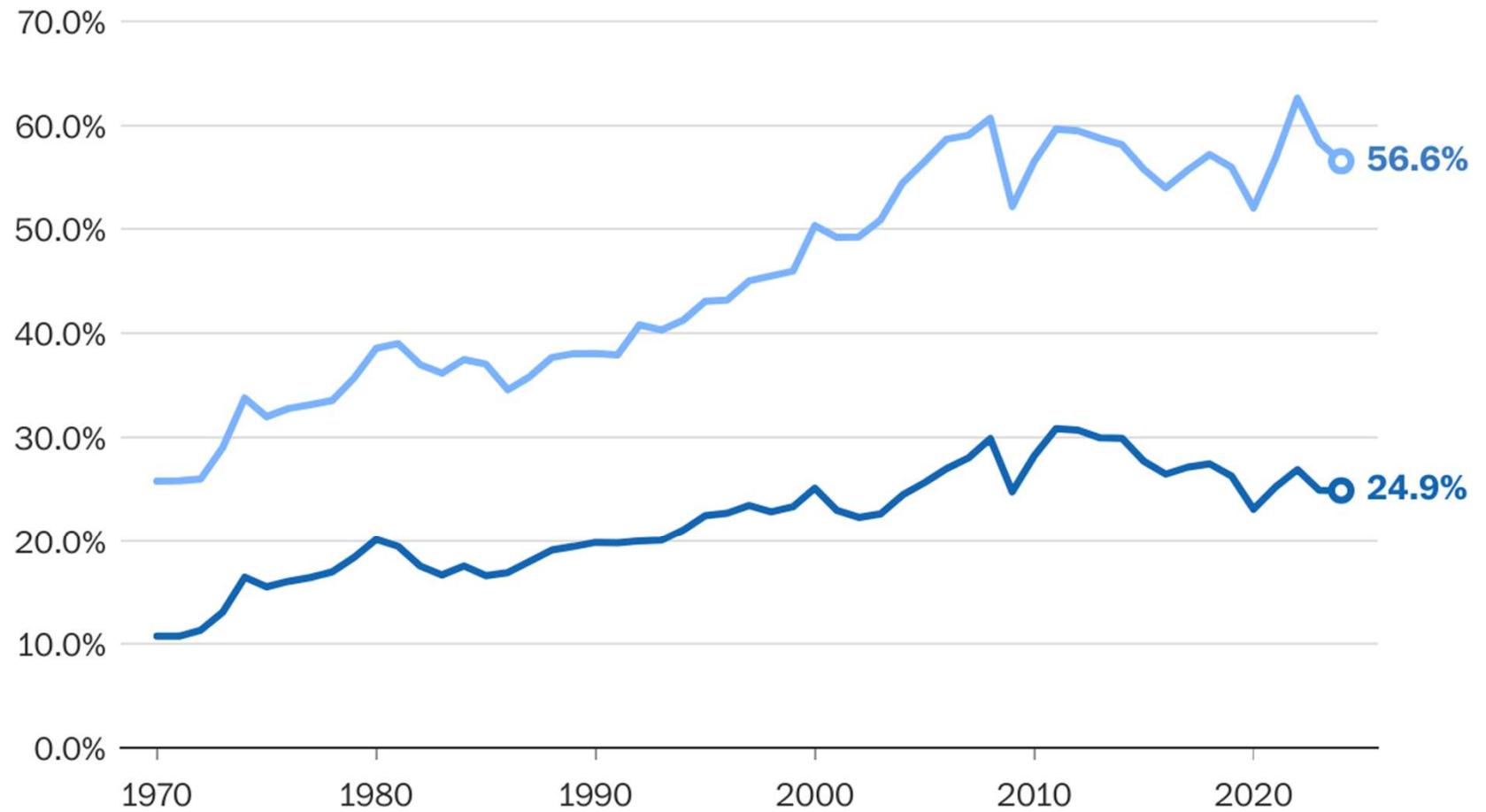


The World's Worst Bet

*How The Globalization Gamble Went Wrong
(and What Would Make It Right)*

Trade growth reaches a plateau

— World — United States



Source: World Bank

The Globalization Gamble

- Disadvantaged workers
- Concentrated supply chains
- Lightly-regulated capital flows
- Chinese political and economic system

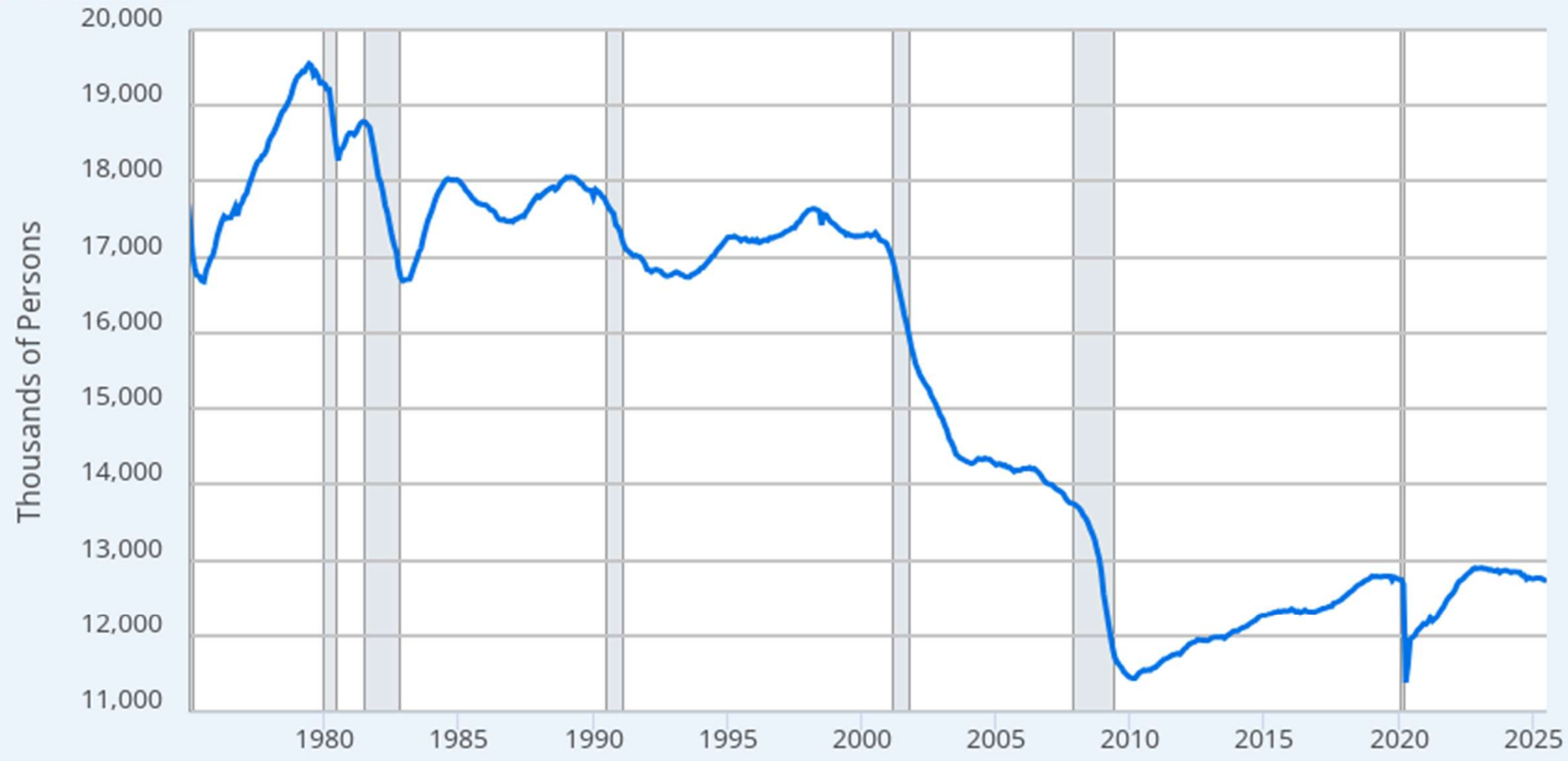
Bill Clinton: “Globalization is not a policy choice – it is a fact.”

May 1998

FRED



— All Employees, Manufacturing



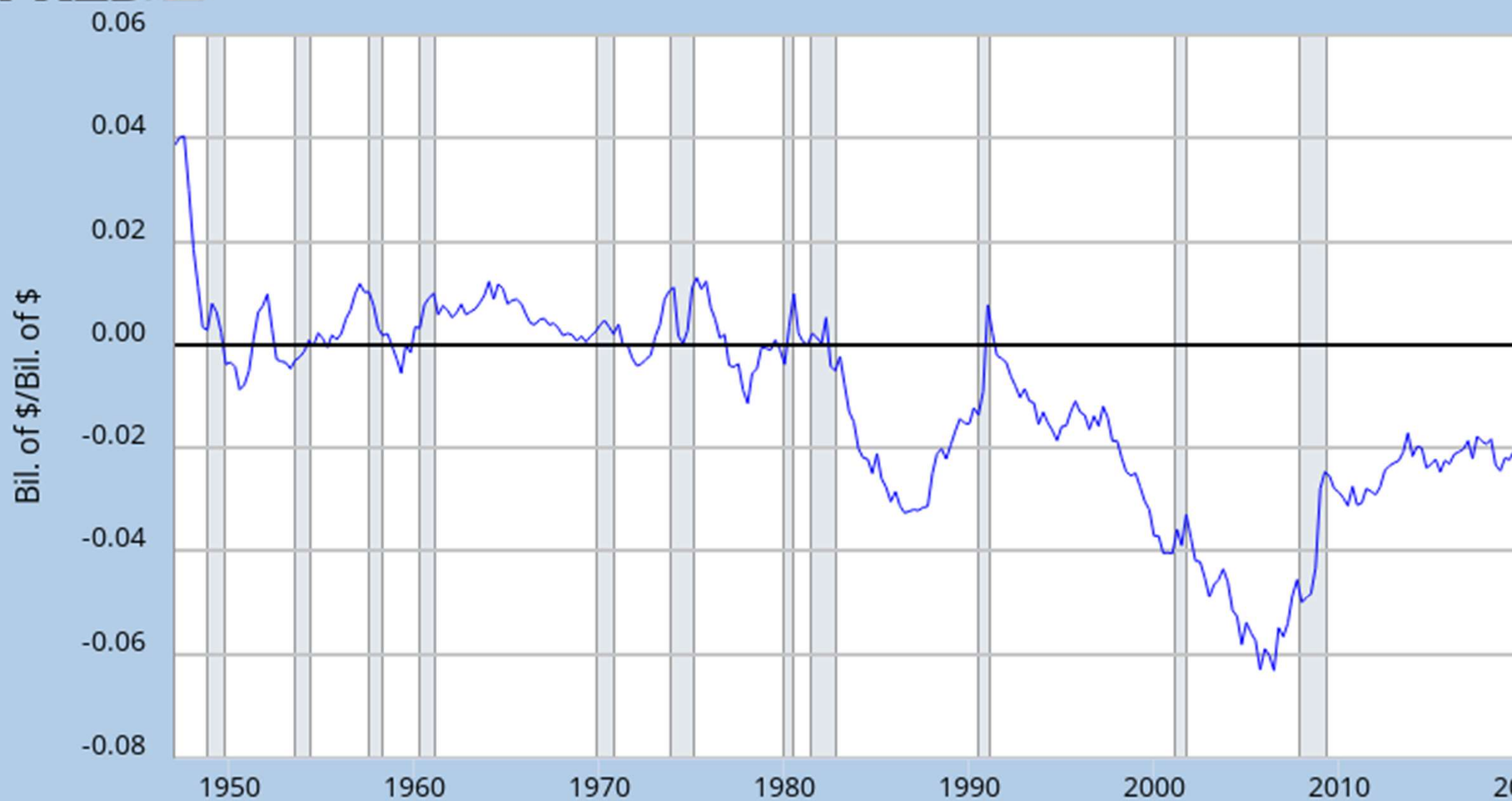
Source: U.S. Bureau of Labor Statistics via FRED®

Shaded area indicates U.S. recessions

myfred/g/11Efn

Trade Adjustment Assistance

- Only one-third of workers find jobs in fields for which they were trained
- Especially ineffective for older workers who most needed help
- Many would have been better off not even using the government program

FRED**— Balance on Current Account, NIPAs/Gross Domestic Product**

George W. Bush: “The case for trade is not just monetary, but moral. Economic freedom creates habits of liberty. And habits of liberty create expectations of democracy.”

November 1999

Joe Biden: “I do not anticipate a dramatic explosion in American jobs, suddenly created to fuel a flood of exports to China. Nor do I see the collapse of the American manufacturing economy, as China, a nation with the impact on the world economy about the size of the Netherlands’, suddenly becomes our major economic competitor.” *September 2000*

So what?

- China's rise will not be the last labor market shock
- Artificial intelligence
- Transition to low-carbon economy
- Safety net remains porous