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China Trade Gap Causes Thousands of Lost Jobs in West Virginia

West Virginia Lost Over 7,000 Jobs Between 2001 and 2007 Due to the United States' Growing Trade Deficit with China, a Recent Study Finds

Charleston: West Virginia lost 7,200 jobs in a variety of industries between 2001 and 2007 due to the United States' growing trade deficit with China, according to a report released jointly today by the [Economic Policy Institute](#) (EPI) and the [West Virginia Center on Budget and Policy](#).

"This new data is a wake-up call about the devastating effect of our unbalanced China trade on American jobs, wages and our economy," said EPI senior economist Robert Scott, author of the report. "The damage is being felt in every state. And as the trade deficit continues to grow and China moves into higher-wage sectors, the trend lines on the future loss of jobs and depression of incomes are especially alarming."

Close to half of the jobs lost in West Virginia came from the state's manufacturing sector, which included hundreds of lost employment opportunities for West Virginians to produce products such as textiles, wood, chemicals and metals.

"Manufacturing is a vital piece our state's economy," said Ted Boettner, the Executive Director of the West Virginia Center on Budget and Policy. "It supports thousands of West Virginia families and employs a higher share of workers without a college degree than the rest of the economy."

This is important because in 2007 over seventy-five percent of the state's labor force was comprised of workers who do not have a bachelor degree, according to the Bureau of Labor Statistics. Significant job losses were also found in mining, transportation, scientific and technical services, and government services. This reflects that the US trade deficit with China has affected workers in all industries, regardless of education and skill level.

West Virginia Job Losses Due to Trade with China (by sector)	
Agriculture, forestry, fisheries	111
Mining	381
Manufacturing	3,450
Transportation	448
Information	265
Finance and insurance	191
Professional, scientific, and technical services	539
Management of companies and enterprises	135
Admin, and support, waste mgmt. and remediation services	536
Accommodation and food services	233
Other services	153
Government	437

Economic woes due to unbalanced trade policies with China is having a devastating impact on the entire nation. 2.3 million American jobs have been lost since China's admittance into the World Trade Organization in 2001.

"China's entry in the WTO was predicated on the assumption that the benefits would be mutual and that they would follow fair labor practices and environmental standards," said Boettner. "However, this has not happened and as a result this global race to the bottom has caused thousands of lost jobs in the mountain state."

From 2001 to 2007, the US trade deficit with China increased from \$84 billion to \$262 billion respectively. Those displaced workers lost an average of \$8,146 in wages last year, a total of \$19.4 billion, as they took lower-paying jobs. China is also the predominant source of downward pressure on wages of other production workers, about 100 million Americans. Competition from low-wage workers in less developed countries and less bargaining power here at home pushed the median wage for full-time workers without a college degree – about 70 percent of the U.S. workforce – down about \$1,400 in 2006.

"The major causes of the skyrocketing trade deficit with China are no mystery," said Scott. "China's manipulation of its currency makes the yuan artificially cheap, effectively subsidizing exports. Beijing's suppression of labor rights lowers wages. China subsidizes some key industries and maintains barriers to some imports. We must demand a fundamental change in exchange rate policies and labor standards in the Chinese economy as a critical first step toward restoring a level playing field where American workers can compete fairly."

Read the full report here: <http://www.epi.org/content.cfm/bp219>

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