federal Reserve Bank of New York, February 6, 2019.

84. "How China Won Trump's Trade War and Got Americans to Foot the Bill," Bloomberg, January 11, 2021.

85. Lincicome, "Memory-Holing the Last Three Years of U.S.-China Trade Policy."

86. Yang Zhou, "The US-China Trade War and Global Value Chains," November 23, 2020.

87. Scott Lincicome, "A Reality Check on the Pandemic, Supply Chains and Our 'April 2020 Mindset,'" *The Dispatch*, March 3, 2021; Martha C. White, "Trump's Trade War Exacerbated Shortage of Medical Equipment," *NBC News*, March 27, 2020; and "How Trump's Trade War Built Shein, China's First Global Fashion Giant," Bloomberg, June 14, 2021.

88. Yifan Yu et al., "Trump and COVID Force Chinese Students to Rethink the US," *Nikkei Asia*, September 2, 2020; Gaurav Khanna et al., "Trade Liberalization and Chinese Students in US Higher Education," Center for Global Development Working Paper 536, July 2020; and Alex Nowrasteh, "How Much of a Threat Is Espionage from Chinese Immigrants?," *National Interest*, February 20, 2021.

89. Scott Lincicome, "It's Time We Had a Talk about Tariffs," *The Dispatch*, September 29, 2020.

90. Lingling Wei, "China Stresses Reliance on Its Own Technologies in Five-Year Plan," *Wall Street Journal*, October 29, 2020; Leo Lewis, "When the Chips Are Down, Can 007 Save the Semiconductor?," *Financial Times*, April 26, 2021; and Dan Wang, "China's Sputnik Moment?," *Foreign Affairs*, July 29, 2021.

91. James Bacchus, Simon Lester and Huan Zhu, "Disciplining China's Trade Practices at the WTO: How WTO Complaints Can Help Make China More Market-Oriented," Cato Institute Policy Analysis no. 856; James Bacchus, "America Cannot Afford a Timeout on Trade," *The Hill*, November 24, 2020; Wendy Cutler, "America Must Return to the Trans-Pacific Partnership," *Foreign Affairs*, September 10, 2021; and Lincicome, "The Truth about Trade."

RELATED STUDIES FROM THE CATO INSTITUTE

American Protectionism and Construction Materials Costs by Alessandro Barattieri and Matteo Cacciatore, Briefing Paper no. 133 (February 9, 2022)

Questioning Industrial Policy: Why Government Manufacturing Plans Are Ineffective and Unnecessary by Scott Lincicome and Huan Zhu, White Paper (September 28, 2021)

The Progressive Case for Jones Act Reform by Colin Grabow, Study (September 7, 2021)

Trade Is Good for Your Health: Freeing Trade in Medicines and Other Medical Goods during and beyond the COVID-19 Emergency by James Bacchus, Policy Analysis no. 918 (June 30, 2021)

Free Trade in Environmental Goods Will Increase Access to Green Tech by James Bacchus and Inu Manak, Free Trade Bulletin no. 80 (June 8, 2021)

Protectionism or National Security? The Use and Abuse of Section 232 by Scott Lincicome and Inu Manak, Policy Analysis no. 912 (March 9, 2021)

Manufactured Crisis: "Deindustrialization," Free Markets, and National Security by Scott Lincicome, Policy Analysis no. 907 (January 27, 2021)

The Pandemic Does Not Justify Protectionism or Deglobalization by Daniel J. Ikenson and Simon Lester, Pandemics and Policy (September 15, 2020)

Tariffs by Fiat: The Widening Chasm between U.S. Antidumping Policy and the Rule of Law by Daniel J. Ikenson, Policy Analysis no. 896 (July 16, 2020)

Testing the "China Shock": Was Normalizing Trade with China a Mistake? by Scott Lincicome, Policy Analysis no. 895 (July 8, 2020)

The Development Dimension: What to Do about Differential Treatment in Trade by James Bacchus and Inu Manak, Policy Analysis no. 887 (April 13, 2020)

Rust Buckets: How the Jones Act Undermines U.S. Shipbuilding and National Security by Colin Grabow, Policy Analysis no. 882 (November 12, 2019)

Doomed to Repeat It: The Long History of America's Protectionist Failures by Scott Lincicome, Policy Analysis no. 819 (August 22, 2017)

RECENT STUDIES IN THE CATO INSTITUTE POLICY ANALYSIS SERIES

924. **Universal Preschool: Lawmakers Should Approach with Caution** by Colleen Hroncich (March 29, 2022)

923. **The National Flood Insurance Program: Solving Congress's Samaritan's Dilemma** by Peter Van Doren (March 2, 2022)

922. **Competition and Content Moderation: How Section 230 Enables Increased Tech Marketplace Entry** by Jennifer Huddleston (January 31, 2022)

921. **How Wealth Fuels Growth: The Role of Angel Investment** by Chris Edwards (September 29, 2021)

920. **Common-Sense Policy Reforms for California Housing** by Lee Ohanian (August 31, 2021)

919. **A Brief History of U.S. Immigration Policy from the Colonial Period to the Present Day** by Andrew M. Baxter and Alex Nowrasteh (August 3, 2021)

918. **Trade Is Good for Your Health: Freeing Trade in Medicines and Other Medical Goods during and beyond the COVID-19 Emergency** by James Bacchus (June 30, 2021)

917. **China: Rise or Demise?** by John Mueller (May 18, 2021)

916. **Entrepreneurs and Regulations: Removing State and Local Barriers to New Businesses** by Chris Edwards (May 5, 2021)

915. **The High-Speed Rail Money Sink: Why the United States Should Not Spend Trillions on Obsolete Technology** by Randal O'Toole (April 20, 2021)

914. **Private Schooling after a Year of COVID-19: How the Private Sector Has Fared and How to Keep It Healthy** by Neal McCluskey (April 13, 2021)

913. **Zero-Based Transportation Policy: Recommendations for 2021 Transportation Reauthorization** by Randal O'Toole (March 16, 2021)

912. **Protectionism or National Security? The Use and Abuse of Section 232** by Scott Lincicome and Inu Manak (March 9, 2021)

911. **Reviving the WTO: Five Priorities for Liberalization** by James Bacchus (February 23, 2021)

910. **H-2B Visas: The Complex Process for Nonagricultural Employers to Hire Guest Workers** by David J. Bier (February 16, 2021)

909. **Espionage, Espionage-Related Crimes, and Immigration: A Risk Analysis, 1990–2019** by Alex Nowrasteh (February 9, 2021)

908. **The Effect of State Marijuana Legalizations: 2021 Update** by Angela Dills, Sietse Goffard, Jeffrey Miron, and Erin Partin (February 2, 2021)

907. **Manufactured Crisis: "Deindustrialization," Free Markets, and National Security** by Scott Lincicome (January 27, 2021)

906. **Circumventing Section 230: Product Liability Lawsuits Threaten Internet Speech** by Will Duffield (January 26, 2021)

905. **COVID-19 and the U.S. Fiscal Imbalance** by Jeffrey Miron (December 8, 2020)

904. **Space Force: Ahead of Its Time, or Dreadfully Premature?** by Robert Farley (December 1, 2020)

903. **Despite Modi, India Has Not Yet Become a Hindu Authoritarian State** by Swaminathan S. Anklesaria Aiyar (November 24, 2020)

902. **Government in a Pandemic** by Thomas A. Firey (November 17, 2020)

901. **Qualified Immunity: A Legal, Practical, and Moral Failure** by Jay Schweikert (September 14, 2020)

900. **Democrats and Trade 2021: A Pro-Trade Policy for the Democratic Party** by James Bacchus (August 11, 2020)

899. **Health Care Workforce Reform: COVID-19 Spotlights Need for Changes to Clinician Licensing** by Shirley Svorny and Michael F. Cannon (August 4, 2020)

898. **How Property and Civil Rights Help Forest Tribes Modernize and Prosper: Lessons from India** by Swaminathan S. Anklesaria Aiyar and Neeraj Kaushal (July 30, 2020)

897. **Neo-Malthusianism and Coercive Population Control in China and India: Overpopulation Concerns Often Result in Coercion** by Chelsea Follett (July 21, 2020)

896. **Tariffs by Fiat: The Widening Chasm between U.S. Antidumping Policy and the Rule of Law** by Daniel J. Ikenson (July 16, 2020)

895. **Testing the "China Shock": Was Normalizing Trade with China a Mistake?** by Scott Lincicome (July 8, 2020)

894. **Kicking the Habit: The Opioid Crisis and America's Addiction to Prohibition** by Josh Bowers and Daniel Abrahamson (June 29, 2020)

CITATION

Lincicome, Scott, and Alfredo Carrillo Obregon. "The (Updated) Case for Free Trade," Policy Analysis no. 925, Cato Institute, Washington, DC, April 19, 2022.

CATO INSTITUTE