

## INTERVIEW WITH DAN IKENSON

Dan Ikenson is the director of the Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies. Ikenson holds a MA in economics from George Washington University and is an authority on various aspects of trade policy that include US–China trade relations, bilateral and multilateral trade agreements, and manufacturing policy. In 2003, Ikenson co-authored the book *Antidumping Exposed: The Devilish Details of Unfair Trade Law*. Prior to joining the Cato Institute in 2000, Ikenson worked in several areas of trade consulting and international accounting.

**Dan Ikenson:** I'm Dan Ikenson, I'm the director of the Herbert A. Stiefel Center for Trade Policy Studies at the Cato Institute.

*World Outlook:* Thank you so much for sitting down with World Outlook. We're just going to go through a few questions to discuss you and your work and your thoughts on trade policy.

**DI:** Sounds good.

*WO:* So our first question is for you to describe your education and your early career. What was it like working in international trade consulting and what was it like looking at trade from the standpoint of international trade law and how is this perspective different from a policy perspective?

**DI:** Excellent questions. Well, I got into trade because my father was a trade lawyer. In fact, he still is practicing. He's getting up there but still practicing. I was going to go to law school after undergrad and get a degree and work in the international trade area. So, I worked for my father's firm the summer before I was supposed to go to law school which was the summer of 1989 or 1990. I found that I wasn't really liking the legal aspects. I found the minutia to be a bit overwhelming, a bit tedious, and I ended up working with an economist who was hired by my father's firm to work on a project on the anti-dumping law, which is an unfair trade law—maybe we can get into that a little bit later—but I really liked the economics of it. And over the course of the summer I decided not to go to law school and applied to grad school to get my master's in economics. It turns out that after I got my master's in economics, I got a job working for another law firm, a large law firm—my father's firm was sort of a small boutique firm representing U.S. companies caught up in trade disputes that would file these cases—these unfair trade cases. I ended up working in law firms that represented the foreign companies and the importers and that is where I started to hone my understanding of the importance of free trade because we were defending companies that were accused of dumping and selling subsidized products in the United States, which is considered unfair. And I very much enjoyed it. There's an economic aspect to

it, there's a legal aspect, there's a lot of logic, opportunities to write, to number crunch, to present findings.

And I really enjoyed that. After working in the law firm environment until the late 1990s I ended up working with a guy named Brink Lindsey at a law firm called Wilkie, Farr & Gallagher. He left Willkie and started the trade center at Cato and he invited me to come join him to write a couple of papers on the anti-dumping law—one of the unfair trade laws—and to write a book with him about how the law works, how it doesn't fulfill the purpose that its defenders say it's intended for, how it's unfair, how it actually hurts American companies and American consumers. So, we wrote a book about that and it was supposed to be a two-year project, beginning in 2000.

Here it is in 2019 and I'm still here, as is the anti-dumping law and the other unfair trade laws.

*WO: So moving on from that you've just mentioned that you've been at Cato for a long time. How has your job changed since you first started, what do you do on a daily basis at Cato, and what sort of long-term projects has Cato allowed you to work on?*

**DI:** Well, I've been here for 19 years. And at first I focused exclusively on the unfair trade laws—anti-dumping, countervailing duty—and then I was invited to stay because there was a sort of a copacetic relationship that had developed. I was interested in writing [on more issues] beyond the minutia of trade remedy laws, so focusing on manufacturing issues; US-China issues, just when China joined the World Trade Organization (WTO) back in 2001; I started focusing on the auto industry and some of the issues it has with protectionism; agricultural protectionism; trade agreements; [and] the World Trade Organization, which came into being in 1995 and started adjudicating cases that were brought in the early 2000s—I would read and evaluate the arguments in those cases and began writing about ways to reform the WTO. In 2001, a new round of multilateral negotiations was initiated. It was called the Doha round. Before the WTO was established in 1995 as the crowning achievement of the so-called Uruguay Round of multilateral trade negotiations (1986–1994), the global trading system was governed by a looser set of rules known as the GATT, the General Agreement on Tariffs and Trade. GATT was established in 1947 by twenty-three original contracting parties. Over the ensuing 50 years or so, there were eight additional rounds—they call them rounds—of multilateral negotiations to reduce trade barriers further, to expand that liberalization to more products and services, and to include more countries. And in 2001, the Doha Round was launched. The Doha round was the first round to be launched that didn't produce a favorable outcome. It ended in failure.

But during the Doha round there was a lot of opportunity to put forward ideas for

reforming trade rules. And we did a lot of that at Cato. I became the director of the trade center in 2011 and we've been covering the waterfront of trade policy issues ever since. We do trade law; we comment on trade deficits and try to address and refute the common myths about trade that Americans tend to believe—like the fallacy that the trade deficit means that we're losing a trade, that trade is a zero sum game, that trade and globalization killed U.S. manufacturing, that outsourcing is bad for the economy, and that trade only benefits big corporations and the rich. These are all myths that underpin President Trump's protectionist nationalism.

Trump is a major departure from previous administrations in that he sees trade as a zero-sum game and he doesn't seem to recognize its importance in fostering good relations among nations. But Trump has changed the way we approach things here at Cato. It's always been the case that at the beginning of the year I sit down with my staff—I have seven people that work in the Trade Center—and we will talk about our offensive agenda, things that we're going to write about and work on regardless of the political environment. And then we also have what's called the defensive agenda—responding to policy matters, to things that the White House does or that Congress does. Over the years, the offensive agenda has accounted for 60, 70 percent of our time and the defensive agenda 40 to 30 percent. It's shifted quite a bit during the Trump era because he just defies all conventions. He is an unorthodox president who's done a lot of things that we never expected a president to do. So, we've had to react a lot to point out the perils of protectionism that he's flirting with and engaging in.

*WO: When you talk about the myths that are so prevalent in the United States, I think would be worthwhile to kind of combat that. So why is trade so important to the United States and what would you say to those people who view trade as a zero-sum game?*

**DI:** Well, trade is important. We all trade on a daily basis. I'm trading right now by focusing my productive efforts on being an economist—a trade policy analyst. If I had to spend all of my time making my own clothes and hunting and growing my own food, building and fixing my humble shelter, and concocting remedies for illnesses that might ail me, I would be pretty destitute. I'd spend all of my days toiling. But instead I specialize. So, I'm an economist and a trade policy analyst and I focus my efforts on those endeavors. My output is monetized in the form of a salary and I use that salary to purchase that I need or want, but cannot produce as efficiently. That is what trade is all about. We trade so that we can specialize, and we specialize so that we can produce more and we produce more so that we can consume more, and by consume more I mean consume and save more. So, the purpose of trade is really to consume more or higher quality goods and services. If we get rid of border barriers, get rid of all tariffs, there's a larger market. And when you have a larger market, you can realize economies of scale more readily, you can tap into the supply chains that make your production processes more efficient. Trade is important just on its face. When

you look at the demographics and the numbers, the United States represents five percent of the world's population. That means that 95 percent of the world's population lives outside of the United States. So, if U.S. companies are going to be able to avail themselves of the best inputs to their production, if they're going to have access to the most lucrative markets, they need to be engaging in trade.

Ironically, the United States is the world's largest trader. However, trade—as a share of our economy—is relatively small because the U.S. economy is so large and has been relatively self-sufficient over the years. If you add up our imports and exports and divide by our GDP, you get 27 percent. When you do that for China it's 37 percent, so China is more dependent on trade. The world average is about 53 percent. Most countries in the world depend on trade much more than the United States does because we have this large internal market. But that said, the rest of the world is coming online. They're getting richer. They've adopted better policies in many places. We need to stay engaged and right now we're doing the exact opposite because the president sees trade as a zero-sum game. He has launched a trade war against China after pulling us out of something called the Trans-Pacific Partnership, which was a very large trade agreement involving twelve countries at the time. Now, we're losing ground because many other countries around the world are entering trade agreements which lower barriers for their own companies and their own consumers. And we're on the outside looking in. Others are moving ahead as we're standing still [and] relatively we are falling behind in terms of creating new and better opportunities for our consumers and our businesses.

*WO:* It can't all be doom and gloom. So, in our current system where do you see bipartisan agreement on trade policy if there is any?

**DI:** You know, there used to be bipartisan agreement. From the end of the Civil War until the early 1930s, the Republican Party was the party of protectionism. They represented big industrial interests in the Northeast, the tariff was considered the mother of the trust, and so Republicans were in favor of protecting US industry. Democrats were more the party of agrarian interests—it used to be primarily in the South—and they wanted access to foreign markets and recognized that if we had trade barriers that foreign governments would put up barriers to U.S. exports, as well. Democrats were the party of free trade. And Republicans were the party of protectionism.

Then in 1930 we had the Tariff Act of 1930, the infamous Smoot Hawley Tariff Act, which initiated this bout of tit for tat protectionism which sent the global economy into a tailspin and really contributed to prolonging and deepening the Great Depression. It was in 1934, four years after, when a Democratic Congress and a Democratic president passed something called the Reciprocal Trade Agreements Act which made it easier for the United States to start liberalizing trade again. And it set the table for the mechanisms that led to the global trade rules: The General Agreement on Tariffs

and Trade, GATT.

Democrats were by and large pro-trade from before the Civil War up until about 1994, around the time of the NAFTA vote. Republicans started to become more internationalist after the Second World War and so I would say from the mid 1940s until around the beginning of the Trump administration, Republicans became favorably disposed to free trade. Meanwhile, Democratic support for free trade started to dissipate in the early 90s, around the time the North American Free Trade Agreement became a real possibility. For around the past twenty-five years, there's been a general absence of bipartisan support for trade. The Democrats, who count organized labor and environmental lobbies among their biggest political benefactors, soured on trade liberalization. Contrastingly, Republicans learned to embrace it.

That dichotomy seems to be in the process of changing, now. Trump, a Republican, is indulging in all sorts of protectionism. He's making protectionism radioactive. He's imposed tariffs on about 300 billion dollars of imports and foreign governments have retaliated with their own tariffs on about two hundred billion dollars of U.S. exports. Meanwhile, he withdrew the United States from a large and important trade agreement negotiated under the Obama administration called the Trans-Pacific Partnership. The pain inflicted on the economy from Trump's tariffs and the retaliation has so far been concentrated in certain regions, but generally muted by a strong economy that is pumped full of fiscal stimulus. But as the economy slows, I think the pain from the trade war is going to start to be felt more broadly, and I suspect Democrats will try to distance themselves from protectionism.

At that point I think we're going to see the Democrats, at least forward-looking ones, recognizing that this is an opportunity to exploit: "Let's move the Democratic Party back to the Center on trade by disassociating ourselves from protectionism—that's Trump's problem. We're not Trump, we're in favor of trade." I see the potential for the flip to happen again. However, there is one area where there's been bipartisanship over the past few years and that is with respect to China. Trump's trade war on China—as discombobulated and as poorly thought out as the strategy has been, I think—precedes Trump, predates Trump, and has broad bipartisan appeal.

This really started around the Great Recession when people in the Obama administration, in Congress, and in the intelligence community started worrying about China's rise and its objective of leapfrogging the United States to the technological fore. This has been building and building and I think had Hillary Clinton won the election in 2016 we would have found ourselves in a trade war of some sort with China; we'd be holding their feet to the fire probably in a different way—[we] probably would've brought complaints about China's practices to the WTO with our trade allies instead of pursuing a trade war unilaterally. But when Trump is gone, I think that there will

still be bipartisan consensus that China's practices need to be disciplined. The tone and tenor of the policies might be different, but I'd say there's bipartisan support for doing something to rein in China's offensive practices.

*WO: Would you mind talking more about our specific problem with China?*

**DI:** Sure. So, China's a miracle really. It was a destitute country when Nixon went to China in the early 1970s and even when formal relations were restored in 1979. China was reeling from a couple of decades of really onerous, tragic policies and trade and cross-border investment was minuscule. And after beginning to embrace market reforms in the late 70s, China started to grow at a faster clip. And then we had the Tiananmen Square massacre in 1989 and the George H.W. Bush administration was sort of handwringing about what to do: should we isolate China? should we turn our backs on China since they're these autocratic rogues? should we engage with China? And I think it was a lot of concern that if the US moved to isolate China and didn't engage in trade with it that the Brits, Germans, and French would move in and take advantage of the opportunities there. The US came to the conclusion that—for those reasons and other—we should continue to engage with China. And I think maybe ex-post it was justified as, "If we engage more with China, they'll become more like us. Once they get the economic liberties, the civil and political liberties will follow, and they'll be more like us and that'll be a good thing." Well the fact that China was engaged and permitted to join the World Trade Organization in 2001 is a great thing. I mean we're talking about one fifth of humanity, we're talking about hundreds of millions of people having been lifted out of poverty.

The world is a better place because China is a middle-income country now. China joined the WTO in 2001 and there were a lot of interests, particularly import competing interests in the United States—labor unions, the steel industry—who didn't think it was a good idea and wanted us to crack down on China and hold their feet to the fire. But during the George W. Bush administration, the first five or six years of China's membership in the WTO, the US didn't really bring any cases against China at the WTO. What I mean by that is China agreed to all sorts of reforms and it had to engage in all sorts of reforms to qualify to join the WTO. And the George W. Bush administration wanted a sort of honeymoon period, rather than to press China too hard.

Well then the WTO cases started to come in the second Bush term and then they really picked up in the Obama years because people started saying, "Look we've been complaining about this for years, nothing's been done about it; the Chinese need to do a better job of fulfilling their commitments." And there seemed to be this kind of Groundhog Day situation where U.S. interests would complain about certain Chinese practices that would be brought to the attention of the Chinese authorities. The Chinese would say "OK we're going to do something about this." And then they never

would. And so, there are a couple of sets of issues.

One is that China has yet to fully comply with the obligations it committed to when it joined the WTO. It needs to liberalize more and discriminate against imports and foreign investment less. We do have some legitimate complaints and those legitimate complaints should be brought to the World Trade Organization to adjudicate there rather than having ourselves act in a vigilante manner and prosecute a trade war unilaterally.

Outside of these strictly trade-oriented issues is the emergence of national security concerns, cybersecurity concerns. These started to manifest themselves in the mid 2000s. It became evident to US policymakers that the Chinese were intent on doing whatever it takes to get to the technological forefront; to borrow Western technology, and to grant favors to companies that registered their technology in China; to compel Western companies to turn over their technology to the Chinese when they joint ventured and then it became a major priority of the national security and intelligence communities that some of the big companies in China, beneficiaries of their technological and industrial policies, companies like Huawei, pose a national security threat because they have access—if they're going to be building out the world's 5G networks and even adding components to the 4G networks—they will have access to information that the US government wouldn't want the Chinese government to have.

There's been this nexus, or this connection, made between Huawei and the Chinese government. I don't know how true it is, there have been a lot of allegations and I'm sure Huawei presents some sort of a threat but the perceptions of that threat have been really politicized to the point where now we are talking about totally banning any kind of commerce between US companies and Huawei. So, US companies won't be able to sell components to Huawei, software to Huawei, and US networks will not be allowed to use Huawei gear in the 5G build-up. Additionally, the US is extraterritorially trying to compel other governments to rip out any Huawei gear that's in their telecommunications networks and to compel them to stop doing business with Huawei, so that transcends the trade agenda. But really, it's become the elephant in the room in the relationship between the United States and China—what to do about something that is sort of the equivalent of the arms race with the Soviets.

It's hard to imagine a set of circumstances under which the Chinese would agree to not try to advance technologically. It's hard to imagine a set of circumstance where the United States would not do what it can to thwart China's efforts to do that. But that's ultimately what we're going to have to do. And if we can't find a way to mitigate the threat and come up with some way to "trust but verify," we are going to have two competing sets of 5G standards around the world. If that happens, if we have this bifurcation then the scope for economies of scale for these Internet of Things products

and everything that 5G is going to provide for humanity to improve our lives is going to raise the costs of all of these products. It's going to slow the process of rolling out this infrastructure and developing these life enhancing products. And if we have a bifurcated global economy, we have to worry about growing animosity and the specter of bloc-wide tariffs being imposed to protect your sphere from the countries in the other sphere. Anyway, to me that's a big and very real threat to the global economy.

*WO: It seems like that's a relatively new problem. So, in the spirit of tracking the changes of trade across time how do you feel that the conversation around trade has changed throughout your career from your end, so in the private sector?*

**DI:** Well when I started at Cato we were just emerging from a period where we were really worried—a lot of American businesses and American policymakers—were worried about the rise of Japan and that Japan present[ed] this existential threat. And we needed to do something about it and we needed to embrace industrial policy. And then the Japanese threat sort of went away. The economy was doing well. China started to rise slowly. There was sort of this triumphalist view that trade liberalization had contributed to the end of history: that we were all going to get along and that trade disputes would be the exception not the rule. And for the most part it was kind of like that. But now people are revisiting the whole concept and saying: “Well weren't there costs to this? Didn't we forfeit some sovereignty in the process? Doesn't globalization undermine democracy to some extent?” Danny Roderick at Harvard talks about that a lot. I totally disagree with that perspective because there's nothing mandatory about globalization. Democracies are equipped with the capacity to advance what the people want to do there.

There used to be a lot of talk about liberalizing more trade—essentially, applying the regime that was so successful at reducing tariffs on goods to services, as well. In the United States, we Americans consume something like four to four and a half trillion dollars' worth of goods and about 60% of that is imported. We consume about nine trillion dollars of services but something like 800 billion of that is imported, so a very small percent of what Americans consume in terms of services are imported. That's because there are a lot of behind the border barriers to competition in health care and in education and services. And, you know, throughout the entire services industry—lawyering, accounting, architectural services. So, there was talk about liberalizing the services trades. That has slowed down because the global trading system is in duress. The World Trade Organization is under threat of implosion for a variety of reasons, including the US administration taking a very hard-nosed approach under the premise—false premise—that the WTO is somehow anti-American and it rules against the United States all the time and therefore the system needs to be fixed.

And I think Trump's view and his advisers' views are more in line with “all animals



are equal but some are more equal than others” —because the US played a big role in the creation of the trading system, we should get a pass; when we break the rules, we shouldn’t be called out on it, something to that effect. But anyway, there’s now a lot more focus on holding the line and not backsliding into protectionism. Whereas the focus for many years had been on how we continue to liberalize, today we’re asking questions like: can the global trading system withstand the US–China trade war? can it withstand the resurgence of nationalism and protectionism? And there’s protectionism going on elsewhere, it’s not just Trump. We’re revisiting a lot of ground that we thought had been settled in the past.

But that said I’m still 100% sure that free trade—lowering barriers to trade in goods and services, labor, and investment—is key to growing the global economy and fostering good, strong relations among people.

*WO: Let’s switch gears a little bit to talk about you—everyone’s favorite topic.*

**DI:** I didn’t know I was everyone’s favorite topic. That’s good.

*WO: In this interview, you’re everyone’s favorite topic. So, you are the co-author of Anti-Dumping Exposed: the Devilish Details of Unfair Trade Law. Would you mind talking about that book and your work on it?*

**DI:** Sure. This could be a cure for insomnia for your readers, though.

As I said earlier, I had worked in law firms in the 1990s basically as an analyst, as an economist focused on the anti-dumping law. The anti-dumping law is one of the so-called trade remedy laws that we have in United States. Dumping is said to occur when a foreign company is selling its products in a foreign market—let’s use the U.S. market as an example—at prices that are lower than what he charges in his home market. And it’s actionable under the anti-dumping law if those practices cause “material injury” to the domestic industry—the industry that brings the petition filing for relief, relief being the imposition of tariffs. For most of my time in the law firms, I’d represented foreign companies who were caught up in these cases.

And what happens when a domestic industry brings a case and anti-dumping case? Let’s take the example of Canned Pineapple Fruit from Thailand, which is the case that I worked on for a number of years. The U.S. petitioner was Dole, which produced pineapple fruit in Hawaii. They were claiming that imports of canned pineapples from Thailand were being sold at “dumped” prices (lower prices in the U.S. than those charged at home in Thailand), and causing material injury to their business in the U.S. In order for the case to proceed, the domestic industry has to file a petition with the US International Trade Commission and the US Commerce Department.

And what it has to demonstrate is that it is materially injured by reason of less than fair value imports. The Commerce Department sends out these questionnaires to the largest exporters in the country that's been accused of dumping. And these are very thick questionnaires that ask them questions about their home market sales, their customers in the home market, what expenses they incur, what products they sell. They want to know everything about your business in the home market. They want to know everything about your sales in the US market: what expenses you incur in the US, who you work with, and whether you have intermediaries. They want to know everything about your costs of production: how do you allocate costs for making this canned pineapple fruit. The questionnaires are very detailed and very technical. They're sent to companies in foreign countries—these Thai producers, many of whom don't have staff that speak or read English well, if at all—so they need a legal representation. Usually a US law firm represents them. So that's what we did.

In this case I spent a lot of time going to Thailand and helping these companies respond to the Commerce Department questionnaires. The narrative responses to these questionnaires are supplemented by databases. The Commerce Department wants to see records of all your sales in both markets and your costs of production so that it can calculate, can determine whether you're dumping and by what degree. So I did that for a number of years representing a bunch of different industries a bunch of different countries and then I came to Cato and I worked with Brink Lindsey who was a trade lawyer. He and I worked together for a few years and our objective was to expose the insanity of the anti-dumping law and how unfair the law itself is. It's couched in this rhetoric of preserving upstanding American jobs from predatory foreigners when in fact the law doesn't do that at all.

The law is slanted incredibly toward finding high dumping margins and the law is used primarily by US companies going after other US companies to try to cordon off their customers from alternative sources of supply, and to try to go after their domestic competitors, some of whom have outsourced some of their production to foreign countries. Anyway, so we wrote four policy papers, Cato policy papers, and then we did a synthesis of those papers, added some extra material, and bound it in a book. The whole point was to show how the dumping calculations work and how the process is so slanted, and to show that US exporters are now getting caught in the crosshairs because other governments have adopted the US anti-dumping regime.

We came up with ideas for reforming the anti-dumping agreement at the WTO and the US anti-dumping law. But it turns out that there is, to this day, broad bipartisan support for the anti-dumping status quo because policymakers, politicians, and Congress don't really care. They want to be able to say: "you know what, we are responding to unfair trade abroad with the anti-dumping law and we're not going to let our trade negotiators negotiate away this law." But although the antidumping law doesn't

affect directly a very large portion of imports, it is a huge political irritant because the United States uses the law so aggressively, so recklessly, and in violation of our WTO obligations that it makes it easy for other governments to justify skirting their own obligation to the WTO. So that book, was a good resource to about 40 or 50 people in the world. But it's a specialty and I go back to it every once in a while. But through my years at Cato since the book came out in 2003, I've written mostly about things other than dumping. I think I've written a couple of papers on dumping since that book came out, but it's becoming more topical again because under the Trump administration, there's been an increase in the use of these laws.

*WO: We will definitely tell our much smaller readership than that to buy your book because it does seem like an important issue at this time.*

**DI:** Excellent. The book jacket...is pretty cool looking though, at least.

*WO: That's always a good thing. So, in talking about more of your work, looking long term, what would you say is the most meaningful way you've been able to influence the conversations surrounding trade?*

**DI:** Meaningful. That's a good question. I mean, the most effective ways, I think—and this goes against my instincts—is to keep repeating the same points. Find a message that resonates and keep repeating it. And to me that is mind-numbing to say the same thing time and time again about trade: the benefits of trade come through imports, exports are the price we have to pay for imports. Exports are not our points and imports are the other team's points. The trade account is not a scoreboard. The trade deficit doesn't mean we're losing in trade. Having to say those things time and time again gets frustrating, but every two years there's a new Congress and there are freshman with new staffers who need to understand these basic concepts. And so you go back to Economics and Trade 101 and say the same things and sometimes it's frustrating but turns out that providing those sorts of building blocks to policymakers and their staff has helped dissuade or deter some of the worst policy ideas. My work has been cited on the floor of the Senate and the House and in debates and I've been able to testify before Congress. Those are useful channels for influencing policy although more often than not these hearings are really like show trials that are designed to make committee members look good, you know. They get a video of themselves asking a question with a really stern look on their face and their glasses perched over the end of their noses.

My favorite way to communicate is by speaking to student groups and particularly ones who are engaged like the Cato intern classes. I always get a lot of excellent questions and I feel like I'm helping shape minds. In Washington there's clearly a lot of cynicism about trade. And many of us who've been doing it for a long time look a little worse for the wear. So, when you have a fresh batch of people who could make a

difference—the next generation of people—that’s gratifying and I think it’s effective.

*WO: Looking at that next generation of people, World Outlook is an undergraduate journal and so most of our readership does tend to be people who are looking at figuring out what their life plan looks at. Do you have any advice or recommendation for undergraduate or graduate students that are interested in either think tank work or work on trade policy?*

**DI:** Well, in trade policy in general, I think the field is becoming more crowded because of the uncertainty over the future of trade policy that has been fomented over the past couple of years. Many businesses have actually brought people in-house to analyze trade, where this used to be a domain almost exclusively for think tanks and other public policy organizations, research organizations, and trade associations. So, there are more opportunities. But I don’t know if there’s a way to distinguish the skills you would use in the private sector for a Wall Street investment bank versus for a think tank like Cato. If people want to work in a think tank they’ve got to sort of adjust any ambitions that you may have had for having three houses: a summer house, a winter house, and a nice big house in the city somewhere because, you know, it’s not the best compensation in the world. But it’s a tradeoff that we make.

I love to get up every day and I think as long as you have a desire to make the world a better place and you’re open to facts that might contradict some of your a priori and you’re willing to go with those facts and either publish them or incorporate them into your conclusions and into your research, then the think tank world is good place to be. Of course, it depends on the think tank too. Some are more liberating than others. I’ve been at Cato for nineteen years and I have never once been told by anybody from our board or from any of our donors that: “Wow, you’re out of bounds and you shouldn’t be saying that and you should be saying more of this.” I’ve been totally free to pursue the research that I’ve wanted—I mean it turns out that I believe in free trade and therefore I don’t drift to too far from our orthodoxy—but some think tanks are more rigid and they don’t allow you to get outside of a predefined box. Because we’re non-partisan we get a certain level of respect that other think tanks that are associated with political parties don’t. I mean I think a lot of things that come out of maybe Heritage or the Progressive Policy Institute are just assumed to be “the party line.”

So, read a lot and make sure that you’re genuinely interested in the world and policy, and expect, at best, incremental progress. If you’re lucky you’ll have a major breakthrough on your watch.

*WO: That is very heartening. Thank you so much for your time.*