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ECONOMISTS DUMP ON TRUMP BOAST TO BRING JOBS BACK FROM CHINA

WASHINGTON (AP) -- Donald Trump vows to bring back the millions of American jobs lost to China and other foreign competitors if voters put him in the White House.

Economists say he wouldn't stand a chance: Trump's boundless self-confidence is no match for the global economic forces that took those jobs away.

Since the beginning of 2000, the U.S. economy has lost 5 million manufacturing jobs. A study published last year by the National Bureau of Economic Research found that between 2 million and 2.4 million jobs were lost to competition from China from 1999 to 2011.

Announcing his presidential bid June 16, Trump declared: "I'll bring back our jobs from China, from Mexico, from Japan, from so many places. I'll bring back our jobs, and I'll bring back our money."

Economists were unimpressed. "It's completely implausible," says former Federal Reserve Vice Chairman Alan Blinder, a Princeton University economist who has studied the offshoring of American jobs.



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Companies shifted low-skill jobs to China in the 2000s because American workers couldn't compete with Chinese workers earning around \$1 an hour. Now China itself is losing low-wage manufacturing jobs to poorer countries such as Bangladesh and Vietnam.



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If America tried to block foreign-made products and make everything at home, prices would skyrocket and foreign countries would likely retaliate by blocking U.S. goods from their countries. "You can't turn back the clock," Blinder says.

But there's an even bigger problem for those who want to restore U.S. manufacturing employment (now 12.3 million) to its 1979 peak of 19.6 million: Technology has taken many of those jobs for good. Today's high-tech factories employ a fraction of the workers they used to. General Motors, for example, employed 600,000 in the 1970s. It has 216,000 now - and sells more cars than ever.

"No matter who becomes president," says economist David Autor of the Massachusetts Institute of Technology, "I cannot foresee a scenario where 5 million additional manufacturing jobs ... reappear in the U.S. in the decades ahead."

That's especially true with U.S. unemployment at a seven-year low 5.3 percent, a rate close to what economists consider full employment.

"If you took all the jobs we outsourced and brought them back, you'd have negative unemployment," says Harold Sirkin, senior partner at the Boston Consulting Group and an expert on manufacturing competitiveness worldwide. "We'd have to bring in people from other countries to do the work."

Trump, author of "The Art of the Deal," says he could have protected American jobs by negotiating smarter trade agreements with U.S. competitors. "When was the last time anybody saw us beating, let's say, China in a trade deal?" Trump said in June. "They kill us. I beat China all the time. All the time."

But economists say trade deals - for all the political heat they generate - play only a modest role in job creation. "Better trade deals are unlikely to be a panacea," says Eswar Prasad, professor of trade policy at Cornell University.

Prasad says U.S. policymakers should focus more on investing in things that will improve America's competitiveness over the long haul - schools, roads and airports, for example. And Blinder says the U.S. should do more to retrain American workers who lose their jobs to foreign competition.

Companies often decide where to locate factories and hire people on factors that can change: labor costs, energy bills, transportation expenses, proximity to customers.

Currently, several of those factors favor the United States over China. The fracking boom has cut energy costs for U.S.-based factories. Chinese wages have soared, while American wages have been flat. In parts of America, land is cheaper than in China.

So some American companies already are bringing jobs back, and some Chinese companies are investing in plants in America. Last year, for example, Chinese glassmaker Fuyao Glass Industry Group Co. announced plans to take over an abandoned GM plant in Moraine, Ohio, near Dayton, and create 800 jobs.

The Reshoring Initiative, which encourages companies to bring operations back to America, says the number of manufacturing jobs created in the United States by returning American companies and foreign investors exceeded those lost to offshoring last year by 10,000 - modest, to be sure, but a big change from the massive job outflows of the 1990s and 2000s.

Trump declared: "I will be the greatest jobs president that God ever created. I tell you that."

But Daniel Rosen, partner at the New York economic research firm Rhodium Group, says: "Global direct investment - including from China, Mexico and Japan - is already flowing into the United States, not due to God's political leanings but because the U.S. economy is open both to those who would invest here and those who would decide to move abroad."

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