

## The Dark Side of Globalization: Why Seattle's 1999 Protesters Were Right

By Noah Smith



In 1999, my friend moved to Seattle, where he was hit with rubber bullets, tear-gassed in the face, and nearly arrested by police. He had joined the famous protests of the WTO Ministerial Conference, widely known as [the Seattle Protests](#). The Occupy Wall Street of their time, they focused on globalization rather than the excesses of finance. And, quite like the Occupy Wall Street of their time, they were often mocked by critics as silly, aimless, and overly hand-wringing about the future.

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The organizers were a hodgepodge of groups—unions worried about competition from cheap foreign labor, environmentalists worried about the outsourcing of polluting activities, consumer protection groups worried about unsafe imports, labor rights groups worried about bad working conditions in other countries, and leftists of various stripes simply venting their anger at capitalism.

In the decade that followed, the Seattle protests came to seem as not only silly, but also misguided. After all, what were the excesses of globalization compared to the travesty of the Iraq War, or the disaster of the financial crisis? America seemed to decide that we had much more important things to protest about, and the Seattle protesters have been largely forgotten in our pop media culture.

It is a shame, because the worries of the Seattle protesters have been proven right on nearly every count.

### The Dark Side of Globalization

The clearest example is competition from foreign workers, which really has slammed the American working class. Economists David Autor, David Dorn, and Gordon Hanson did [very careful empirical work](#) and found that competition from China lowered wages and increased unemployment for American workers who were in competition with Chinese imports. Economists Michael Elsby, Bart Hobijn, and Aysegul Sahin found that competition from developing countries—not the decline of unions or the rise of automation—[has been responsible](#) for the bulk of the recent decline in labor's share of income in the United States.

Chinese imports have lowered prices for consumers and raised the income of capital owners, but those benefits are either spread very thinly over a large number of people, or concentrated among the rich. The American workers who have been hurt by globalization have been hurt very badly, and America has no system in place to compensate them for that loss. China's accession to the WTO in 2000, following the 1999 meeting, accelerated its rise as an export powerhouse.

Next, take unsafe imports. The scary truth is that [we don't even really know](#) how much of a problem this is. But here's what we do know: Food imports from China have skyrocketed, and the FDA has had trouble keeping up with the [swarm of possible dangers](#). Although the U.S. and China have worked to [improve safety standards](#) for imported toys, Chinese toys still contain [large amounts of heavy metals](#),

including lead. If childhood-lead exposure really does [lead to violent crime](#), it suggests Seattle protesters warned us of a considerable danger.

How about environmental destruction? The “race to the bottom” theory is that by allowing rich-country companies to invest freely in countries that don’t protect the environment, globalization forces rich countries to lower their environmental standards as well. That theory doesn’t seem to have a lot of support in the data; economists have generally found little effect of globalization on pollution [in the U.S. itself](#). But globalization does seem to [export pollution to developing countries](#). For many types of pollution, the burden falls on our trade partners: Chinese people are literally [choking to death by coal smoke](#), much of which is burned by heavy industry that’s expanded since 1999.

Even if you don’t care about the health of Chinese people (I do), you should be worried about carbon emissions, because global warming is truly global. [Economists find](#) that globalization does increase carbon emissions at first, and then decreases emissions as our trading partners get richer and more urbanized. But the increase probably already happened in China, while the decrease has yet to manifest. Since its accession to the WTO, China has soared way past the United States as the [world’s top emitter of carbon](#), pushing up world emissions even as U.S. emissions have fallen. Much of that carbon is produced to [make goods that are exported](#) to the U.S.

As for labor standards, the evidence is limited. We’ve all heard the horror stories of collapsing factories in Bangladesh, but it’s not clear if globalization makes this worse, or how long that effect will last before higher incomes make workers demand better protections from their governments. In the U.S., labor protections have not noticeably eroded, meaning that any negative effect of globalization on worker protections is likely felt by workers elsewhere.

## **Live With It**

Almost everything the Seattle protesters have warned us about has come to pass, much of it a direct result of the WTO’s actions in 2000.

Whether you think globalization’s various effects are worth worrying about depends on how much you care about people in other countries. China is choking under hellish smog, but it has also managed to pull literally hundreds of millions of people out of abject poverty. U.S. inequality is up since Seattle, but [global inequality has declined](#). The industrialization of China and (to a lesser degree) India has been the biggest and most effective anti-poverty program the world has ever seen. Capitalism has its flaws, but it works.

The Seattle protesters didn’t quite foresee the escape of hundreds of millions of Chinese and Indian and other people from indigence. But they were right: a WTO-led globalization could have been implemented a lot better. If I could go back in time, I would make the WTO heed the concerns of the Seattle protesters. They were not silly. They were right.

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