

Manufacturing Job Loss

Sean Williams | Landscape Architecture | 5-8-24

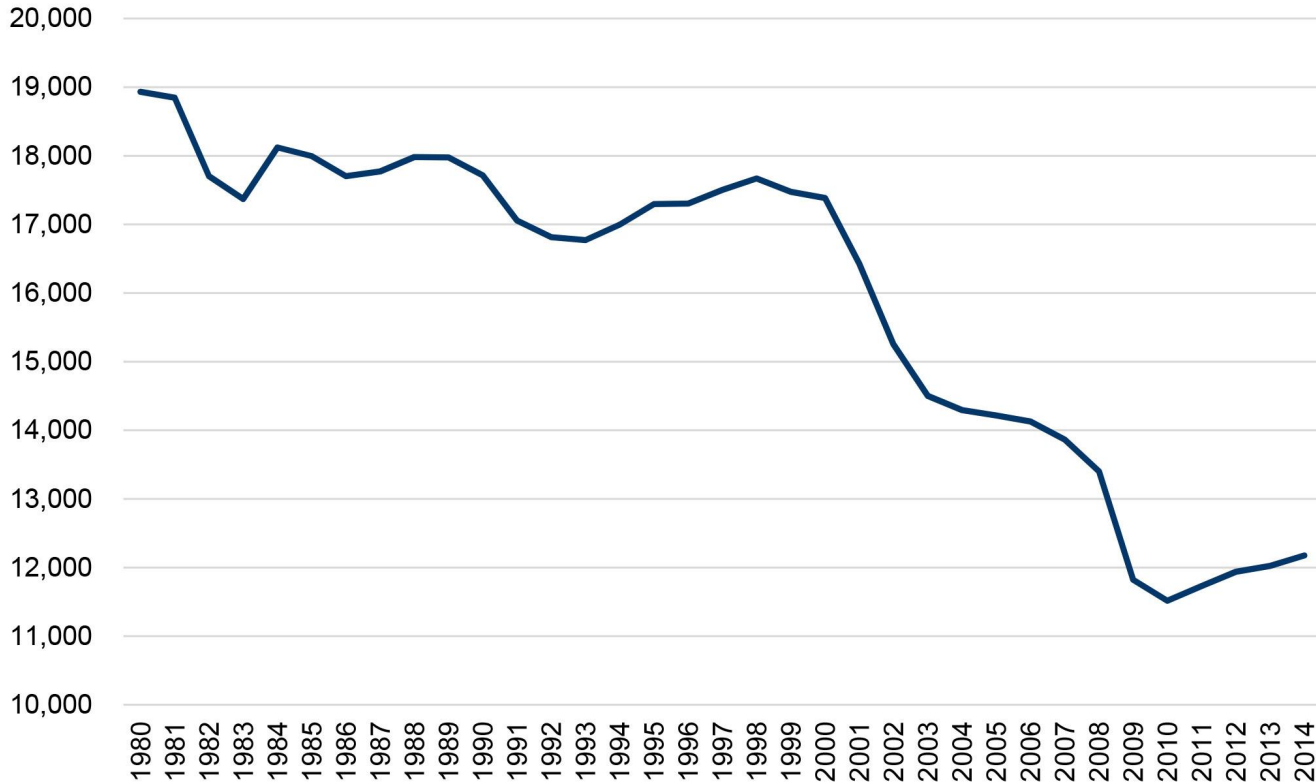




Problem Context

- The United States has slowly lost its status as the primary worldwide producer
- Rapid decline in manufacturing jobs since 2000
- Thousands of communities nationwide have faced significant decline, especially in the Rust Belt
- Reduced economic opportunity for working families without college degrees
- Some of this decline is a natural result of trends, but mostly due to bad policies and regulations
- There is an opportunity to bring back prosperity

Graph of Decline



Source: Brookings Analysis of Moody's Analytics Data

Actors Involved

Official Actors

- President
- Cabinet and Committee Members
- Members of Congress



Unofficial Actors

- Local politicians
- Company board members
- Workers
- Foreign leaders



Policies Involved

NAFTA (North American Free Trade Agreement)

- Signed into law by President Clinton, went into effect in 1994
- Eliminated virtually all trade barriers with Mexico and Canada
- Drastically increased trade, but US GDP increased by less than 0.5%
- 26% drop in United States manufacturing employment as millions of jobs were outsourced across borders
- Some industries saw as large as a 90% decline in American employment
- Replaced in 2020 by the **USMCA**
- Bargain between small price drops and destruction of communities.

Policies Involved (cont.)

Weakened Labor Laws

- Workforce development programs were cut and CEO salaries were increased
- While manufacturers used to train workers directly, that responsibility was shifted in the 1980s

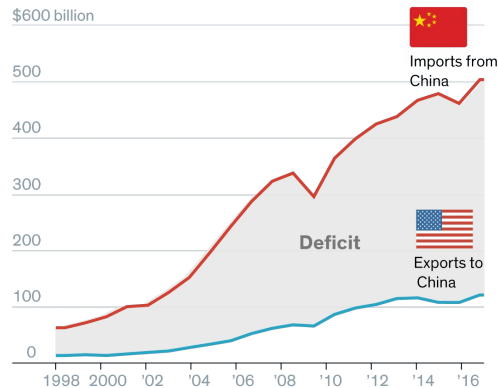
Corruption/Greed

- The political world and government has long been influenced by corporate money
- Many politicians then focus directly on increasing money made by these companies
- This often takes precedence over mutually beneficial policies that would help the workers, company, and country grow together.

Evaluating Sustainability

- There are ways to bring manufacturing jobs back to the country in a purposeful and sustainable way
- The basic goal is to make it more profitable to make in America
- Creating a strong foundation here leads to more dependable community employment opportunities like in the past, less supply chain conflicts (Covid-19), less dependency on foreign countries

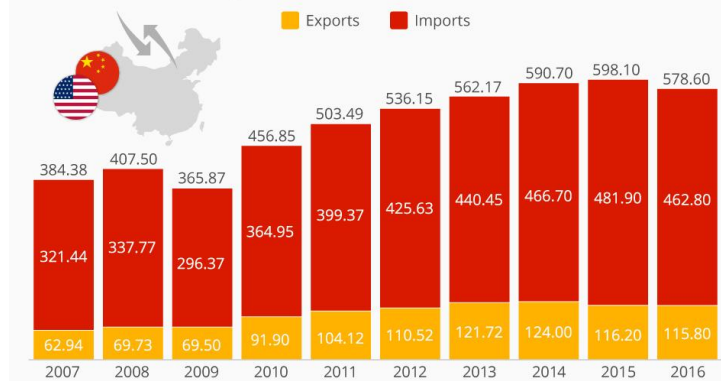
The widening trade gap



Data: United States International Trade Commission

The State of U.S. Trade With China

Total value of U.S. trade in goods with China (in billion U.S. dollars)



Policy Options

Incentives, Regulations, and/or Penalties

- If the United States can make it more profitable to produce here then every company will do so
- Hard to accomplish considering competitors like China have harmful policies that make producing goods much cheaper at the expense of workers.
- (Incentives) Reward and aid new companies that produce in America short term, long-term they are self sufficient
- (Penalties) Carefully targeted tariffs and regulations may make CEOs angry but it will largely keep them producing here

Efficient Transportation

- Making the transport of freight across the country quicker can allow for more growth and cheaper costs
- New modes of transportation methods such as high-speed freight rail

Policy Options (cont.)

Domestic Innovation

- The US does not currently do enough to protect and advance domestic innovations
- Capitalizing on or creating markets for new/modern goods puts us at the forefront of the industry, leading to an increase in sustainable manufacturing jobs

Change Mindset on Trade

- Find other ways to lower prices and help the economy without cutting out the trade barriers that prevent outsourcing.

Worker Training

- Training new workers is crucial to bring back a manufacturing presence in the United States

Solutions and the Future

The United States is unlikely to become the main manufacturer of goods worldwide, but we should strive to bring as many back as possible

Making more goods in America again leads to greater long term economic prosperity, security, and independence. Ideally it would also lead to stronger patriotism, culture, and community.



References

[History of Manufacturing in America | Stacker](#)

[background-on-issues-in-us-manufacturing-and-supply-chains-final.pdf \(senate.gov\)](#)

[How Did NAFTA Affect the Economies of Participating Countries? \(investopedia.com\)](#)

[NAFTA signed into law | December 8, 1993 | HISTORY](#)