

Example of tackling unemployment in the us article review

[Economics](#), [Trade](#)



TACKLING UNEMPLOYMENT IN THE US

According to Alan Tonelson of the Bloomberg weekly, the only way to reduce the unemployment rate in the U. S. is by ensuring fair trade internationally and by American's; corporate, government agencies and the citizens buying American products. In so doing America would be reducing its huge trade deficit that currently sits as \$422. 9 billion as of June this year making a significant increase of 3. 9% compared to the same period last year. The likelihood of creating employment opportunities in the country largely depends on how international trade between the U. S. and its trade partners will be streamlined (Tonelson, 2011, para 3).

President Obama's administration has been working on a new plan to create jobs that are much needed but it is likely to increase the trade debt if it ignores the current trade deficit and solutions to it and thus it's unlikely to foster growth and job creation as originally intended. One might tend to ask, " How is job creation tied to trade deficit?" here lies the answer. When Americans rely heavily on imported products, the local industries lose out as imported products are much cheaper and people would prefer them. This drives the local industries to try and much the prices of imported goods by reducing costs that include labor costs thus contributing to unemployment (McCraw & Stone, 2009, p. 81).

This also applies to industries that export their products. When international competition is unhealthy losses are met and jobs are lost (Brophy, 2010, p. 26). The solution to job creation lies in reducing the trade deficit which will in turn stimulate the growth of local industries. A number of measures can be put in place to reduce the rate of imports while increasing that of exports.

Imports from countries like China, Japan and Korea manipulate their currencies to give their products an artificial advantage over U. S goods in our country (Boddy, 2009, p. 42). To reduce this trade deficit U. S should impose some trade barriers that will not only ensure a level playing field for all, but also increase the exports from the country and boost demand for U. S. made products locally. Stiff tariffs should be slapped on imported goods from China and other countries that manipulate their currencies leading to unfair advantage. Countries that have value-added tax should also be slapped with tariffs.

My opinion is that the U. S can only create jobs by improving local industries. This can only be achieved in an environment where the industries in the U. S are given government support through incentives and a fair trading opportunity internationally. The government should go out of its way to make U. S. products more competitive internationally while reducing the rate of importation as much as it can to bring down the trade deficit that is currently on the rise. The big question is, " Will the U. S be interfering with free trade in coming up with barriers to improve her exports and reduce her imports at the same time?" The other question is," If the U. S. implements measures that will reduce imports and increase exports, will there be a global crisis since the country is one of the largest consumer of imported goods?"

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