

OCTOBER 2016

# Unmade in America

## Industrial Flight and the Decline of Black Communities



ALLIANCE FOR  
**american**  
manufacturing



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## Industrial Flight and the Decline of Black Communities

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# Introduction

American manufacturing employment has declined dramatically in recent decades, failing from a peak of over 19 million in 1978 to just over 12 million today. Perhaps surprisingly, 5 million of those jobs have been lost just since 2000, when China entered the World Trade Organization (WTO).<sup>1</sup> There is considerable debate regarding the causes of this trend—experts tend to implicate either the modernization of industrial production processes, the increasingly globalized nature of the world economy, or some combination of both. The aim of this report, however, is not to make a contribution to that debate. Rather, it is to investigate the impact that the widespread loss of manufacturing jobs, referred to here as deindustrialization, has had on America’s black workers, families, and communities. The report argues that this impact has been profoundly and disproportionately negative, and highlights three key areas—infrastructure investment, workforce development, and worker-friendly trade policy—where smart and effective policies can begin to repair the damage done by deindustrialization.

# Deindustrialization in Communities of Color: A Brief History



## The Decline of American Manufacturing

The manufacturing sector served not only as a primary catalyst for America's transformation into a global economic superpower, but also as the foundation of the American middle class. America's involvement in World War II produced remarkable increases in the demand for manufactured goods, and its workforce was able to enjoy many of the associated economic benefits. Workers by the millions were able to support the war effort by working in the factories that supplied American forces<sup>2</sup>, and all-time high union membership rates meant that the jobs that they occupied often came with excellent wages, good benefits, and pensions.<sup>3</sup> Workers were increasingly able to purchase homes, accumulate wealth, invest in good education for their children, and otherwise safeguard the livelihoods of their families for the present as well as for the future. In short, from the tragedies of the early 20th century emerged a thriving American middle class that was powered largely by union-backed manufacturing jobs.

Beginning as early as the 1960s, however, this promising reality was challenged by rapidly changing industrial and economic landscapes. Automated production

processes were beginning to replace many of the assembly line jobs that had to that point been synonymous with manufacturing. Meanwhile, many of the jobs that were not made obsolete by automation were relocated, either to the South, where increasingly prevalent 'right to work' laws drove down both union membership rates and workers' wages; or overseas, where cheap labor was abundant and environmental and workplace regulations were negligible at best. Both options allowed corporations to maintain and even increase their productivity at a fraction of the typical cost.

The pressures of foreign competition, automation, and corporate cost-cutting and outsourcing produced catastrophic effects for American manufacturing workers, felt mainly as a wave of factory closings in the 1970s and 1980s. The Bethlehem Steel factory in Baltimore's Sparrows Point, which once employed over 35,000 workers and produced millions of tons of steel per year, lost 3,000 jobs in 1971 and a further 7,000 in 1975.<sup>4</sup> By the 1980s, the factory employed fewer than 8,000 workers, a 77 percent decline from its peak employment. Similarly, the Youngstown Sheet and Tube Company in Youngstown, Ohio, another of the country's leading manufacturers of steel, suddenly closed its doors on Sept. 19, 1977—a day now painfully remembered as Black Monday—immediately displacing over 4,000 workers. Closings like



these occurred in many of the country's most industrious cities, including Detroit, Gary, Cleveland, Camden, and Flint.

Deindustrialization was, of course, a disaster for all manufacturing workers—unemployment spiked in the mid-1970s and again in the early 1980s, and both job and wage growth ground nearly to a halt. But America's black workers found it particularly difficult to adjust to the changing circumstances. Unemployment rates for black workers have outstripped those for white workers at least since 1954, the earliest date for which robust unemployment data is available, and often by at least a factor of two.<sup>5</sup> Further, black workers are disproportionately represented among the long-term (27+ weeks) unemployed.<sup>6</sup> Making matters ever worse is the longstanding and well-documented wealth gap between black and white workers. Black Americans have historically lagged behind their white counterparts in several major wealth-building measures, such as household wealth, retirement savings, and homeownership.<sup>7</sup> These facts suggest that black workers find it inordinately difficult to weather the storm brought on by prolonged economic distress—faced with the sudden loss of income, they not only have to lean more heavily on their personal financial reserves, but also deplete those reserves more fully than white workers. As such, black workers in those circumstances are more likely to fall into poverty, to be plunged into it more deeply, and to find it more difficult to recover in its aftermath.

Black families also faced unique challenges when it came to escaping their dire circumstances—while white families were more or less free to leave their deindustrialized communities in search of better prospects, many black families were not. The aforementioned racial wealth gap is one obvious reason for this; with personal financial resources already dwindling due to extended periods of unemployment, many of the affected black families simply could not afford to move. But the lingering effects of national

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racial conflicts, felt in this context as housing discrimination, constitute another. One study has found that in the decade following the passage of the Fair Housing Act in 1968, housing discrimination did not meaningfully decline in the 25 major metropolitan areas that were examined.<sup>8</sup> Further, a study from the Department of Housing and Urban Development shows that while more explicit forms of discrimination like redlining seem to have subsided, subtler forms remain, such as the practice of showing black homebuyers fewer housing options than white ones.<sup>9</sup> And data from the last three iterations of the

“For those unlucky enough to live in heavily deindustrialized areas, life came to resemble a perpetual state of emergency, lacking any sense of security or coherence.”

U.S. Census seems to bear this out. Many major metropolitan areas, despite becoming more racially diverse overall, remain heavily segregated, with black residents concentrated in their inner cities and their suburbs populated largely by white residents.<sup>10</sup>

As black families attempted to adjust to this strained existence, the cities and towns in which they lived also struggled to remain financially solvent. Industrial centers tended to be small and not economically diverse, often relying almost exclusively on industry as a source of income. As such, when their manufacturing bases began to erode—along with the associated income and property tax revenue—these communities were often left ill-equipped to maintain their infrastructure, as well as vital public services like police and fire protection, sewage and sanitation, education, and health care.

The ongoing Flint water crisis provides a distressing example of what can happen to a city when its main source of employment and income leaves. As of 2006, the city of Flint had lost over 70,000 manufacturing jobs, thanks largely to the decline of its auto industry, which began in the late 1970s. The negative financial impact on Flint was so great that the governor of Michigan declared the city to be in a state of fiscal emergency in 2011.<sup>11</sup> In a bid to save money, city managers decided to satisfy Flint’s public water needs

with the Flint River, rather than with Lake Huron or the Detroit River as had been done previously. But due to the effect of years of pollution, the water from the Flint River reacted badly with the pipes that transferred the water to the city, corroding them and introducing toxic levels of lead and other chemicals into the water supply. Activities as simple as taking a shower or drinking a glass of tap water suddenly became potentially life-altering prospects. Some have suggested that the Flint water crisis—as well as the associated civil unrest and frustration—can be connected more or less directly to the history of deindustrialization in Flint.<sup>12</sup>

The loss of personal wealth, the population loss and segregation caused by ‘white flight’, and the decline in municipal financial resources combined in deindustrialized communities to produce living conditions the likes of which had not been seen since the Great Depression. The human costs of living in such an environment are difficult to overstate. Indeed, for those unlucky enough to live in heavily deindustrialized areas, life came to resemble a perpetual state of emergency, lacking any sense of security or coherence. Economic uncertainty and distress are strongly linked to both physical and mental health problems such as cardiovascular disease, high blood pressure, anxiety, and depression.<sup>13</sup> Economic distress is also associated with increased incidence of domestic tension and violence, substance abuse, and even suicide.<sup>14, 15</sup> This means that just as residents of deindustrialized communities hoped desperately to stave off further problems, they often found themselves even more susceptible to them, and with little recourse when they invariably arose.

The downward spiral brought on by municipal decline and urban decay also prompted rising crime and incarceration rates. When a city sees a rapid decline in financial resources; when the residents of that city find it difficult to make ends meet; when robust economic opportunities are few and far between; when health crises are more the norm than

the exception; when frustration grows and spreads; and when housing discrimination prevents exit from these unlivable conditions; an increase in crime rates approaches statistical inevitability. And indeed, deindustrialized communities have had to endure some of the highest rates of violent crime and murder in the country.<sup>16</sup> Between 1985 and 2010, Detroit, St. Louis, Camden, and Youngstown were routinely populated the national top 10 lists for murder rate per capita, each appearing no fewer than 15 times during that span. Gary, Indiana is especially remarkable in this regard, holding the highest murder rate nationally for the eight-year stretch from 1996 to 2003. And according to legal scholar and civil rights activist Michelle Alexander, the increases in crime and drug use in deindustrialized communities, along with the concurrent uproar over the Civil Rights movement, played a significant role in motivating the infamous ‘War on Drugs’, which, rather than curb the steep increases in crime and incarceration, served only to magnify them.<sup>17</sup>

Fractured by urban decay, white flight, poverty, segregation, crime, and mass incarceration, deindustrialized communities came to resemble war-torn battlefields rather than places of residence. Indeed, for much of the past several decades, deindustrialized communities like Baltimore, Detroit, and Flint seem to have been some of the best places in the country for watching black families struggle and die.

## The Modern Wave of Deindustrialization

Unfortunately, American manufacturing employment in many parts of the country has yet to fully recover from the factory closings of the 1970s and 1980s. In fact, deindustrialization seems to have accelerated as the U.S. economy has become increasingly open in its global economic dealings. The

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North American Free Trade Agreement (NAFTA), for example, which took effect in 1994, has arguably contributed greatly to the continued decline in American manufacturing employment. A review of the federal Trade Adjustment Assistance program, which is intended to mitigate the injuries and losses incurred by workers as a result of free trade, has certified over 845,000 workers since 1994 as having lost their jobs due to import competition with Canada and Mexico.<sup>18</sup> Further, the Economic Policy Institute (EPI) estimates that as much as 60 percent of the jobs lost for NAFTA-related reasons have been in manufacturing.<sup>19</sup>

These losses have been exacerbated by unfair trade practices like import dumping and currency manipulation, leading to enormous and extremely damaging trade imbalances. U.S. trade deficits with China ballooned after Permanent Normalized Trade Relations (PNTR) were established in 2000 and China entered the WTO in 2001; they have quadrupled since 2001, and are estimated to have cost the United States over 3 million jobs, fully two thirds of which have been in manufacturing.<sup>20</sup> Today, for instance, the global steel market suffers from staggering levels of overcapacity. Steel producers in America, despite having

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already undergone a painful, decades-long process of restructuring and modernization, are idling capacity, which has put nearly 20,000 more workers out of a job. Meanwhile, China has continued to increase its rate of steel production, dumping much of its excess into the United States at well-below market prices. This problem is not unique to steel, as Chinese overcapacity and trade cheating impacts industries across America.

It should be noted that high-tech and high-skill jobs like those required to produce aircraft, spacecraft, optical equipment, pharmaceuticals, and precision scientific instruments have come under fire because of the increasingly global nature of the economy. The National Science Board estimates that over 200,000 high-tech manufacturing jobs were lost between 2008 and 2014.<sup>21</sup>

Two additional points are worth considering regarding the current model of free trade and its impact on American workers. First, deals like NAFTA have, by many estimates, fallen significantly short on their promises on job creation.<sup>22</sup> Second, to the extent that deals like NAFTA have produced new jobs, those jobs have often been in the service sector, where wages tend to be lower and benefit packages less robust than in the manufacturing sector. Indeed, two or even three service jobs can often be

required to replace the income of one good manufacturing job, which puts undue strain on young workers searching for jobs.

Incidentally, this reality puts undue strain on young workers looking to enter the workforce for the first time. As older and more experienced workers who lost their manufacturing jobs occupy available service jobs, young workers, lacking the experience to compete with these older workers on the job market, are left with little in the way of viable economic opportunities. In short, though there may be little wrong in principle with the notion of free trade, the model of free trade under which deals and agreements are currently made has been tremendously disadvantageous for American manufacturing workers.

Even as the current economic landscape continues to be unfavorable for manufacturing employment, deindustrialized communities attempt to recover from the continued trend of deindustrialization. One example of such an effort is “Youngstown 2010,”<sup>23</sup> a redevelopment plan put forth in 2005 and hailed in the *New York Times* as one of the “Best Ideas of the Year.”<sup>24</sup> The plan aimed at improving life in Youngstown, Ohio by accepting that it is unlikely to reclaim its identity as a powerhouse of industrial productivity, and focused mainly on demolishing vacant and decaying properties, paving the way for urban renewal and beautification, freeing up precious municipal resources in the process. Unfortunately, because the plan was largely about land use, it did little if anything to address the persistent problems of crime, poverty, and educational inadequacies in the area. And years later, Youngstown remained in a state of economic distress, recently being named both the poorest<sup>25</sup> and the fastest shrinking<sup>26</sup> city in the nation.

When redevelopment efforts like “Youngstown 2010” fail or flounder, residents living in deindustrialized communities can become disenfranchised, losing faith in the ability

of their leaders and institutions to offer genuine help in their time of greatest need. The resulting apathy and cynicism can stifle civic momentum behind redevelopment projects before they've even had a chance to being to work. Further, as social scientists John Russo and Sherry Lee Linkon note, people in those sorts of situations can become disconnected from their identities as workers and makers.<sup>27</sup> They can become resigned to the repeated failures and seeming ineptitude of their cities and can even come to internalize those failures, seeing them as a reflection of their own perceived lack of abilities. And over time, they can lose interest in challenging the increasingly negative reputations of their cities, ceding authority over those narratives to the media and other outsiders. These factors make finding external assistance, perhaps in the form of private investment or state and federal funding, progressively more difficult to find. This lack of help can deepen frustration and erode civic engagement, making it once again difficult to get meaningful redevelopment efforts off the ground.<sup>28</sup> Thus we see the vicious cycle completed—desperate attempts to build civic momentum and win meaningful change acquire a distressing tendency toward failure, and often just at the time when their success is most urgently needed.

# Taking Stock and Moving Forward



Deindustrialization has clearly had a profoundly negative impact on America's manufacturing workers—and especially on its black workers—and has devastated communities across the nation. A few points are worth bearing in mind regarding potential solutions aimed at mitigating, nullifying, and even reversing this impact.

The first is that deindustrialization of the scope and scale that has occurred in the United States is not simply a downstream effect of economic or technological maturation—advanced industrial economies like those found in Germany and Japan have not experienced anything even slightly resembling the precipitous decline of American manufacturing employment, despite exposure to the same global economic realities. Rather, deindustrialization in America has been the result a series of willful political and economic decisions. Outsourcing assembly line jobs, the implementation of discriminatory housing practices, the 'War on Drugs', free trade agreements like NAFTA, granting PNTR to China—all of these decisions played a significant role in the degradation of communities that were once among America's proudest and most industrious. It will take other more sensible decisions to begin to rebuild those communities.

Deindustrialization thus presents two interrelated challenges. The country obviously faces serious economic challenges in the form of a severely underutilized workforce, rapidly declining manufacturing employment, and burgeoning trade deficits, all of which continue to weaken the American economy. Yet just as obviously, the challenges posed by deindustrialization are also moral in nature. While America's manufacturing workers have certainly been economically disadvantaged by deindustrialization, they have also been wronged by it. Many of them have been deprived of the opportunity to enjoy livable wages, satisfactory housing, adequate health care, and stability and comfort for themselves and their families—things that all workers deserve. Workers are not just droplets in an ocean of industrial productivity, and they are not just cogs in a vast economic machine—they are human beings with the right to have their basic needs met. Moving forward, it will be incumbent upon legislators, policymakers, and corporate leaders not only to recognize this fact, but also to allow it to inform their future decisions.

This moral dimension is especially easy to see when it comes to black workers and their families. Black Americans have felt the force of deindustrialization with inordinate intensity, and the lifeblood of this disparity has, at least partly, been the racial discrimination, tension, and bias that have marred America's



history since its inception. Of course, simply acknowledging this fact would constitute a much-needed first step toward social, economic, and racial justice in the United States. But as a well-known piece of legal wisdom says, justice too long delayed is justice denied. And what black workers, families, and communities need—indeed, what justice requires—is actual, effective action aimed at following through on that acknowledgment.

Finally, though the discussion thus far has focused on the particular challenges that black Americans have faced in the wake of deindustrialization, it is important to emphasize that the struggle against the continued decline of American manufacturing is a collective one. Recent research from Princeton University’s Anne Case and Angus Deaton underscores this fact.<sup>29</sup> Case and Deaton have found that deaths due to suicide, substance abuse, and other stress-related health issues—some of the very same issues that beset black communities at the height of deindustrialization—actually increased among middle-aged, white Americans between 1993 and 2013, a trend that is unique among the world’s developed countries. Though the causes of this reversal of fortune are not yet fully understood, Case and Deaton suggest that it can be linked to economic distress dating back to the 1970s, when American manufacturing was beginning its steep decline.

As has often been the case in American history, black Americans are akin to the proverbial canary in the coal mine—though they are often both the first and the most mercilessly afflicted by socioeconomic and political problems, their suffering indicates that all Americans are at risk of calamity if those problems go unaddressed. Indeed, much of the frustration of the American people with the political and economic status quo finds its source in the fact that it seems to be typified by insufficient regard for those in the middle and working classes, regardless of their ethnic background. It seems true

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to say, then, that any attempts to address deindustrialization and its associated effects must reflect a commitment to improving the lives of *all* workers. Of course, few would deny this obvious suggestion—yet manufacturing workers, and black workers more than most, are consistently left behind, unable to improve their lots even as America’s overall wealth and productivity continues to grow. And any solution that threatens once again to exclude them is no real solution at all.

# 3

## Policy Agenda

The economic risks are too perilous—and the potential economic gains are too great—to justify further procrastination on addressing the aforementioned issues. What follows is a discussion of three key areas—infrastructure investment, workforce development, and worker-friendly trade policy—where smart and effective actions, investments, and policies can help to repair the damage done to black workers, families, and communities by deindustrialization. Additionally, because the problems that these solutions are meant to address are so widespread and have been so damaging, everyone, regardless of social status or economic standing or political persuasion, should have an interesting in seeing those solutions implemented. This fact can serve as a wellspring of optimism. With the right kinds of outreach, awareness-raising, and education about these issues, meaningful attempts to address them could become a reality sooner rather than later.

### Infrastructure Investment

Public infrastructure—which includes vital resources and services like sewage and sanitation, water treatment, public transportation, and safe roadways and bridges—is the support network that allows modern life to proceed in a normal and comfortable way. Indeed, when infrastructure is in acceptably good condition, it becomes very easy to take for granted, as it performs its essential work more or less invisibly. But as the Flint water crisis starkly demonstrates, when infrastructure fails, the resulting impact on daily life can quickly become impossible to ignore.

It should come as quite a shock, then, that America's infrastructure is now, and has been for decades, in an astonishing state of disrepair. According to the American Society of Civil Engineers (ASCE), the United States scored a D+ (“Poor: At Risk”) on its “2013 Report Card for America's Infrastructure,” meaning that overall, American infrastructure is “in poor to fair condition,” “mostly below standard,” and “exhibits significant deterioration”.<sup>30</sup> But perhaps more surprising than this is that this trend is not at all new. Indeed, America has scored as high as a C (“Mediocre: Needs Attention”) only once since the first iteration of the “Report Card” in 1988,



its other scores including three D's and two D+'s. That the infrastructure of a country that claims to be among the world's greatest is in such deplorable condition is inexcusable.

ASCE recommends an annual \$200 billion investment in American infrastructure until 2020, which would bring the country's grade up to a B ("Good: Adequate For Now"). And while this would be a considerable investment, it would also come with many benefits, not the least of which being substantial increases in national GDP and the creation of hundreds of thousands of jobs.<sup>31</sup> Heavy infrastructure investment would yield long-term benefits as well, such as increased land value, economic growth, energy efficiency, and public health.<sup>32</sup>

The economic benefits of heavy infrastructure investment can be maximized if the subsequent projects follow Buy America<sup>33</sup> guidelines, which would guarantee that only American-made materials would be used for the completion of those projects. A recent study by the Duke University Center on Globalization, Governance and Competitiveness (CGGC) analyzed the new Tappan Zee Bridge project in New York.<sup>34</sup> The old Tappan Zee Bridge was insufficient to support the region's extremely demanding traffic patterns, and was the site both of numerous auto accidents and persistent traffic congestion.<sup>35</sup> Further, the bridge was becoming too expensive to maintain, costing New York hundreds of millions of dollars in repair costs in recent years. State leaders decided that something should be done about these issues.

Though the construction of the bridge is still in progress, CGGC has found that Buy America preferences attached to the federal funding for the project have made the projected economic gains from the project more significant than they might have been otherwise; the project will create nearly 8,000 new jobs, generate \$3.2 billion in GDP, and put \$2 billion of disposable income into the pockets of workers. Beyond that, the bridge, using the high-quality materials

from ArcelorMittal's Burns Harbor plant in Indiana, will be built to last for more than 100 years, which will save the state hundreds of millions of dollars in maintenance costs. In short, the new Tappan Zee Bridge will solve problems, strengthen a significant portion of New York's working class, and produce substantial and sustainable economic benefits, all while relying exclusively on American-made materials.

The economic impact of a nationwide surge of ambitious and effective infrastructure projects like the new Tappan Zee Bridge would be substantial. The United States would reap the benefits of an infrastructure that is not only made to be adequate, but also improved upon so that it can be fit for generations to come. And by ensuring that such projects materialize in deindustrialized areas as well, it is possible also to advance the causes of social, economic, and racial justice by improving the lots of some of America's most disadvantaged and vulnerable communities.

## Workforce Development

The skill set required to fill today's manufacturing jobs is a far cry from what was needed just a few decades ago. The jobs of old tended to be dirty and physically demanding, requiring different experience than jobs in the very same industry today. While good public policy can strengthen and grow traditional U.S. industries, many factory floor jobs of yesterday are gone and unlikely to return, made obsolete by advanced production processes and the new jobs that come with them. Automation or outsourcing can send jobs to places where the work can be done at a fraction of the cost to employers. The jobs that are open now, as well as those that are likely to be created in the future, will require more advanced, STEM-oriented knowledge in fields like welding, electronics, robotics, and computer programming.

Unfortunately, a longstanding neglect of effective workforce training leaves ample room for doubt as to whether the American workforce will be sufficiently prepared to perform these new and technologically sophisticated jobs.<sup>36</sup> According to the Boston Consulting Group, without government and industry action, the United States could face a shortage of 875,000 high-skilled manufacturing workers, including welders, machinists and industrial-machinery operators, by 2020.<sup>37</sup> A recent Deloitte report put this figure even higher, estimating that the impending retirement of a large number of baby boomers will produce a need for over 3 million manufacturing jobs in the coming years, but that nearly two-thirds of those jobs are expected to go unfilled due to skills mismatches.<sup>38</sup> But these facts should not be understood as an indictment of workers—it is also a general unwillingness of employers and corporations to hire and train workers for the jobs that are needed that has left the talent pipeline in American manufacturing neither deep nor skilled enough to ensure that America can maximize its gains in the coming “manufacturing renaissance.”

For ideas and strategies aimed at combating these difficulties, America can look to Germany, which remains a global manufacturing powerhouse. Despite the widespread availability of cheap goods and labor, a characteristic feature of today’s global economy, Germany manages not only to demand premium prices for its steadily increasing stream of exports, but also to sustain an exceptionally skilled and well-compensated manufacturing workforce. A recent study by the Brookings Institution attributes this success largely to Germany’s heavy investment in research, development, and innovation, as well as its ‘dual training’ system of vocational education, which couples classroom study with hands-on training and boasts considerable institutional investment and support.<sup>39</sup> In short, German leaders understand all too well what many American leaders seem to have forgotten: Making things and making them well is

perhaps the most reliable way to empower the middle class and to secure sustainable economic growth.

While there would certainly be difficulties applying the German model directly in the United States, some steps have already been taken to imitate Germany’s successes and to begin to integrate some of its practices into the American manufacturing strategy. For example, skills-building programs like Kentucky’s Advanced Manufacturing Technician program, Michigan’s Advanced Technician Training program, and South Carolina’s Apprenticeship Carolina program, have begun to train workers by providing them with the necessary classroom learning environments, coupled with invaluable experience applying that knowledge on actual factory floors. Similarly, ArcelorMittal’s Steelworker for the Future program provides classroom learning and on-site training to its participants, with the goal of eventually hiring these students for high-skilled, high-paying jobs in the company. And because these programs can often be completed without having to take on substantial amounts of debt—indeed, they often come with the promise of a job opportunity upon completion of the program—they tend to be highly competitive, attracting and admitting only the best students and workers, and helping to guarantee the strength and depth of the talent pipeline in manufacturing for the foreseeable future.

Additionally, several regional sites of collaboration, modeled after Germany’s Fraunhofer Institutes, have been created under the aegis of President Obama’s National Network for Manufacturing Innovation, recently renamed Manufacturing USA.<sup>40</sup> These regional manufacturing hubs are meant to serve not only as places where cutting-edge research and development on manufacturing technology can take place, but also as lightning rods for both public and private investment. For instance, the first of these hubs, established in Youngstown, Ohio, was focused on reducing the cost of 3D printing

and training workers to master the relevant and increasingly sophisticated technologies.<sup>41</sup> Only three years after opening, the institute has established a reputation as a leading center of research on 3D printing in the country, has trained over 7,000 workers, and has even encouraged a \$32 million investment from General Electric, aimed at constructing a state-of-the-art 3D printing research facility in the Youngstown area. Clearly, investing in manufacturing workers and research can pay enormous dividends.

One element that is often left out of discussions of workforce development is the fact that the future workforce will be unprecedented in its diversity. A “minority-majority” American workforce will soon be a reality<sup>42</sup>, with the population as a whole to follow suit shortly thereafter.<sup>43</sup> This fact, combined with the fact that people of color are consistently underrepresented in STEM field, suggests that the worries about adequate workforce training may actually be more pronounced for minority students and workers.

As such, while the United States certainly needs to continue expanding its apprenticeship programs and establishing new manufacturing hubs, as well as support the colleges and universities that provide critical training for middle and high-skill manufacturing jobs, it should combine these efforts with comprehensive outreach campaigns and financial support programs aimed at ensuring robust participation by communities of color in the future manufacturing workforce.

## Worker-Friendly Trade Policy

Of course, even ambitious programs of infrastructure investment and workforce development will do little, if anything, to decrease the trade deficits that continue to weaken the American economy. In order to maximize the effectiveness of the above recommendations, it is vital that adjustments be made to America’s behavior in the global economy.

The United States should first rethink its social, economic, and political priorities when it comes to trade agreements and partnerships. Free trade agreements have been made largely as a way to strengthen ties with allies and to lower costs to employers. While these are admirable motives, the long-term effects of these deals had been to undermine the American manufacturing workforce. Deals already on the books, as well as those deals that America may enter into in the future, must be made only after a thorough and long-term analysis of the effects of those deals has been performed, and only if those effects are deemed to be both positive and worker-friendly.

At least as important as rethinking those trade deals is reducing and eliminating bad behavior in the global marketplace like currency manipulation and import dumping. Indeed, economic benefits from enforcing trade laws would be substantial. Researchers at the Economic Strategy Institute argue that the United States has a strong economic interest in combating steel dumping and subsidizing<sup>44</sup>, and EPI estimates that between 2 million and 6 million jobs could be created over a three-year period by addressing currency manipulation alone.<sup>45</sup>

An excellent place to begin these sorts of efforts would be maintaining China's status as a non-market economy (NME). China's economy is governed not by free market forces, but rather by its own government. As such, when China entered the WTO in 2001, it was agreed that it would automatically be given NME status for at least 15 years. This designation allows the U.S. Department of Commerce to estimate the value of Chinese exports based on information from third-party market economies with similar levels of economic development, rather than from the Chinese government, which in turn allows for a more accurate appraisal of its economic behavior and for more appropriately scaled reactions to its actions. Without the NME status, Commerce's ability to protect American workers from the effects of China's unfair trade practices would be dramatically weakened.

The provisional 15-year period expires in December 2016, and China has done next to nothing to show that it deserves to be designated as a market economy—among other things, its currency is not easily convertible into the currencies of other countries, its government still exercises enormous control over its production and resource allocation, and its operations in the global marketplace generally lack transparency.<sup>46</sup> As such, it is imperative that the WTO rule to maintain China's designation as a non-market economy.

Making these adjustments like these is not likely to bear direct results for deindustrialized communities. But by taming these negative influences in the global economy, it becomes possible to strengthen the economy by raising wages, saving existing jobs and creating new ones, effectively paving the way for the above recommendations to be maximally effective.

# Conclusion

Manufacturing workers and the communities in which they live have endured a decades-long ordeal with deindustrialization and its associated effects, and black workers, families, and communities have felt these effects with disproportionate intensity. But it is not too late for legislators, policymakers, and community leaders to take action and to help struggling communities of color begin to recover. And following something like the above agenda would be an admirable first step not only toward strengthening America's economy, but also toward social, economic, and racial justice for all of the country's workers and communities.

# Endnotes

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