

# **The High Cost to Kansas of “Free” Trade**

## **Trade-Related Job Loss in Kansas and The Third Congressional District**

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The battle in the US Congress over the Central American Free Trade Agreement is becoming big and bitter. Residents of the Third Congressional District of Kansas have a lot at stake – job losses will impact all of us. As Congress and the people consider extension of NAFTA-style free trade agreements to Central America (DR-CAFTA) and the entire Western Hemisphere (FTAA) - as well as adding new service industries covered by the General Agreement on Trade in Services (GATS) - it would be foolhardy not to examine previous agreements' effect on jobs in the Kansas and local economies. This brief survey attempts to look at the job losses related to NAFTA (North American Free Trade Agreement), WTO (World Trade Organization), and the WTO-GATS (General Agreement on Trade in Services) since 1994 and their impact.

The term “global outsourcing” or “off-shoring of jobs” is commonly used these days to describe the phenomenon of the movement of the production of goods and services from the US to other countries. This occurs when a company moves jobs overseas and either shuts down or decreases its domestic production or when it substitutes domestically produced goods and services with imports produced by other companies.

We live in a global economy in which corporations invest, produce, and sell all over the world, fashioning increasingly complex chains of production, importing and exporting components and parts of a final product through numerous transactions. Globalization is not likely to be reversed. What can change, however, are the terms and conditions under which goods and services are traded and foreign investments are made. Those terms can make a world of difference to the incentives to outsource and the conditions under which imports to the U.S. are produced.

### **Background on Trade Agreements**

US trade policy in the post World War II era favored increasing trade by negotiating agreements to lower tariffs and quotas. As Congress opened the US to imports, it recognized that there would be job loss in import-sensitive industries and in 1962 established Trade Adjustment Assistance to provide help for workers' transition (hopefully) into new jobs. The TAA program involves a system of certification which provides us with information on firms and workers affected by job loss due to US trade policy.

Trade policy, however, didn't just stick to lowering of direct barriers to trade. New multilateral agreements and bilateral ones began to include both trade and investment provisions.<sup>\*</sup> With that the incentive for companies to offshore production increased dramatically. This development was spurred on by new information technologies which permit corporations both to integrate complex worldwide production and inventory systems and to produce and import services from offshore locations. Also the lowering of shipping costs made production of goods in far-flung places in the world more feasible. Agreements like NAFTA and a series of bilateral investment agreements essentially take the risk out of foreign investment in countries which previously failed to provide the legal protections and due process rights that corporations enjoyed in the US and most other westernized

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<sup>\*</sup> Most people would date this starting with the North American Free Trade Agreement (January, 1994), however, the border industrialization project with Mexico which loosened restrictions on investment in Mexico began in 1965.

countries. While extending such protections, most of these agreements did not extend the regulatory regime under which companies operate here in the US. That regime protects labor rights, health and safety, and the environment. This, of course, virtually guaranteed that operating costs in such countries would be far lower than in the U.S. and acted as a strong incentive to offshore production.\*

**TAA: An Imperfect Measure**

There are many measures to determine trade-related job loss, but none of them are particularly accurate. We have no government program that seeks to track all losses (or gains for that matter). Most data reports are state-wide. I have, where possible, tried also to extract data for the area in Kansas of the Kansas City Metropolitan area.

Therefore, developing the tools to assess the impact of job loss is a huge challenge which has not yet been fully met. The best measure is the system of Trade Adjustment Assistance which tracks job losses that involve all countries with whom we have so-called “free” trade agreements. That includes Mexico, Canada, and the other 148 member countries of the WTO. Under this program the U.S. Department of Labor investigates plant closings and mass layoffs when workers, unions, or management petition for certification that the loss is trade-related. If certified then the workers are eligible for retraining funds and other assistance in the transition to new jobs.

Despite a growing volume of trade in services and consequent job loss in the U.S., Congress never adapted the TAA to provide adjustment assistance to workers in service industries who lose their jobs. Thus TAA tracks only the loss of goods producing jobs, and TAA certification data is useless for measuring the loss of jobs from the service sector. Also, TAA numbers are for the most part confined to direct goods producing jobs and therefore do not count jobs indirectly affected by offshoring.<sup>1</sup> Inevitably, a lot is missed with this mechanism. For instance, there is currently no measure to track decisions of corporations which previously would have invested in the US but who now invest overseas. Unless they have curtailed production domestically and meet other TAA criteria, their activity will not be noted.

Following are TAA estimates of Kansas and US trade-related job losses.

**TAA certifications of trade-related job losses<sup>2</sup>**

Kansas TAA NAFTA certified job losses 1994-2002	1,847
Kansas TAA certified job losses (non-NAFTA) 1994-2002	11,100
Combined TAA certified job losses 2003-2004	4,341
<b>Kansas TAA total certified job losses 1994-2004<sup>3</sup></b>	<b>17,288</b>
<b>US TAA certified job losses 1994-2002</b>	<b>1,113,538</b>

Another way of estimating job gains and losses is to compare imports and exports of goods and services according to a formula. The Economic Policy Institute has done a number of studies which estimate in this fashion.

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\* The WTO does not have the same investment protections that NAFTA’s Chapter 11 has, but there is a similar lack of labor and environmental protection and governments can challenge domestic regulations that are considered to be non-tariff barriers to trade. Furthermore, the GATS (services) agreement (1994) includes additional protections for foreign service providers.

**Economic Policy Institute trade surplus/deficit estimates<sup>4</sup>**

Kansas NAFTA related net jobs lost 1994-2002	6,908
Kansas China related net jobs lost 1989-1997	2,702
Kansas China related net jobs lost 1997-2001	2,752
Kansas China related net jobs lost 2001-2003	2,952
<b>Total Kansas NAFTA and China net job loss 1989-2003</b>	<b>15,314</b>
<b>US NAFTA-related jobs lost 1994-2002</b>	<b>879,280</b>

Of these lost jobs, EPI estimates that 78% were in manufacturing.

**Falling Through the Cracks: Measuring Non-Manufacturing Job Loss**

Government statistics overwhelmingly underestimate trade-related job loss in general and trade-related service sector job loss in particular. Recently the US-China Economic Security and Review Commission invited research on global outsourcing of jobs using multiple sources including media reports. The resulting study by Cornell's Kate Bronfenbrenner and UMass-Amherst's Stephanie Luce covered the first three months of 2004 and found numbers of off-shored goods and service producing jobs which far exceeded any of the data reported through other means. The study also found that workers file TAA petitions in only 31% of the cases where work is transferred overseas. Furthermore, they found that media reports only account for about two thirds of production shifts to Mexico and one-third to other countries, thus, reported job shifts underestimate offshoring of jobs by at least half. It also found that a new program of the Bureau of Labor Statistics which reports data on offshoring of work as a part of mass layoff data "grossly underestimates the total number of jobs lost," counting only one for every five jobs actually lost.<sup>5</sup> This was a national study and does not report the data by state. Their national estimates are:

**Bronfenbrenner/Luce Study of Job Loss through Production Shifts Outside of US**

<b>Estimate of total 2004 job loss extrapolated from 1<sup>st</sup> quarter data</b>	
To China	99,000
To Mexico	140,000
<b>Total</b>	<b>406,000</b>
<b>Job loss for 1<sup>st</sup> quarter 2004</b>	
To Mexico	23,396
To China	8,283
To other Latin America	5,511
To India	3,895
To other Asia	4,411
To other (Canada, Europe, Australia)	2,921
<b>Total</b>	<b>48,417</b>
Percent of cases in which TAA petition filed	31%
Percent of production shifts where US company was unionized	29%
Percent of jobs lost where workers had a union	39%

The following list includes Kansas data from both TAA logs and the above study for the first quarter 2004:

### Kansas First Quarter 2004 Shifts Offshore of Jobs

Company	City	Date	# jobs	Where go	Industry
<i>White collar</i>					
Boeing	Wichita	2/27/2004	25	Korea	aerospace
Sykes Enterprises	Hays	1/28/2004	370	Philippines, India, Costa Rica, El Salvador	call center
Adams Business Forms	Topeka	1/23/2004	30	Mexico	printing
<i>Manufacturing</i>					
Boeing Company (The)	Wichita	3/2/2004	2,750	Increased company imports	large commercial aircraft
Bombardier Learjet	Wichita	2/27/2004	461	Increased customer imports	Commercial Aircraft
Coleman Co., Inc. (The)	Maize	1/9/2004	11	Increased company imports	Machine Parts - Propane Appliances
Coleman Company (The)	Wichita	1/9/2004	134	Increased company imports	Propane Appliances
Golden Star	Atchison	3/15/2004	112	Increased customer imports	floor mops
<b>Total</b>			<b>3893</b>		

At that rate, Kansas would lose over 15,000 jobs just in 2004.

#### **The Reverse Multiplier Effect and Additional Costs**

As can be seen from these few examples of different ways of measuring job loss, the numbers vary widely. Furthermore, they fail to take into consideration what's called the *reverse multiplier* effect. One Chicago study of the effect of overseas job loss on real estate occupancy of related office space found that: "Each job loss has a reverse multiplier effect on the local economy of between 1.5 and 1.7 jobs. This means that the impact of losing the 3 million U.S. manufacturing jobs that vanished between July 2000 and January 2004 could reach 5.1 million in total lost jobs". Of those lost manufacturing jobs, The Economic Policy Institute estimates 58% were trade-related.

Another study says the multiplier effect for manufacturing is much higher, "Economists agree that for every one manufacturing job lost another 2.9 jobs that are based on the presence of the manufacturer also disappear. This secondary impact includes downstream suppliers of raw materials, vendors, contractors and support jobs, as well as community service or public service jobs such as health care, public safety and education jobs."

A third study of Boeing layoffs in Washington State contended that the multiplier effect for those jobs was between three and four times over a two to three year period. This study attempted to look at overall personal income loss decline from the loss of 20,000 Boeing jobs and by the most conservative estimate calculated it to be \$3.5 billion from 2001-03. It said the State General Fund would lose \$185 million over the same time period.<sup>6</sup>

Wichita Kansas lost almost 11,000 direct aerospace jobs to offshoring between 1995 and 2005 (with the vast majority lost since 2000). For every 1,000 layoffs at Boeing, 3,260 workers in other area industries lose their jobs in related aircraft manufacturing, retail,

banking, construction and other industries<sup>7</sup> with a corresponding loss of both personal income and state tax revenues, making a substantial contribution to the state's budget woes and a particularly severe impact on Wichita.

Every lost job, of course, comes with an additional bill of lost tax revenue. From local government and school districts to state and federal government, all are doubly impacted by the reduction in taxes paid as workers find jobs that pay less or no jobs at all and by their increased dependence on government services because of their job loss. Those services could include food stamps, school lunches, Medicaid, county medical services, mental health services, etc. Calculating these additional burdens on society from trade-related offshoring of jobs is rarely done and never figures into Congressional cost/benefit analysis of our trade agreements.

Nor is there ever any calculation of the costs to communities because of abandoned (sometimes polluted) property after companies close, or the cost of providing incentives to get them to stay or attract replacement employers. Sykes closed its Manhattan call center in June, 2004, laying off and offshoring 256 jobs only six months after state property tax abatements ran out on the property. The State of Kansas and the City of Manhattan had given Sykes \$6.73 million and a tax abatement for five years.<sup>8</sup>

### **Job Loss in the Third Congressional District**

The picture in the Third Congressional District is different where only 463 TAA certified<sup>9</sup> jobs have been lost. The unmeasured trade-related job loss, however, is significant because of the District's dependence on service sector jobs.<sup>10</sup> How many IT and call center jobs have been off-shored from the Third District is anyone's guess. From October 2001 to December 2002 Sprint cut 6000 jobs in the Kansas City area, but they reported mass layoffs of only 1652 to Kansas between 2001 and 2003. We don't know how many of those jobs went elsewhere and how many were eliminated altogether. In September 2003, however, Sprint made it public that it had signed a deal to outsource 900 IT jobs to IBM and EDS. That was followed in February 2004 with a plan to shed 1,600 jobs in a call center outsourcing deal with IBM. Finally in July 2004 the company announced it would outsource another 1000 information technology jobs to IBM.<sup>11</sup> As Sprint outsourced, related subcontractors like Amdocs and Accenture closed operations, for a loss of at least 232 workers.

Most service outsourcing deals don't get the publicity that Sprint gets, and most outsourcers have an incentive not to reveal where jobs are going. One example is HCA's outsourcing of medical transcription jobs from area hospitals to a company based in the U.S. but with the vast majority of its workforce in India.

### **Depressing Living Standards**

There is mounting evidence that trade-related job loss has an ongoing and serious affect on the standard of living of working families. Those who still have jobs live under a cloud of fear that their jobs will be offshored. This depresses the level of wages and benefits and significantly undercuts workers' ability to bargain for improvements in wages and benefits. Last year, despite growth in the number of jobs, healthy profits and productivity increases, inflation-adjusted wages fell -- an unusual occurrence, say economists who cite the offshoring of jobs as a significant factor. At a unionized Sprint call center in North Carolina, employees took a wage freeze. "It's like their wages are in a severe coma," said Rocky Barnes, president of the Sprint workers' union local. "Sprint said they had to restrain wages because the company's performance wasn't so good, but we think a lot of it has to do with offshoring."<sup>12</sup>

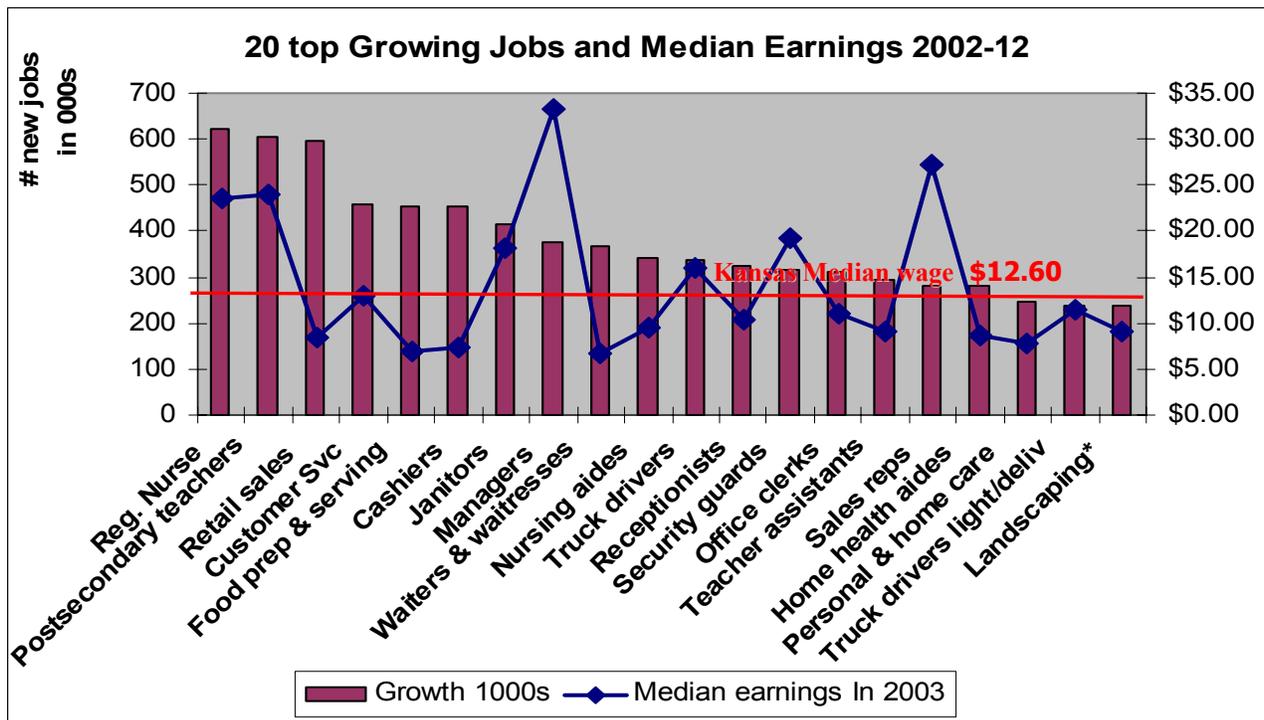
A well-known example of how the fear of job loss affects workers, took place at the Delphi battery plant in Olathe where workers for several years failed to complain about sulfuric acid

leaks for fear the company would shut down. When workers try to improve their lot by organizing a union, often the first thing an employer does is threaten to shut down.<sup>13</sup>

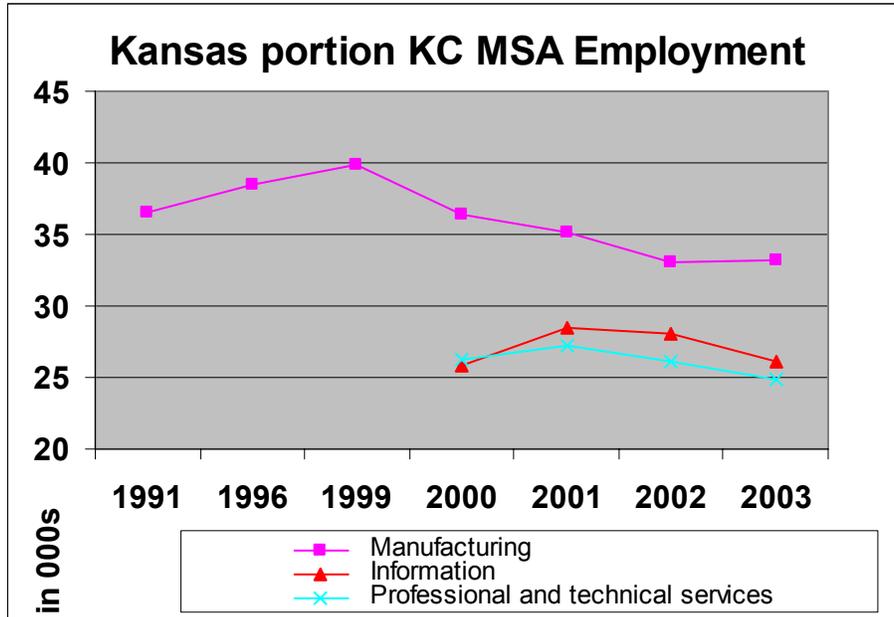
And what about workers who do lose their jobs because of our trade agreements? Hardly anyone wants to study what happens to them, and there is no overall information on displaced Kansas workers. One national government study found that of those who received some kind of TAA benefits in 1999, 75% found jobs, but only 56% of those workers earned 80% or more of their previous income before layoff.<sup>14</sup>

Another study in 2001 found that "two-thirds of trade-dislocated workers earn less when they find a new job than they did on their old job. One quarter of these workers experience earnings losses in excess of 30 percent." The report concluded that, "vulnerable workers experience considerable difficulty regaining employment, and suffer large and persistent earnings losses upon reemployment."<sup>15</sup>

One of the reasons for loss of earnings and failure of retraining to pay off is the lack of good replacement jobs. The manufacturing jobs we've lost in Kansas paid better than average, had better benefits, and often had union representation. The new jobs don't. Of the 20 fastest growing jobs in the U.S, 2002-2012, 12 of them - or 65% - pay less than the median wage for Kansas of \$12.60/hour (see chart below).<sup>16</sup>



Another measure of the lack of good replacement jobs is the general decline of jobs in the state and particularly of jobs in industries subject to outsourcing. Job growth in Kansas has simply not kept up with the growth in working age population. While the number of jobs in the state were down 0.9% from March 2001 to December 2004, the growth of working age population is up 3.9% for a net shortfall of 64,000 jobs.<sup>17</sup> Meanwhile, employment levels on the Kansas side of the Kansas City metro area of jobs most likely to be affected by trade-related job loss are down as is shown in the chart below.<sup>18</sup>



All this adds up to a growing and generalized fear among working families of economic insecurity. This undermines families and the social fabric.

Perhaps the most telling statistics of all are the wages paid by industries that are declining in comparison to industries that are growing:

**Kansas New Jobs Pay Less<sup>19</sup>** (November, 2003)

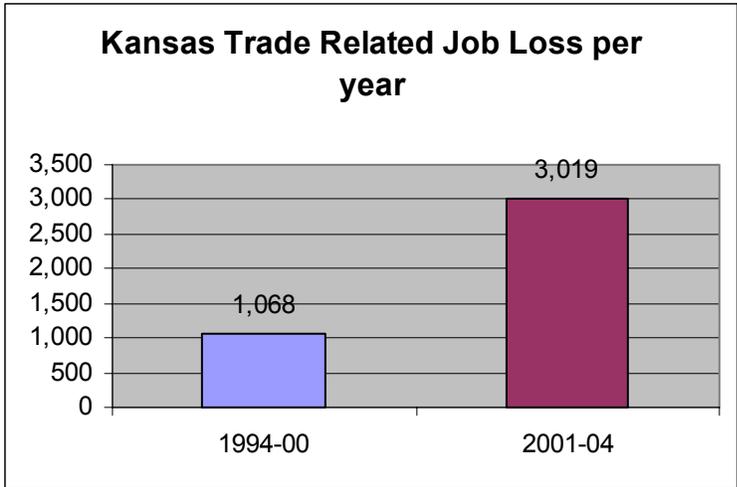
Wages in Contracting Industries	Wages in Growing Industries	Difference
\$41,185	\$30,284	-26%

Trade policy encourages global outsourcing to low-wage countries. The jobs that leave are jobs that have sustained the middle class for decades. The jobs being created do not. With the loss of good, often union-represented, manufacturing jobs and of higher-than-average paying information technology jobs we are seeing a gradual decline in our standard of living. Those most severely affected are minorities and the young whose hopes for a secure future are also being offshored.

**Job Offshoring is Accelerating**

Every time the government approves a new trade agreement, the American people are promised job gains not job losses. Every time they are promised an improvement in the trade deficit. They are promised a short period of readjustment and pain, but gains in the long run. What they have experienced, however, with every new agreement is just the opposite. With each agreement the damage to good jobs in the U.S. has increased. After eleven years of NAFTA, ten of the WTO, and only four with China's membership in the WTO, it's only gotten worse.

Unfortunately, recent trends in trade-related job loss show a marked deterioration of the situation. Global outsourcing is on the rise both in Kansas, where the rate has almost tripled since 2001<sup>20</sup>, and nationally. The Bronfenbrenner-Luce study compared job shifts in the first quarter of 2004 to those in 2001 and found a marked acceleration of the rate – double what it was in 2001. There has been no reduction in the flow of jobs to Mexico under NAFTA. Most



jobs still go there (48%) with China second at 17%, the rest of Latin America third with 11%, followed by India which gets 8%.

The leading region sending jobs abroad is consistently the Midwest. While Kansas has not been impacted as seriously as other states like Illinois and Michigan, the rate of increase in offshoring has grown dramatically here, led by the exit of aerospace jobs.

<b>Kansas TAA certified job loss totals</b>		
<b>1994-00</b>	<b>2001-04</b>	<b>Total</b>
<b>7,475</b>	<b>9,813</b>	<b>17,288</b>

**New Trade Agreements Will Expand the Incentive to Move**

Kansas lost these jobs because government policies gave incentives to move them. Our trade agreements grant corporations the right to sell products in the U.S. at high prices while making them abroad at low cost, and as wages decrease in Mexico and China and new, cheaper countries get access to US markets, the incentive to move jobs only increases. Just since NAFTA the real minimum wage in Mexico is down 23%, and manufacturing wages are down 12% as of 2003.<sup>21</sup> The minimum wage for 2005 in Mexico is 46.8 pesos per day or \$4.25. Go to any of the border cities' web sites where investment opportunities are advertised at the minimum (starting) wage. Since many of the maquiladoras now (illegally) hire workers on temporary 45-day contracts. Many workers never get above the starting wage.<sup>22</sup> Nicaragua, Honduras, and El Salvador are significantly cheaper.

CAFTA will only exacerbate the race to lower wages to Chinese levels or below. Thus, the proposed new trade agreements: an expanded WTO and GATS, CAFTA, and the Free Trade Area of the Americas, will create increased incentives to offshore jobs, will add new service industries to the mix, and will increase the global race to the bottom. The primary function of these agreements is to make these countries as safe to invest in as is Kansas. They provide many complex protections for investment abroad and selective deregulation of imports. For example intellectual property rights sections of trade agreements force poor countries to buy drugs at US prices and allow multinational corporations to patent native peoples' medicinal plants and crops. The agreements force them to pay high prices to agribusiness companies. Investor rights guarantees in NAFTA and CAFTA protect foreign corporations from loss of profits because of local economic development policies or environmental laws. No trade agreements insist that core labor rights of workers be respected or require that products of sweatshops not be given entry into the U.S. market. All of them have the potential to overrule what are called non-tariff barriers to trade, like prohibitions on importing goods harvested by killing mammals or produced by child labor.

All of our recent trade agreements take the risk out of doing business abroad and facilitate low-cost, regulation-free production there with free entry into the U.S. market. The sum total is that trade and investment agreements give multinational corporations the world and require virtually nothing in exchange in responsible behavior toward workers, communities, or the environment.

Without a change in the politics of "free" trade, Kansas and the rest of the US will be on an accelerating course backward to conditions not seen in this country since the 1880s. A visit to Ciudad Juarez, which has been called "the laboratory of the future," will show the future that the politicians and corporations who push these trade and investment agreements have in mind for us. It is a future of shantytowns with no infrastructure, massive poverty, dead-end, toxic jobs, little education, no social safety net, and skyrocketing crime rates and narco-trafficking. It is a future that no Kansan would choose for the next generation.

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## Endnotes

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<sup>1</sup> Examples of jobs not counted in the TAA certification rolls: **Jobs in service industries** like call centers, software development, and billing which have been increasingly outsourced under the General Agreement on Trade in Services (GATS) to India. **Indirect manufacturing workers:** Until November 2002 when the law was changed, manufacturing workers who did not suffer direct trade-related job loss, like parts producers who supplied a company that shut down, were not eligible. Even with improvements, only an extremely limited number of secondary workers gained coverage, and farmers and fisherman who lose jobs to increased imports were included. However, it's still easier for workers to qualify who lose jobs to Mexico than to China. Even in manufacturing plants where line workers are eligible for benefits, **broad categories of non-production employees** (such as those who run computer systems, transport or box the finished goods, work in the cafeteria, mop the floors, etc.) aren't counted and have no benefits. **Other secondary businesses** which were hurt by plant shut downs or downsizing like an accountant or a nearby restaurant also would not qualify. There are also a number of workers (especially unorganized workers) whose companies **disguised trade-related job loss as moves someplace else in the U.S., or their workers didn't apply or did not know** about the program, so they were never counted. An example of disguised offshoring is Hussman Refrigeration in St. Louis which has lost about 875 jobs since 12/00 which the [St. Louis Post Dispatch](#) attributes to "downturns in the economy and shifting of some work to Mexico." (7/1/04). There are no TAA certifications for Hussman.

<sup>2</sup> Public Citizen Global Trade Watch [www.citizen.org/trade/nafta/](http://www.citizen.org/trade/nafta/) and US Department of Labor Trade Determinations [www.doleta.gov/tradeact/determinations.cfm](http://www.doleta.gov/tradeact/determinations.cfm)

<sup>3</sup> In November 2002 the DOL stopped separating out the NAFTA petitions and combined the lists. For the period 1994-2002 there were many duplications because applications were often made to both the NAFTA TAA and the TAA programs and a number of applications were certified for both. Wherever possible, I have removed the duplicates so as not to count the job loss numbers twice.

<sup>4</sup> [The high price of 'free' trade: NAFTA's failure has cost the United States jobs across the nation](#) by Robert E. Scott, Economic Policy Institute, [www.epinet.org/content.cfm?id=1545](http://www.epinet.org/content.cfm?id=1545) and [U.S.-China Trade, 1989-2003: Impact on jobs and industries, nationally and state-by-state](#) A Research Report Prepared for the U.S.-China Economic and Security Review By Dr. Robert E. Scott Director of International Programs, Economic Policy Institute, [www.epinet.org/workingpapers/epi\\_wp270.pdf](http://www.epinet.org/workingpapers/epi_wp270.pdf)

<sup>5</sup> [The Changing Nature of Corporate Global Restructuring: The Impact of Production Shifts on Jobs in the US, China, and Around the Globe](#) Submitted to the US-China Economic and Security Review Commitssion by Dr. Kate Bronfenbrenner and Dr. Stephanie Luce, October 14, 2004. pp. 25-25, 32, 36, [www.uscc.gov/researchpapers/2004/cornell\\_u\\_mass\\_report.pdf](http://www.uscc.gov/researchpapers/2004/cornell_u_mass_report.pdf)

<sup>6</sup> Pollina Corporate Real Estate, "Top Ten Pro-Business States 2005: Keeping Jobs In America," "Job Destruction By Free Trade: Deliberate Policy or Collageral Damage?" [Label Letter](#) March-April 2004, and Perspectives on How Boeing Company Layoffs May Affect State Revenue at <http://www.mrsc.org/focus/0111boeing.aspx>.

<sup>7</sup> Testimony of Jeff Kniep of GROW Kansas reported by Associated Press, 2-19-04. Boeing laid of 11,600 workers from Wichita 1998-1/04

<sup>8</sup> [Manhattan Mercury](#) April 13 and June 8, 2004

<sup>9</sup> 313 jobs were certified in the third district 1994-2004. I have added 150 jobs which presumably will also be certified from the Delphi Battery plant in Olathe which ceased production in February, 2005.

<sup>10</sup> In the Kansas part of the Kansas City MSA in 2003, 86% of the economy is services and 14% produces goods.

<sup>11</sup> [Kansas City Star](#) Dec. 28, 2004 and July 9 and 22, 2004

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<sup>12</sup> Stephen Greenhouse, "Wages Trailing Inflation" New York Times April 24, 2005

<sup>13</sup> In July, 2004, the Steelworkers Union at Hussman Refrigeration in St. Louis was summoned to early negotiations on their labor contract and told that if they approved a new contract with significant concessions on health care, two new model lines would be added. If they rejected the contract those lines would go to Mexico. The union took the contract and members are now paying 20% of their health care costs. (St. Louis Post Dispatch, 7/1/04). As for organizing, a well-known national study concluded that just as the threat of outsourcing limits unions' bargaining power, it also discourages workers from organizing unions. ". . .the recent acceleration in capital mobility has had a devastating impact on the extent and nature of union organizing campaigns. Where employers can credibly threaten to shut down and/or move their operations in response to union activity, they do so in large numbers. Overall, more than half of all employers made threats to close all or part of the plant during the organizing drive. The threat rate is significantly higher, 68 percent, in mobile industries such as manufacturing, communication, and wholesale/distribution, compared to a 36 percent threat rate in relatively immobile industries such as construction, health care, education, retail, and other services." Kate Bronfenbrenner, Uneasy Terrain: The Impact of Capital Mobility on Workers, Wages, and Union Organizing, Report to the U.S. Trade Deficit Review Commission (9/6/00)

<sup>14</sup> Government Accounting Office. Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs (October, 2000), found at [www.gao.gov/new.items/d0159.pdf](http://www.gao.gov/new.items/d0159.pdf)

<sup>15</sup> Lori G. Kletzer, Job Loss from Imports: Measuring the Costs. Institute for International Economics (2001), found at [www.iie.com/publications/newsreleases/kletzer.htm](http://www.iie.com/publications/newsreleases/kletzer.htm)

<sup>16</sup> U.S. Department of Labor Bureau of Labor Statistics. November 2003 State Occupational Employment and Wage Estimates Kansas, [www.bls.gov/oes/current/oes\\_KS.htm](http://www.bls.gov/oes/current/oes_KS.htm)

<sup>17</sup> Economic Policy Institute, [www.jobwatch.org/20050125\\_state\\_job\\_growth\\_pop\\_growth\\_dec\\_2004.pdf](http://www.jobwatch.org/20050125_state_job_growth_pop_growth_dec_2004.pdf)

<sup>18</sup> Kansas Labor Market Information, <http://laborstats.hr.state.ks.us/industry/aew2000/kscity.htm>

<sup>19</sup> Economic Policy Institute, Average wages in growing and contracting industries, end of recession through November 2003, [www.epinet.org/webfeatures/snapshots/archive/2004/0121/snap20040121\\_wage\\_diff\\_table.pdf](http://www.epinet.org/webfeatures/snapshots/archive/2004/0121/snap20040121_wage_diff_table.pdf)

<sup>20</sup> Public Citizen Global Trade Watch and US Department of Labor Trade Determinations, op. cit.

<sup>21</sup> Timothy A. Wise, "Nothing Fails Like Success: NAFTA's Sorry Track Record in Mexico."

<sup>22</sup> For example, Nuevo Laredo, the closest border town to Kansas calculates labor costs at minimum wage for any would-be investor at [www.laredo-ldf.com/NL%20Labor%20and%20Wages.htm](http://www.laredo-ldf.com/NL%20Labor%20and%20Wages.htm) They also seek to allay any fears of operating in a unionized environment by saying, "Nuevo Laredo Chapter of CTM recruits and screens prospective applicants according to management's stated requirements and assists management in discharging and replacing unsatisfactory employees. Labor unions actively assist plant management to encourage punctuality and to minimize absenteeism of union employees."