

# Pain from free trade spurs second thoughts by david wessel and bob davis

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## Pain from Free Trade Spurs Second Thoughts

by David Wessel and Bob Davis

The article “ Pain from Free Trade Spurs Second Thoughts”, 2007, by David Wessel and Bob Davis, is thought provoking on the issue of outsourcing that is of so much concern in the country. This paper offers a brief discussion on the article.

Mr. Alan S. Blinder a former Federal Reserve Board vice chairman along was a protagonist of free trade along with many other economists. Such a turnaround stems from the echoes of resentment among the employed middle class on the threat posed to their secure employment through the estimate “ 30 million and 40 million jobs are vulnerable”. Free trade was touted as good for American business and American consumers. American businesses were expected to do better from using the cheap labor in the developed worlds, while the America consumer would benefit from the lowering of costs. Yes, free trade has done that, but the average American consumers are losing employment from outsourcing of jobs that were not expected to leave the shores of the country. Manufacturing was anticipated as the major aspect of outsourcing, while the expectations were that white collar jobs were would not be affected. However, the actual story has been different along with outsourcing of manufacturing there has been a strong flow of white collar jobs to countries like India and China, where the skill sets for these jobs are present and cost less. So why did this happen? It is not that free trade is bad, but the changes that would result were not truly anticipated, hence the preparations to face the challenge of change was not adequate. Mere retraining of employee skills is insufficient. The instilling of

higher knowledge and skills has to go down to the grass root level, which means that appropriate changes to education have to be put in place. (1).

#### Works Cited

1. Wessel David & Davis Bob. “ Pain From Free Trade Spurs Second Thoughts”. 2007. The Wall Street Journal. 18 Oct. 2011. .