

Globalization’s Overlooked Economic Benefits

In his column “[What Happened to the Pragmatic Trump of the First Term?](#)” (Editor At Large, May 5), Gerard Baker wisely decries President Trump’s second-term pursuit of a misguided and extreme ideological agenda. Mr. Baker points out that antiglobalist ideas motivated voters in 2016—views that globalism “facilitated mass migration and the elevation of international capital that ravaged communities at home.”

A better name for “the elevation of international capital” is “free trade.” This term reveals the increased freedom of ordinary people to spend their incomes as they choose, while avoiding the mistaken suggestion that lowering trade barriers benefits only Davos-vacationing capitalists at the expense of the masses.

And where are these “ravaged communities at home” that voters were so worried about? Politicians and pundits still talk incessantly about these communities, but scholars who make serious attempts to locate them encounter difficulties. Economist Jeremy Horpedahl studied the 10 metropolitan statistical areas in the U.S. that suffered the largest negative hits during the infamous “China Shock” of the early 2000s. According to Mr. Horpedahl, all of the metropolitan statistical areas “hit hard by the China Shock still managed to have significant and positive real wage growth across the distribution since 2001 . . . Wage gains in several of these places, in fact, are better than the national trends.”

Whenever economic change occurs, some particular workers lose jobs, and some particular locations lose business and population. Economic growth requires economic change and adjustment. This has always been and will continue to be the case. But the story of America is that ordinary people recover over time and become wealthier. It’s an error to single out the freer trade of the past few decades as a unique source of economic change that justifies greater skepticism of globalization.

Prof. Donald J. Boudreaux

George Mason University