Public Opinion on Geopolitics and Trade:

Theory and Evidence[*]

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Abstract

Scholars have long debated the determinants of public opinion about trade policy, citing the importance of a variety of economic and cultural factors. However, the literature has paid surprisingly little attention to the role of security concerns in shaping mass preferences over international economic exchange. This paper provides the first systematic examination of whether and how geopolitical factors inform popular support for trade with allies and adversaries. We first develop a theoretical framework that incorporates two countervailing forces that are expected to influence public opinion: citizens are expected to favor trade because they anticipate that economic linkages can foster peace, yet they might at the same time oppose trade with adversaries if they fear the negative security externalities that emanate from such exchanges. We present survey and case study evidence to show that both determinants are important drivers of public opinion. Next, we investigate how voters evaluate these core tradeoffs by employing a series of survey experiments in the United States and India. Our experiments demonstrate that security externalities dominate in the public's mind. Citizens prefer trading with adversaries over allies, and their preferences are remarkably sticky. However, we find some evidence that people are willing to support trade with adversaries when they believe that trade will foster peace. These findings help explain when and why governments pursue economic cooperation in the shadow of political conflict.

Keywords: trade, globalization, alliances, security, political economy, public opinion

Following World War II, two schools of thought emerged regarding the Allies' trading relations with Germany. The first—finding echo in the Morgenthau Plan—advocated for implementing embargoes on raw material imports, lowering industrial export capabilities, and destroying existing manufacturing plants in Germany. The policy's explicit goal was to eliminate Germany's capacity to wage war again by asphyxiating its industrial base. By contrast, the second perspective called for tighter economic linkages with Germany. Proponents of the Marshall Plan contended that removing trade barriers and promoting economic integration with Germany would reduce the chance of conflict and promote world peace. In the midst of this debate, President Roosevelt's preferred path of action was the former approach, and his government took active steps to incorporate it into U.S. foreign policy (Casey 2001, 162-195). But Roosevelt eventually abandoned the Morgenthau Plan and paved the way for the Marshall Plan. Domestic public opinion was an important ingredient in this policy turnaround (Beschloss 2003). Mass preferences regarding America's relations with Germany shifted, as voters began privileging economic cooperation as a path to peace; Roosevelt's policy backtracking in the face of electoral pressure was "an example of an increasingly vehement president being reigned in by a more prudent public" (Casey 2001, 191).

This case hints at an explanation for a broader puzzle. Nations at times cut off trade with adversaries, based on the argument that trade and economic exchange can empower rivals. In other instances, countries elevate trade with adversaries, contending that international trade can serve as a conduit to peace. Public opinion appears to factor importantly into this decision. Politicians routinely highlight geopolitical concerns in political rhetoric and policy debates over trade, reflecting their need to win voters' approval while formulating broader policy agendas. Meanwhile, voter preferences time and again shape and restrict politicians' policy platforms on geopolitics and trade. Understanding how citizens interpret the linkages between geopolitics and trade is thus critical for comprehending when governments will or will not embrace international economic exchange in the shadow of conflict.[1] Yet, the vast body of scholarship on the determinants of public opinion on trade policy has paid little or no attention to this topic, thereby leaving us without the theoreti-

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[1] Other factors—for example, institutions, ideology, elite preferences, and special interests—likely also influence when and why nations decide to forge closer economic ties with rivals.

cal or empirical underpinnings necessary for evaluating the determinants of individual attitudes on geopolitics and trade.

How salient are geopolitical factors in shaping mass preferences on trade policy? Do voters prefer to trade more with allies over adversaries? What factors do citizens consider when evaluating tighter economic linkages with countries that do—or do not—present security threats? Theoretically, the answers to these questions are not obvious. The two central theories in the literature on international relations offer competing predictions about the systemic effects of trade on geopolitical relations between countries. The liberal peace theory argues that international trade should lead to peace because it creates economic interdependence, which in turn reduces the prospect of war between nations (e.g., Doyle 1998). This theory implies that if countries want to foster peace, they should expand trade with all partners—especially adversaries. At the same time, the "security externalities" theory proposes the opposite interpretation of the relationship between geopolitics and trade. Because trade frees up resources that can be diverted to military use, governments should prefer less trade with adversaries than allies; this circumscribes the wartime powers of their rivals, while bolstering the joint military capabilities of their alliances (Gowa and Mansfield 1993, 2004).

The empirical record similarly offers mixed evidence on the observed relationship between geopolitics and trade. In the 1970s and 1980s, trade between the United States and the Soviet Union averaged only about 1% of the total trade for both countries—the two largest economic powers in the world. Evaluated in the context of the Cold War, this evidence would appear to provide strong support for the security externalities theory. The United States' historically restricted trading relations with countries such as China, Cuba, and North Korea points to the broad applicability of this claim.[2] But other cases gel well with the liberal peace hypothesis. The advent of free trade between France and Germany in postwar Europe, China's eventual incorporation into the World Trade Organization, and Brazil and Argentina's decisions to join Mercosur were explicitly predicated on the assumption that free trade would lead to peace between rivals. In the face of

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[2]Similar dynamics appear in other parts of the world. For example, in 2010-11, India accounted for less than 5% of Pakistan's overall trade, and Pakistan less than 1% of India's trade, although both nations stood to reap considerable economic benefits through trade. See, e.g., FICCI 2012.

this theoretical and empirical ambiguity, it is difficult to assess how the mass public interprets the linkages between security and economic statecraft.

The purpose of this paper is to provide the first systematic examination of whether and how geopolitical factors affect public opinion on trading relations between nations. We discuss how the two theoretical perspectives—trade can promote peace with a partner but it can also increase a partner's military capabilities—can be incorporated within a single explanatory framework to explain individuals' preferences on geopolitics and trade. This theoretical framework leads us to expect that popular support for trade with an adversary will depend on the perceived impact of trade on both the likelihood of war erupting in the first place and on each nation's probability of winning the conflict in the event of hostilities breaking out.[3]

We then present several forms of empirical evidence to adjudicate our theoretical predictions. Observational survey evidence and real-world case studies demonstrate that the tradeoffs identified by our theory are highly salient in citizens' minds. Additionally, a series of survey experiments on voters in the U.S. and India allow us to examine how individuals evaluate our theory's predictions. These experiments vary the importance of geopolitical factors in order to identify the impact of allies and adversaries on popular support for economic integration. We are also able to compare how individuals interpret the effect of trade on the military capabilities of potential partners with the effect of trade on the possibility of peace between nations.

Our experiments reveal a striking set of findings. First, pursuant to Gowa and Mansfield (1993, 2004), we find that concerns surrounding security externalities tend to dominate in respondents' minds. Individuals are substantially more willing to trade with allies over adversaries, all else equal. The magnitude of this preference is large and overshadows the size of the preference for trade with other democracies. It is larger or comparable in size to the effect of standard economic determinants of trade preferences that have been well-established in the literature—indicating that the scholarship has overlooked a key determinant of individual attitudes on international economic cooperation. We also find strong support for the specific mechanism underlying Gowa and Mans-

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[3]This logic is modeled formally in the Supplemental Appendix for interested readers.

field (1993, 2004)'s security externalities theory. In particular, respondents eschew trade when economic exchange increases an adversary's military capabilities.

Next, we examine the malleability of these preferences by investigating whether individuals' opinions shift when they learn that trade can lead to peace. When informed about the peace-inducing characteristics of trade, the preferences of some of our respondents reverse. In accordance with the liberal peace hypothesis, these respondents are willing to consider increasing trade with adversaries. Indeed, when adversaries have desirable characteristics, overall levels of support for trade with adversaries can be high. However, a notable feature of our findings is that citizens continue to give a black mark to trade with adversaries *relative to allies*. Even when presented with the "best case" scenario of trade with an adversary with many desirable characteristics, citizens continue to prefer to trade with an ally instead. Together, these results suggest that mass preferences on geopolitics and trade hew to the predictions of the liberal peace hypothesis, but are more strongly influenced by considerations of economic statecraft.

These geopolitical triggers of individual attitudes on trade policy have hitherto gone unnoticed in the vast empirical literature on trade preferences. Our study shows that geopolitical factors have large and qualitatively meaningful effects on public opinion. They also operate in a systematic manner and in ways that are consistent with our theoretical micro-foundations. Our paper thus brings to bear new theory and evidence to explain how geopolitical considerations shape mass attitudes toward globalization. Forming a more complete understanding of public opinion in this arena both extends the international relations literature about the drivers of globalization, and informs many public policy debates about economic cooperation; for example, policymakers seeking to encourage liberalization among partner states might wish to consider the triggers and influences of mass support for such policies. More broadly, our findings provide fresh insights into the geopolitical underpinnings of the global economy, helping explain why governments constrained by public opinion at times choose economic cooperation, while at other times choose to inhibit economic exchange.

In what follows, we flesh out our theoretical framework of the geopolitical determinants of

trade, and then examine how our predictions play out in real-world examples. Next, we explain our experimental design, present the empirical results from a series of experiments, and test the mechanisms driving our results. We conclude by discussing how our theoretical framework can help explain a wide range of historical and contemporary cases, and suggest directions for future research.

The Importance of Geopolitics for Public Opinion About Trade

Recent research argues that citizens might not possess detailed knowledge about the subject of trade (Rho and Tomz 2015); in such cases, public opinion may or may not be a crucial determinant of policy outcomes. However, voters tend to know which countries are the friends and which countries are the enemies of their homeland. In survey results that we report below, for example, American citizens display remarkable consistency and accuracy in their responses to questions probing the identities of the U.S.'s allies and adversaries. The public's heightened awareness of geopolitics is an important factor constraining foreign policy. Scholars have shown that mass preferences are critical when geopolitical considerations are salient and that voters care strongly about specific policies towards allies and adversaries. For example, Bailey (2003, 148) documents that "when the public is deeply concerned about foreign policy, the preferences of the public permeate and dominate the entire system," and that it is precisely during these instances when voters have considerable influence over trade policymaking debates. Indeed, in the presence of an external threat, "the foreign policy establishment...enjoy[s] the popular support necessary to take trade policy out of its domestic format" and to turn it into a security issue.

Historical and contemporary examples abound in which popular support for trade with allies and adversaries swayed trade policy relations with particular partner countries—including whether to grant MFN status to them, sanction them, sign PTAs and other preferential agreements with them, or allow them to accede to multilateral organizations. For example, public opinion played a critical role in determining U.S. trading relations with states such as the U.S.S.R and China during

the Cold War, while prompting the relaxation of trade restrictions between these nations after the Cold War ended (White 1998; Yergin 1977).[4] Geopolitical factors have also represented recurrent themes in public discourse over trade policymaking between historic adversaries such as India and Pakistan, Europe and Russia, and Japan and China. In India, for example, when public opinion has rallied against Pakistan, political elites have been forced to adopt a harder line on trade and economic cooperation.[5] Likewise, politicians and policymakers in the U.S. have routinely drawn on geopolitical concerns when promoting trade agreements to voters.[6]

More broadly, mass preferences can have meaningful implications for observed trade policy responses (Fordham and McKeown 2003; Kono 2008) because of both electoral and non-electoral mechanisms. In the context of competitive elections, candidates who propose policy platforms that resonate with the preferences of constituent groups frequently induce policy shifts among other candidates running for office (Verdier and O'Rourke 1994). These competitive electoral realignments can systematically shape policy platforms across political spectrums.[7] Outside of electoral contexts, too, to the extent that political elites depend on mass support for legitimacy, we should expect public opinion to play a role in shaping the policy platforms of political elites (see, e.g., Lü, Scheve and Slaughter 2012). Importantly, even when citizens do not directly vote on

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[4]In 1957, for example, only 50% of Americans agreed that the U.S. and the U.S.S.R should increase trade with each other; by contrast, following the end of the Cold War, 68% of registered voters believed that the U.S. should give the U.S.S.R. the same trading privileges that it gave most other countries (Roper Center 1991). These shifts in public opinion had important implications for domestic electoral competition and foreign policy measures in the U.S. (Yergin 1977). A similar pattern emerges when we consider U.S.-China trading relations. In 1949, when faced with the prospect of the Communists seizing power, 46% of Americans wanted to discontinue trade with China, while only 34% wished to continue trading with it (White 1998). In 1999, by contrast, 54% of Americans wanted the U.S to normalize trade with China and allow China entry into the World Trade Organization, with 33% expressing opposition to the trade policy change (Jones 2000). China, too recognized the importance of public opinion for its entry into the institution, and undertook a public relations campaign designed to elicit more favorable opinions of China among U.S. citizens (see: Elisabeth Rosenthal. "China's U.S. Road Show, Aimed at Making Friends." *New York Times.* August 23, 2000.)

[5]See, e.g., "India and Pakistan: Why This Reconciliation Could Be Different." *Stratfor*, December 10, 2015.

[6]In public remarks about the Trans-Pacific Partnership (TPP), for example, U.S. Secretary of Defense Ash Carter declared that the agreement "makes strong strategic sense" and that "it would deepen our alliances and partnerships abroad"; "passing TPP is as important to me as another aircraft carrier" (Department of Defense 2015). During the presidential primary debates of 2015, candidates defended their support for the TPP by arguing that it would allow the U.S. to create "strategic alliances against the Chinese...[who] are certainly not our friend" (*The Washington Post*, November 10, 2015; Green and Goodman 2016).

[7]In the 2016 presidential primaries, for example, protectionist trade policy platforms by candidates in both the Democratic and Republican parties shifted the political rhetoric and policy offerings of candidates who were initially staunch proponents of free trade (see, e.g., *The New York Times*, March 9, 2016).

trade agreements, public opinion can actively constrain the government, as politicians seek to avoid "rocking the boat" by implementing policy measures that are unfavorable to their voter bases.

At the same time, how geopolitical considerations shape public opinion when trade policy is at stake remains an open question. Without a strong theoretical framework and empirical research design that allows us to parse out the effect of geopolitics from the impact of unrelated determinants of trade policy preferences, we are unable to adjudicate the extent to which security concerns are salient predictors of public opinion. Extant scholarship on individuals' trade policy preferences have focused exclusively on economic and cultural factors, while ignoring geopolitical considerations, a topic to which we now turn.[8]

How Does Geopolitics Impact Public Opinion on Trade?

This section develops a theoretical framework to explain how individuals interpret linkages between geopolitics and trade. We engage with two prominent theories of the geopolitical determinants of trade—the liberal peace theory and security externalities. Subsequently, we discuss how these theories can interact in a single framework to influence public opinion on trade with allies and adversaries.

Trade Promotes Peace

A widespread belief in the scholarly and policy community holds that trade reduces conflict (Oneal et al. 1996; Oneal and Russet 1997; Oneal, Russett and Berbaum 2003). This theory, known as the liberal peace hypothesis, predicts that international trade causes peace by fostering economic

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[8]Citing directions for future research in the study of trade and conflict, Mansfield and Pollins (2001, 842) argue that "more attention also needs to be paid to how domestic actors influenced by interdependence affect foreign policy." Economic factors likely matter to the public, as scholars have found some support for both the Heckscher-Ohlin model (under which preferences are based on individual skill level) and the Ricardo-Viner model (under which preferences are based on industry of employment); see, e.g., Mayda and Rodrik (2005); Scheve and Slaughter (2006); Hainmueller and Hiscox (2006). Cultural values, too, have been shown to contribute to public opinion over economic policy. These views may be driven by factors such as sociotropic perceptions (Mansfield and Mutz 2009), nationalism (Mansfield and Mutz 2013), patriotism (Mayda and Rodrik 2005), ethnicity (Gaikwad and Nellis 2016), education (Hainmueller and Hiscox 2006), views on cultural openness (Margalit 2012), prejudice (Sabet 2014), symbolic predispositions (Sabet 2012), and religiosity (Jamal and Milner 2013).

interdependence, which then creates incentives to avoid war since conflict would disrupt profitable connections. Under most versions of the liberal peace hypothesis, public opinion is assumed to play a key role in this causal chain (Hegre 2000, 6). The theory relies on the basic idea that citizens and firms have strong motivations to pressure their governments to refrain from costly conflicts with trading partners.[9] Disputes are thought to harm commercial arrangements since the gains derived from trade are threatened by war; thus, citizens, consumers, and economic actors lobby their governments to avoid such military entanglements (Russett and Oneal 2001).[10] Governments depend on citizen support and lobbying contributions from firms to stay in office, and thus follow suit. In this view, trade fosters peace because disrupting interdependence harms economic well-being and generates risks for individuals and firms—an outcome that leaders have strong incentives to avoid (Morrow, Siverson and Tabares 1998, 659).[11]

In addition, trade leads to greater contact and communication between citizens, which mitigates the potential for misunderstandings and helps promote the peaceful resolution of conflict (Hegre 2000). Because "trade exposes a state's citizens to the ideas and perspectives of citizens of other countries on a wide range of issues...these communications....form an important channel for averting interstate conflict" (Russett and Oneal 2001, 130). Citizen preferences play a key role in this argument. With greater economic integration, citizens feel a sense of shared community and values, and desire peace. The public may thus seek to foster trade dependence in order to tie their own politicians' hands or to forestall a military attack.

This logic has a long history. Immanuel Kant and other philosophers contended in the late 1700s that increased trade would make war inimical to citizens' and politicians' interests (Kant 1795). Moreover, in the nineteenth century, global economic openness was thought to lead to trade, which would in turn "encourage economic growth and create in each state a large political constituency for maintaining the interdependent global system. All this necessitated peace. Thus,

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[9]For the role of domestic coalitions in shaping both economic openness and conflict, see: Solingen (1998); Papayoanou (1996). Additionally, Long (2008) discusses the role of firm expectations and investor preferences in determining this relationship.

[10]For studies exploring the effect of conflict on trade, see: Glick and Taylor (2010); Li and Sacko (2002); Dorussen (1999); Long (2008).

[11]For overviews, see Doyle (1998); Mansfield and Pollins (2003); Stein et al. (1993).

high levels of economically important trade were expected to create broad commercial interests that would encourage peace with everyone, not just with a state's closest trading partners" (Russett and Oneal 2001, 138). Indeed, Russett and Oneal (2001, 149) find that "countries that are open to external economic relations are constrained from using force even against rivals with whom commercial ties are limited." Thus, key scholarship on this topic recommends bringing states such as Russia and China "into the Kantian system" in order to reduce the likelihood of war (Russett and Oneal 2001, 273), as do many policymakers (which we review subsequently). This is thought to be both in citizens' best interests and states' best interests.

Indeed, this logic remains so prevalent that it has been used time and again to support liberalization between states, and between adversaries in particular. For example, in its mission statement, the World Trade Organization states that by increasing free trade, the institution will "foster peace and stability."[12] Further, the establishment of the European Economic Community, the U.S.'s decision to foster trade with China, and a variety of other policy decisions were premised on the logic that trade would bind adversaries together to prevent war. We provide more detailed examples subsequently, as well. Overall, then, advocates of the liberal peace theory argue that, all else equal, **citizens should support free trade with all states, but especially adversaries with whom trade could help to foster peace.** However, it remains an open question whether citizens think about trade in these terms, or believe the claims of the liberal peace theory. Even if they do think that trade leads to peace, we remain unsure to what extent citizens value peace through trade, or whether their thinking is dictated by other potential logics, to which we now turn.

Trade Generates Security Externalities

In contrast to the liberal peace theory which suggests that increasing trade with adversaries leads to positive outcomes, another dominant theory of the geopolitical determinants of trade policy argues that international commerce between such states creates negative security externalities. These arise primarily because trade allows domestic resources to be used with greater efficiency (Schelling

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[12]See. e.g., $https://www.wto.org/english/thewto\_e/whatis\_e/wto\_dg\_stat\_e.htm$, accessed March 2016.

1958), which in turn allows economic resources to be diverted to military uses, bolstering the military might of states that trade (Gowa 1989; Gowa and Mansfield 1993, 2004). Due to the anarchic nature of the international system, states rely on military power to pursue their goals, making them cognizant of their trading partners' military capabilities. While trade with states that have similar security interests carries positive security externalities, because states seek to bolster the military capabilities of the dyad as a whole, trade between states with dissimilar objectives and intentions carries negative externalities when it allows trading partners to become relatively stronger.[13]

Furthermore, negative externalities may also arise when states breach their agreements. States with dissimilar interests may face particular incentives to renege (Mastanduno 1992), because doing so can harm trading partners by preventing them from obtaining military resources and lessening their economic might. Such states are also more likely to disagree about international issues, providing them with additional motivation to threaten to renege on agreements in order to obtain concessions. For example, the United States often threatens to reduce trade unless its partners democratize, respect human rights, or support the U.S.'s position in other foreign policy situations (Carnegie 2015). By contrast, states with similar interests typically seek joint-welfare maximization, which gives them a stake in ensuring that such agreements are honored.

A commonly used and powerful indicator of similar security interests is the presence of a military alliance, since alliance commitments are typically made between states with common security concerns. They are costly to reverse due to the well recognized domestic and international punishments for abrogating commitments (Fearon 1994; Tomz 2007), and due to the potential threat of retaliation from allies; thus, states rarely do so (Leeds, Long and Mitchell 2000). Shared interests and commitments to mutual security benefits thus provide allies with powerful incentives to bolster their joint military capabilities in conjunction with expanding their trading relations,[14]

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[13]Trade inevitably benefits one adversary more than another. Thus, when states are concerned about relative gains, the state who benefits relatively less from trade will not support trade with that partner.

[14]For empirical studies that both support and question the linkages between alliances and trade flows, see: Mansfield and Bronson (1997); Long and Leeds (2006); Long (2003); Morrow, Siverson and Tabares (1998); Bliss and Russett (1998); Berger et al. (2010).

because such forms of trade emanate positive security externalities. By contrast, trade between adversaries carries with it negative externalities,[15] which can be mitigated by implementing higher tariffs on the imports of rivals.

Overall, this theory suggests that if citizens understand this logic, they should prefer trade with allies over adversaries. They would wish to avoid trading with adversaries because trade holds the potential of enhancing the relative capabilities of trading partners, which in turn could assist their adversaries in winning conflicts in the future. Thus, under this theory, **the more trade helps an adversary win conflicts, the more citizens favor limiting trade with that state.** However, as we noted previously, this prediction is at odds with the prediction of the liberal peace theory, raising questions about how citizens think about trade with adversaries and whether the expectations of either theory hold. As explained previously, citizen preferences are especially well formed when geopolitics are involved, and are often critical in shaping policy outcomes in these situations. It is thus important to understand the logic by which citizens evaluate trade with adversaries and allies. To do so, we turn to an empirical analysis to understand the conditions under which each framework may shape individuals' trade preferences.

Do Geopolitics Matter? Evidence from Two Democracies

Our theoretical framework suggests that mass opinions about geopolitics and trade should be driven not only by the desire to avoid wars with adversaries but also by the preference for winning wars should they ever break out. We now seek to determine how the public thinks about these tradeoffs, and the degree to which individuals' preferences are malleable. What kinds of countries do citizens wish to trade with, and how difficult is it to move their opinions on trade, conflict, and peace?

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[15]Security externalities can become particularly salient when production is characterized by imperfect markets. In such cases, firms and governments face a time-inconsistency problem, whereby once they undertake investments required to trade with another country, that country may renege on its trading commitments in order to extract political concessions (Gowa and Mansfield 2004). Additionally, if a trading partner is likely to back out of an agreement, then the firm or government may not invest in the first place (Carnegie 2014, 2015). These factors generate additional negative security externalities for trade between adversaries, but are less of a concern for allies because "alliances can help regulate opportunism by foreign governments" (Mansfield and Bronson 1997, 95).

To answer these questions, we turn to the world's two largest democracies: the United States and India. We first motivate our selection of these countries by showing qualitatively that geopolitical concerns regarding trade are salient in each. We pair examples of political rhetoric and public discourse with survey-based evidence to demonstrate that foreign policy debates over each country's trading relations with its adversaries strongly mirror the key theoretical determinants highlighted by our theoretical framework. In subsequent sections, we build on these illustrative examples by using a set of survey experiments that probe the causal linkages between geopolitical determinants and trade policy preferences.[16]

Geopolitics and Trade in the United States

As one of the principal architects of the global system of trade, the U.S. has grappled with decisions over which countries to foster free trade with and which to shut out from its global trading networks. At key moments, such decisions have generated considerable controversy, frequently as a result of the dynamics we identify. For example, arguments about whether trade would strengthen adversaries or promote peace featured centrally in U.S. foreign policy discourse over trade with the Soviet Union and other adversaries during the Cold War, as well as with trade with Germany and Japan after World War II (Carnegie 2015). Consider, for instance, the debate that ensued in 2001 over whether to allow China to join the WTO, which would lead to free trade between the U.S. and China. China is seen as one of the U.S.'s principal adversaries and competitors; in line with our theoretical framework, the terms of the debate regarding trade with China focused squarely around the geopolitical issues that lie at the heart of our theory.

More specifically, in the run-up to China's WTO entry, the U.S. Congress debated whether to grant China permanent MFN status, which would solidify free trade between the two countries. Arguments for and against free trade with China followed the pattern we identify. Critics argued

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[16]While we examine observational evidence regarding trade between adversaries, evidence also exists that our predictions hold more generally between allies. For example, the fact that the United States and South Korea are close allies helped convince the public in South Korea to favor the passage of the free trade agreement between the two countries (Park and Park 2014).

that trade with China would build up China's military might, which could harm the U.S. if a conflict were to break out. For instance, after China's WTO entry, a report by the China Commission— which was set up to monitor China following its WTO entry—concluded, "America's policy of economic engagement with China rests on a belief that...a more prosperous China will be a more peaceful country." However, the report went on to state, "Many leading experts are convinced that certain aspects of our policy of engagement have been a mistake....and that we are strengthening a country that could challenge us economically, politically and military." It continued, "China's leaders...often describe the United States as China's long-term competitor for regional and global military and economic influence." Because of China's adversarial position relative to the U.S., the report flagged that "current U.S. policies and laws fail to a adequately monitor the transfers of economic resources and security-related technologies to China" and that trade has led "to China's economic growth and military modernization." The report recommended that Congress therefore invoke Article XXI of the GATT, which would allow the U.S. to restrict trade with China under the WTO's national security exception, among other similar measures to limit trade.[17]

However, those in favor of promoting trade with China thought that doing so would lead to peace. For example, Senator Grassley stated, "I believe we should approve permanent normal trade relations for China...[because] history also shows that free and open trade is one of the most effective ways to keep the peace." He argued that this was particularly important due to his belief that "many of these disputes and tensions will involve...both China and the United States."[18] Similarly, an article from the *Wall Street Journal* that was read into the Congressional Record summarized the Clinton administration's stance on China's WTO entry. It stated that the administration presumed that joining the institution would provide a "peace dividend," explaining that trade would "empower a bloc of interests favoring outward-oriented growth and the conditions required to secure it, including peace." Further, "dependent on...Western commerce, China would reconsider military

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[17]"U.S.-China Security Review Commission Annual Report." Senate July 17, 2002. 107th Congress, 2nd Session. Issue: Vol. 148, No. 97.

[18]Grassley, Charles. "Why China Should Join the WTO." Congressional Record, Volume 146 (2000), Part 2. Senate. Page 1505.

adventurism as too costly and counterproductive."[19] It is striking that the key theoretical tensions that we highlighted in our theoretical framework are precisely the considerations that featured in political debate over the U.S.'s decision to normalize trade with China.

Geopolitics and Trade in India

Similar forms of geopolitical rhetoric have preoccupied public policy debate over trade between India and Pakistan. Indeed, a controversy has been brewing for years about whether both nations should extend to each other the "Most-Favored Nation" (MFN) trading status, which would allow individuals and firms across the historically adversarial nations to trade directly instead of utilizing indirect paths, which carry high transportation costs.[20] Proponents argue that offering MFN status—and thereby increasing trade—would lead to peace. For example, diplomatic observers note that "trade appeared to be the low-hanging fruit for stakeholders on both sides of the border, who hoped that better economic relations would pave the way for political stability and normalized relations between the two countries."[21]

However, opponents argue that trade would provide military advantages to the other partner, an outcome which they seek to avoid. Indeed, India's views on free trade with Pakistan has repeatedly taken a negative turn in the aftermath of terrorist attacks tied to Pakistani militants or alleged to be condoned by the Pakistani intelligence agencies. After a recent terrorist attack in which 140 schoolchildren were killed, for example, India curtailed trade with Pakistan because the Indian government was loath to further empower the Pakistani military.[22] As Zaidi (2004) summarizes pithily, "the constraints to better regional integration and free trade are more political than economic, and there are no real economic arguments for not trading with each other"; but the constant elevation of political tensions between both nations tend to bring efforts at liberalizing their economies "back to square one." Thus, at least on the surface, the geopolitics and trade tradeoffs

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[19]September 13, 2000. Congressional Record- Senate. Page 17913. "Jiang Muddies the Waters." September 12, 2000. *Wall Street Journal*.

[20]Without MFN, traders must route their goods through other countries like Dubai, for example.

[21]Sattar, Huma. "India-Pakistan: The Curious Case of the MFN Status." *The Diplomat*. February 14, 2015.

[22]Sattar, Huma. "India-Pakistan: The Curious Case of the MFN Status." *The Diplomat*. February 14, 2015.

that we highlight in our theoretical framework appear endemic—bedeviling global superpowers and regional powers, rich and poor nations, and democracies and non-democracies alike.

Survey Evidence from the United States and India

While the prior discussion makes clear that geopolitics shape many decisions over economic integration in the U.S. and India, the question remains whether these considerations reflect mass preferences. To discern the extent to which geopolitics matter in determining people's views on trade with their adversaries, we administered a survey which focused on U.S.-Russia and India-Pakistan trading relations, which represent two long-lasting and salient adversarial relationships. We ran our survey on a sample of 200 American adults and 200 Indian adults whom we recruited using the Amazon Mechanical Turk (MTurk) platform in May 2016.

We began by asking respondents whether they support increasing trade with Russia (for American respondents) or Pakistan (for Indian respondents) and requested that they write 3-5 sentences explaining their answer. Because we queried respondents at the beginning of the survey, we did not prime respondents in any way. We then hand-coded the responses based on whether they cited security externalities as the reason for opposition, peace as the reason for support, lack of trust as the reason for opposition, economic rationales, other geopolitical reasons, other non-geopolitical reasons, or whether there was not enough information provided to determine which category the response fell under. Responses could fit into multiple categories if several factors were mentioned and therefore do not sum to the number of respondents. These results are summarized in Table 1.

[Table 1 here]

The first thing to note is that geopolitical concerns cited by our respondents dwarf economic considerations. In the U.S. sample, citizens cited geopolitical issues 152 times compared to 82 times for economic factors. In the Indian sample the difference was even more pronounced, as people mentioned geopolitical factors 168 times, while they only noted economic concerns 50 times. Next, the vast majority of responses fell into the geopolitical categories we have identified. Within the Indian sample, 90 people mentioned security externalities, and 74 believed that

15

increased trade would cause peace. For example, one respondent noted, "as the people of India seeing Pakistan as enemy country, I want to support the foreign trade to lessen this enemy. As the trade flourishes, the friendship between the country also flourish (*sic*)." As another put it, "it would reduce the hostility between the two countries. It would prompt Pakistan businessmen to invest in India too. Once the trade and investment reaches higher levels snapping relations with India will not be easy." In contrast, security externalities arguments focused on terrorism, as many people feared that boosting trade would allow more terrorist attacks. For example, according to one respondent, "Pakistan is a worst country in the world. Pakistan support terrorists and working against towards India. So foreign trade help tem to grow their military. That is a threat to India (*sic*)." Many people worried additionally that trade would allow Pakistan to smuggle weapons and terrorists into India.

Similarly, in the U.S. sample, 59 responses cited security externalities, while 70 mentioned that trade would likely lead to peace. On the security externalities side, one person stated, "I dislike Russia's foreign policy with neighboring countries. I believe that the way to control Russia's ability to expand their empire is to limit them financially. I believe that the US has manipulated oil prices down to this end. We should restrict trade with Russia and isolate them to limit their global power." Another believed, "They are our enemy. They dont support anything we do. They are hostile in Ukraine. Russia will use the money for its army against us." However, others thought that peace would grow as a result, and some even mentioned both factors as a trade-off. For example, one respondent noted, "Trade would be beneficial to both parties involved. While Russia might increase its military powers with the additional funds created through trade, they could enhance the lives of citizens through more programs and funding to help the poor. This would benefit and strengthen our relationship with Russia, leading to less threats of war and violence."

These mixed opinions in part reflect divided expectations about the likely effects of trade on geopolitical outcomes. Indeed, when asked directly whether they thought trade would lead to peace, 111 U.S. respondents believed that it would while 91 people disagreed, while the corresponding numbers in India were 120 and 85. When we then queried whether they anticipated

16

that trade would strengthen Russia's military, 127 U.S. respondents replied that it would, while 75 thought it would not; presented with the same question regarding Pakistan, 107 Indians answered in the affirmative, while 98 expressed the opposite view. Additionally, 100 U.S. citizens expected that Russia would keep its end of a potential trade agreement with the U.S. (102 did not). Regarding Pakistan, 102 Indians replied that it would honor a trade agreement, but 103 did not.

The split nature of these opinions raises the question of whether respondent's views would change if they could be persuaded that trade's effects are either more or less beneficial than they previously thought. Moreover, these results are observational, representing correlations that could potentially be capturing additional factors unrelated to the geopolitical tradeoffs that we sought to probe. We thus turn to a series of survey experiments to further investigate our theory.

Experimental Tests of the Impact of Geopolitics

Do people wish to trade more with allies over adversaries? How do geopolitical considerations stack up against more conventional determinants of trade preferences, such as economic factors? If geopolitical triggers are important for public opinion on trade, through what mechanisms do they operate, and how malleable are individuals' views on these matters? We now study these questions using survey experiments. Our experiments allow us to circumvent common problems of endogeneity, and permit us to manipulate variables that would otherwise be difficult to distinguish from the effects of geopolitical factors. For example, allies of the United States tend to be democracies; observed predilections for trade with allies could therefore reflect preferences for trade with members of shared security alliances, yet could also capture individuals' desire to cooperate with nations that hold free and fair elections. Our research design allows us to parse out the effect of correlated factors such as these, and ensure that we identify the causal effect of the geopolitical determinants of trade preferences that are central to our theoretical framework.

We begin by employing a vignette experiment in which respondents were provided information in a manner similar to what they might encounter in a newspaper article, commentary

piece, or political speech. The purpose of the experiment was to study how individuals respond to theoretically-grounded geopolitical determinants of trade preferences that might arise from real-world political discourse. This approach provides unambiguous causal estimates of our theoretical determinants of interest in ways that are comparable to seminal tests of public opinion in international relations research (see, e.g., Tomz and Weeks 2013). Additionally, and perhaps more importantly, this structure provides a direct test of our theory. In particular, we wish to probe how respondents evaluate the positive and negative geopolitical effects of trading with an adversary when both mechanisms are made salient, as they often are in public debates on the issue.

Next, we analyze the results of a conjoint experiment. This study allows us to compare the magnitude and significance of the geopolitical determinants of public opinion over trade policy with well-known benchmarks in the literature. Moreover, the conjoint design permits us to address additional threats to inference, such as ordering effects in vignette studies, and to explore how variations in levels of geopolitical determinants influence individual preferences. We can also investigate how sticky opinions are; in other words, we can study how preferences for trade with adversaries shift (or do not shift) when trade affects additional features that might be important to individuals. Specifically, we can gauge when people switch from viewing trade with adversaries in terms of security externalities to considering the peace-inducing characteristics of trade.

Vignette Experiment Design

We ran our vignette experiment on a sample of 1,208 American adults whom we recruited using the Amazon MTurk platform in March 2016. We chose the MTurk platform because of its cost and efficiency gains relative to other convenience samples. MTurk samples are largely representative of the broader population (Berinsky, Huber and Lenz 2012), and many studies employing MTurk have replicated findings from nationally representative surveys, especially in the domain of trade preferences (Huff and Tingley 2015). For instance, correlations between MTurk samples and those of nationally representative samples are high (between .75 and .81) (Coppock 2016; Mullinix et al. 2015). Of particular relevance to our study, Huff and Tingley (2015) demonstrate that MTurk re-

spondents are employed in similar industries to those found in nationally representative surveys.[23]

The experimental treatment was implemented at the start of the survey directly after respondents provided informed consent. We presented subjects with the following scenario:

> An article in a major national newspaper recently stated that the U.S. is considering enacting a free trade agreement with another country. Trade will strengthen the U.S. economy, although some Americans will lose their jobs as a result of free trade.
> The other country in the free trade agreement [*is / is not*] a democracy and has a large military. Importantly, the other country is an [*ally / adversary*] of the U.S., meaning that it is considered to be [*friendly with / hostile to*] the U.S.
> In addition, the article makes two key predictions about how trade with the U.S. will impact the other country. First, trade [*will / will not*] benefit the other country's military. Second, trade [*will / will not*] help ensure peace by reducing the possibility of a conflict between the other country and the U.S.

Our experimental manipulations comprised four sets of treatments. First, we varied whether the country was a democracy or not in order to directly provide information about an important characteristic of the country that respondents might plausibly have associated with America's allies and adversaries. If respondents conflated allies with democracies, for example, the effect of the allies treatment might have captured individuals' preferences for trading with democracies. By establishing the nature of the country's government, we effectively controlled for this correlated threat to inference. Moreover, this treatment permitted us to compare the magnitude of the effect of our primary variable of interest with a well-known benchmark in the trade preferences literature. According to the scholarship on the democratic peace theory, democracies forge economic connections with one another. Our goal was to compare respondents' preferences for trade with allies with their known proclivity for establishing trade with democracies. This test also allowed us to study whether geopolitical mechanisms operated differently among democracies and autocracies.

Our main experimental manipulation pertained to the country's status as an ally or adversary. Apart from explicitly using these terms, we explained that allies are considered to be "friendly" with, whereas adversaries are considered to be "hostile" toward, the U.S. because the words "allies"

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[23]While the characteristics of MTurk respondents differ in some ways from those of a nationally representative sample, we re-weight the sample to mirror population benchmarks in a robustness check and find similar results.

and "adversaries" might have been unfamiliar to some respondents. This variable allows us to test whether geopolitical determinants are broadly important in shaping individual attitudes.

The security externalities theory argues that these externalities represent "the most critical aspect of free trade agreements in the anarchic international system"; increased efficiency resulting from trade "itself frees economic resources for military uses" and "enhances the potential military power" of trading partners (Gowa and Mansfield 1993, 408). Our third treatment seeks to test this specific claim. We reveal to respondents that trade either "will" or "will not" benefit the other country's military. If the security externalities theory is correct, respondents should be sensitive to the expected military impact of trade. In particular, they should de-emphasize trade with an adversary and elevate trade with an ally due to the military benefits associated with trade. In a similar vein, following the liberal peace hypothesis (see, e.g., Doyle 1998), we test whether citizens are more likely to prefer trade when trade is expected to promote peaceful ties. We inform voters that trade either "will" or "will not" decrease the possibility of conflict between both nations. Crucially, observe that these treatments mirror the key concepts, mechanisms, and tradeoffs that emerged from our theoretical discussion.

A few additional points about our vignette are worth noting. First, we clarify that the potential trade partner has a large military. This is an important feature of (Gowa and Mansfield 1993)'s security externalities theory, and we did not want subjects to differentially attribute military sizes to allies and adversaries based on pre-existing associations. In addition, we highlight the fact that trade will have economic ramifications. By stating that "trade will strengthen the U.S. economy, although some Americans will lose their jobs as a result of free trade," we attempt to provide a balanced and holistic picture about the costs and benefits of free trade; a vignette discussing the impact of trade in America that contained no reference to economic factors might have appeared incongruous to some respondents. Finally, the information in the vignette was sourced to a major national newspaper, providing the content an aura of authenticity and suggesting that the deliberation over the free trade agreement was consequential to public discourse.

After presenting respondents with this scenario, we immediately asked the question: "Given

the facts described in the article, do you support increasing trade with this country?" Respondents could answer "Yes" or "No." We also asked, "How much do you support or oppose increasing trade with this country?" using a 5-point sliding scale which ranged from "support strongly" to "oppose strongly." Next, respondents answered several follow-up questions. They gave us their opinions on whether trade with the other country would be good for America's national security and economy, respectively. Our survey also probed respondents on a number of demographic characteristics, while also capturing their levels of isolationalism, internationalism, military hawkishness, and ethnocentrism—key theoretical mechanisms that previous work has shown shape individual preferences over national security and economic policy (Brewer 2004; Mansfield and Mutz 2009).

Vignette Experiment Results

We begin by scrutinizing the effect of the geopolitical profile of the U.S.'s potential trading partner. Table 2 presents the results of this analysis. By simply replacing the word "ally" with the word "adversary" and explaining that this implies that the other country is either "friendly with" or "hostile to" to the U.S., support for trade with the country decreases by 19 percentage points ($p = 0.000$). Column 1 presents the treatment effect using a binary outcome measure and no controls. Columns 2 and 3 show a qualitatively similar relationship when we add a vector of pre-treatment covariates and use the ordered outcome measure of support for trade. Neither of these specifications alter any of our subsequent findings, and so for clarity of interpretation, we present results using our binary outcome measures and specifications without controls going forward. Overall, we find compelling evidence that respondents on average prefer to trade with America's allies, while simultaneously attaching a trading penalty to its geopolitical rivals.

[Table 2 here]

Next, we test whether the mechanism specified by Gowa and Mansfield (1993)—namely, that voters privilege trading with allies over adversaries due to the "knock-on effects" of trade on military sizes—resonates with respondents in our sample. Table 3 presents the effect of the treatment in which we specify that trade will strengthen the other country's military. Column 1 shows that

the security externalities mechanism has a large and statistically significant impact. Respondents are less likely to favor free trade when told that trade will augment the militaries of America's trading partners. The magnitude of this effect is larger when we restrict our sample to countries that are considered adversaries (Column 2), as support for free trade falls by 18 percentage points in these instances ($p = 0.000$). But when we study the effect of this treatment on America's allies, an entirely different pattern emerges: There is no statistically significant effect when respondents consider the effect of trade on military sizes among these countries ($\beta = -.039$; $p = 0.334$).

These findings are largely consistent with the security externalities theory, as we find strong support for the prediction that citizens do not wish to promote trade when trade will help the militaries of their adversaries. The lack of a similar penalty among allies shows that citizens do not inherently find the association between trade and military sizes unappealing—they discriminate on this measure only when they are concerned about the geopolitical consequences of trade. Note, however, that we do not find a symmetric *positive* association for the impact of trade on the militaries of America's allies. This suggests that the securities externalities theory primarily sways the public through its effect on adversaries rather than through its effect on allies, which implies that the public's concerns about geopolitical factors are likely more salient and intense when considering trade with adversaries relative to allies, as noted previously.

[Table 3 here]

We now examine whether voter preferences regarding trade with adversaries shift when trade holds the prospect of inducing peace. Table 3 shows that by replacing "trade will" with "trade will not" in the statement about trade reducing the possibility of conflict between the other country and America, we trigger a sharp effect among respondents. Column 1 shows that there is a 31 percentage point increase in support for free trade in the full sample. Columns 2 and 3 break down these results among respondents who are told that potential trading partner is an adversary and an ally, respectively. Observe first that consistent with our broad theoretical framework, the baseline support for free trade is much lower for adversaries than for allies. When informed that trade will help ensure peace, respondents upgrade their evaluation of the free trade agreements for

both adversaries and allies—a finding consistent with the overarching claim of the liberal peace hypothesis—but the magnitude of the treatment effect is larger for adversaries. Evidently, when trade reduces the possibility of conflict, many voters who were once averse to trade with adversaries now prefer to increase trade with these potential trading partners.

Table 3 also reports the results of the democracy treatment. As Column 1 shows, the positive effect of being a democracy is substantially smaller in magnitude than the effect of being an ally. Additionally, the treatment effect when the other country is considered to be an adversary (Column 2) is smaller in magnitude than the treatment effect when it is an ally (Column 3). In conjunction with the evidence presented previously, Table 3 indicates that geopolitical considerations are significant predictors of individuals' opinions on trade policy, and are orthogonal to a trading partner's status as a democracy or not.

As an illustrative exercise, we can compare the effect of a trading partner that is an adversary with respondents' willingness to trade under different treatment conditions. When a trading partner is an adversary, a minority (only 39%) of respondents prefer increasing trade with it; by contrast, 58% of respondents prefer trading with an ally. As expected by the security externalities theory, the effect of switching from an ally to an adversary on support for trade is negative and significant, but this preference becomes even more negative when trade is expected to increase the partner's military. Now, only 29% of citizens express support for trade with an adversary. But our results also provide supportive evidence for the liberal peace hypothesis. When informed that trade with an adversary will both bolster its military and reduce the possibility of conflict, 45% of respondents (a greater proportion than before, although still a minority) now support increasing trade. This support increases substantially when we look at the "best case" scenario for trade with adversaries—that is, when trade does not increase the size of the adversary's military yet is expected to foster peace. In these instances, average levels of support reach 65%, indicating that a potential referendum on such a trade agreement would pass muster.

Note, however, that a striking feature of our results is that it is difficult to shift people's preferences about trading with adversaries relative to allies. Put simply, the public never prefers trade

23

with adversaries over trade with allies. Even when we consider the "best case" scenario discussed above (i.e., when trade does not increase the size of the partner's military yet reduces the chance of a conflict breaking out), significantly more respondents prefer trading with allies (74%). That citizens consistently prefer trade with allies over adversaries indicates that public opinion on geopolitics and trade is well-defined and persistent. These trends can be evaluated more formally in Table 4, which interacts the adversary treatment with the peace and military treatments.

[Table 4 here]

Conjoint Experiment Design

We next run a conjoint survey experiment on a sample of American respondents that we recruited in March 2016 using the MTurk platform. Conjoint methods present two or more hypothetical options to respondents and ask them to choose between and rank the choices according to their preferences.[24] In our survey, subjects were shown characteristics of two randomly-generated hypothetical trading partners and asked to select which partner they would rather see the United States trade with.[25] We provided each subject with five sets of these comparisons.

We experimentally varied six attributes of the trading partners. The full list of attributes is given in Appendix Table 4. We began by indicating whether a partner was an ally or an adversary, but we also specified whether the other country was a democracy or not, because the democratic peace literature predicts that democracies seek to forge economic relations with each another. Next, we explained that the military size of the other country was either "much smaller" or "a little smaller" than America's military. According to Gowa and Mansfield (1993), the larger a trading partner's existing military size, the greater the security externalities that emerge from trade. The treatment seeks to test this hypothesis in the American context. We did not include options indicating that the military was equal in size to, or larger than, the U.S. military. Such options would have been

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[24]See Hainmueller, Hopkins and Yamamoto (2013) for an analysis of conjoint experiments using a potential outcomes framework.

[25]Specifically, respondents were provided the following prompt: "America is considering increasing trade with other countries in the world. We are interested in what you think about this topic. We will now give you information about two countries that are America's potential future trading partners. If you had to choose one country with which America should increase trade, which country would you choose?"

unrealistic; it is well known that the U.S. has the largest military in the world.

Our fourth treatment indicated whether trade would increase the size of the other country's military. Respondents were given one of the following attributes: "no change in size," "a little," and "a lot." While our vignette experiment provided respondents with a binary choice, our conjoint experiment presented an ordered set of options. Our goal was to study how variation in the levels of these theoretical attributes would impact respondents' preferences. We also specified that because of trade, the likelihood that the other country would engage in a conflict with America would either "stay the same," "decrease a little," "or decrease a lot."[26] This treatment captures the theoretical determinant of preferences for free trade that emerges from the liberal peace theory. Finally, we varied whether trade would "help," "hurt," or "neither help nor hurt" the U.S. economy in order to compare the magnitudes of potential geopolitical effects with those of economic effects that are well-established in the literature.

A couple points are in order. First, our treatments related to the geopolitical and economic effects of trade are intentionally subjective. We considered providing respondents with concrete information on military sizes, probabilities of conflict, and trade-induced economic costs and benefits, but decided that respondents would likely be unfamiliar with this degree of specificity in the treatments. More importantly, public discourse on geopolitics and trade is rarely couched in specifics. Political speeches and commentary, for example, typically focus on broader concepts, such as the general ability of trade to foster peace. Second, we do not provide a comprehensive test of all of the theoretical determinants of trade that have been highlighted in past studies. For example, prior work emphasizes that the *individual*-level relative wage effects of trade are important drivers of public opinion on globalization (Scheve and Slaughter 2006). For the purposes of efficiency and statistical power, we were restricted in the number of theoretical concepts that we could test in this experiment. But because the geopolitical determinants we sought to test are predicted to have economy-wide effects, we introduced macro-economic tests of the impact of trade similar to

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[26]We restricted two attribute profile combinations; when the trading partner was an ally, we did not allow trade to decrease the likelihood that the country would engage in conflict with the U.S. by either "a little" or "a lot" as allies would not typically be expected to enter into military conflicts with one another.

the theories highlighted in Mansfield and Mutz (2009). Finally, the order of the attributes was randomized to prevent ordering effects and to facilitate comparisons of the magnitudes of treatment effects with the vignette experiment, where the order of the treatments was held fixed.[27]

Our research design fully randomized the six theoretical attributes of the free trade agreement under consideration; for each potential trade partner, the values for these six dimensions were randomly assigned to ensure that the treatment groups are comparable on both observable and unobservable criteria. Thus, even if respondents subjectively interpreted some of the information that we provided differently, any potentially confounding variables would have been distributed uniformly across treatment groups, and our estimates of treatment effects would remain valid. We use a linear probability model to estimate the marginal effects of each of these features. For each trade partner that a subject contemplated, we created a variable which takes a value of 1 if a subject selected that partner and 0 otherwise. We regress this variable on dummy variables for values of the trade agreement to nonparametrically estimate the effect of variation in each feature on support for free trade. Our results remain unchanged when reestimated using a probit model.[28]

Conjoint Experiment Results

Table 5 reports our estimates of the influence of the geopolitical and economic determinants of trade preferences on public support for free trade, each of which should be interpreted relative to the attribute's reference category. These results are shown graphically in Figure 1. We find that geopolitical considerations have a qualitatively large impact on public opinion, as moving from an ally to an adversary decreases public support for an agreement by 27.4 percentage points. It is worth acknowledging the sheer magnitude of this effect. This is the largest treatment effect obtained in the conjoint experiment, and respondents penalize adversaries more than twice the amount that they reward democracies (12.8 percentage points). By way of comparison with a well-established benchmark in the literature, consider the effects associated with trade's impact on

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[27]We find no evidence that the order had any effect on the outcomes.

[28]We also asked respondents to rate on a scale of 1 to 10 how much they would support increasing trade with each country profile; we obtain qualitatively similar results using both the binary and ordered outcome measures.

the U.S. economy. When we shift from telling respondents that trade "helps" the U.S economy a little to trade "hurts" the U.S economy a little, support for the trade agreement falls by 27.0 percentage points. The literature on trade preferences has established that trade's perceived impact on the national economy is a key determinant of individual opinions on trade policy (Mansfield and Mutz 2009), yet we find that the magnitude of geopolitical considerations appear to surpass such economic concerns.[29]

[Table 5 here]

Next, we find substantive support for both of our theoretical mechanisms. On the one hand, when informed that trade will increase the size of the other country's military by "a lot" compared to the baseline level of inducing no change, respondents become 16.8 percentage points *less* likely to support trade. On the other hand, they are 18.4 percentage points *more* likely to support the trade agreement when trade decreases the likelihood of conflict between the other country and the U.S. by "a lot."[30] The peace-inducing properties of trade have a nearly equal and opposite impact on preferences toward trade with adversaries when compared to the negative security externalities generated by trade.

Note that Table 5 shows us that the effect of being an adversary is negative, and that this impact can be mitigated—but not eliminated—when trade is expected to reduce conflict by "a lot". This suggests that even in a potentially "best case" scenario for adversaries, citizens would likely still prefer trade with allies. However, our respondents' opposition to adversaries is not inflexible, as some people who are opposed to trade with adversaries become willing to support such trade agreements when they anticipate that trade will induce peace between nations.

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[29]We refrained from telling respondents that trade helped or hurt the U.S. economy a lot, as a trade agreement with any one country (apart from China) is unlikely to do so and thus this option seemed unrealistic.

[30]Recall that we restricted by design the decrease in the possibility of conflict only to instances in which the other country was an adversary. As explained earlier, it is improbable that trade reduces the prospect of war between allies that already enjoy friendly relations.

Generalizability and External Validity

Do the experimental findings that we uncover in our U.S. sample carry over to other settings? One might question whether our results are unique to the U.S., whether the heightened political salience of trade politics in the presidential primary elections of spring 2016 unduly influenced our American respondents, or whether the effects are driven by specific subsamples of the population. Of course, the fact that both economic and geopolitical factors have featured heavily in recent U.S. political discourse over trade policy underscores the theoretical merit of our study and the real-world implications of our findings. Nonetheless, we investigate these questions in several ways.

Replicating Findings in India

While our survey was run in the United States, the question remains whether the factors we identify are salient elsewhere, particularly in developing countries. The concern is particularly important given that scholars have argued that particular findings in the trade, conflict, and peace literature hold better among advanced industrialized economies than among developing countries (Hegre 2000; see also: Keshk, Pollins and Reuveny 2004). To examine this question, we focus on India, where geopolitical considerations have routinely been invoked by political elites when discussing foreign economic policy, as explained previously. As the world's largest democracy, and as one of the most economically and geopolitically significant developing countries in the world, India shares several similarities and differences with the U.S., making it an important crucible for tests of our theory. We thus replicated our vignette experiment on a sample of Indian respondents recruited from the MTurk platform in April 2016. Our experimental design was identical to the U.S. vignette experiment, save for some minor context-specific variations.[31]

Appendix Table 5 presents the results of the experiment. We draw attention to the striking similarity of the results to our U.S. vignette experiment. When informed that the other country is an "adversary or opponent" rather than an "ally or partner" of India, respondents were significantly

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[31]See the supplemental appendix for details on the survey wording and design.

less likely to want to trade with the country. They also attached a negative penalty to trade when trade was expected to increase the military size of the other country. However, when trade enhanced the prospects of peace, respondents were much more likely to value trade with the other country.[32] Overall, these results indicate that the effects that we uncover in our U.S. sample appear to resonate among citizens from the world's largest democracy.[33]

Heterogeneous Treatment Effects

Next, we examine whether different types of citizens attach different weights to the military sizes and peace-inducing properties of trade. To explore this possibility, we analyze our U.S. results by subgroups, distinguishing between respondents classified as hawks versus doves, liberals versus conservatives, Republicans versus Democrats, and interventionists versus isolationists (see Appendix Tables 3—6). Though we find that some segments of the population place greater emphasis on certain characteristics than others (for example, hawks are much more likely to penalize potential trading partners that are adversaries than doves – showing a 31.2 percentage point decline in support for trade relative to allies versus a 23.0 percentage point decline for the latter), the direction and significance of the effects are identical for each subgroup. This suggests that our results generalize to many types of individuals.

Other Countries and Time Periods

Survey experiments must necessarily capture attitudes at a specific moment in time in a specific location. The question remains whether these factors are salient in other time periods and countries. Previously, we pointed to suggestive evidence from the Cold War and from the post-WWII settings, which appear to indicate that our results are broadly generalizable. Here we use qualitative survey and case study evidence from the India-Pakistan conflict and the Taiwan-China conflict to investigate these claims more deeply. We present the India case here and relegate the Taiwan case

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[32]Note, however, that the democracy treatment is insignificant in the Indian context.

[33]We also replicated our conjoint experiment in the Indian context but do not include the results here due to space constraints. See the authors for results.

to the supplemental appendix (see also, Appendix Tables 9—10). While this data is observational and is therefore merely suggestive, it can help us to adjudicate whether citizens in these countries think about trade in the geopolitical terms studied here.

We look at public opinion data from a survey administered by Pew Research Center in India between December 7, 2013 – January 12, 2014. We begin by probing whether respondents with more negative opinions of Pakistan—that is, those who view Pakistan as more of an adversary— are less supportive of trade with Pakistan (see Appendix Table 10). To do so, our outcome variable is measured using responses to the following question: "Do you think that an increase in trade and business ties between India and Pakistan would be a very good thing, somewhat good, somewhat bad, or a very bad thing for our country?" Respondents could answer on a sliding scale from 1– 4 from "very good" to "very bad." Our key independent variable is whether respondents viewed Pakistan in an adversarial manner, which is measured in two ways. First respondents are asked "Please tell me if you have a very favorable, somewhat favorable, somewhat unfavorable or very unfavorable opinion of Pakistan?" Again, responses are measured on a sliding scale from 1–4, increasing in unfavorability. Our second measure asks respondents "How serious of a threat is Pakistan to our country? Is it a very serious threat, a somewhat serious threat, a minor threat, or not a threat at all?" This is scaled from 1–4 from "very serious threat" to "no threat at all."

We first look at the correlation in a basic regression, and then add demographic characteristics. These include an indicator for whether the respondent is male, age, religiosity, an indicator for whether the respondent is employed, income, and an indicator for whether the respondent lives in an urban area. As shown, we find strong and significant evidence that the more respondents view Pakistan as an adversary, the less likely they are to want to trade with Pakistan. Additionally, this effect dwarfs the effects of the other variables we include, as none of our control variables are statistically significant.

We next examine whether respondents that value peace between Pakistan and India are more likely to support trade liberalization (see Appendix Table 11). We use two measures of how much citizens desire peace. First, we examine responses to the question: "How important is it that

relations improve between Pakistan and India?" This was answered on a scale from 1-4, from "very important" to "not at all important." Second, we look at answers to the question, "Would you favor or oppose further talks between India and Pakistan to try to reduce tensions between the two countries?" This is coded as an indicator of whether respondents oppose talks. Here, we find that respondents that are more averse to peace between Pakistan and India are also less likely to support trade between the two countries. Again, our key independent variables represent the only significant findings; none of our control variables reach statistical significance. We emphasize, however, that the data remain observational in nature and thus the results, while suggestive, could be driven by other factors.

Finally, we find additional evidence of the generalizability of our effects when we examine the results of our first survey. In particular, respondents were also asked whether they supported trade with other countries and why. We found that they tend to explain their answers in geopolitical terms, particularly regarding peace and security externalities; the supplemental appendix provides further details. This suggests that people think about trade with a variety of partners in the manner we highlight in our theory.

Discussion

This paper revisited two large literatures that can help explain the geopolitical determinants of citizens' attitudes toward trade policy: economic statecraft and the liberal peace. The security externalities theory predicts that the public should favor trade with allies over trade with adversaries because trade generates economic efficiencies that can potentially bolster the military power of trading partners—an uninviting prospect should war ever break out between rivals. By contrast, the liberal peace hypothesis argues that citizens should support trade with all countries and, in particular, adversaries, since economic interdependence fosters peace and mitigates the possibility of conflict erupting in the first place. We explored the implications of these theories and for determining public opinion about trade and adjudicated their relative importance using novel surveys in

31

the United States and India.

Our surveys demonstrated that individuals routinely evaluate trade in geopolitical terms, and in ways that are consistent with both major theories of security and trade. When confronting the prospect of trade with an adversary, geopolitical factors dwarfed all other factors—including economic factors, which are considered to be the leading determinants of trade preferences—in shaping voters' opinions. Respondents also overwhelmingly preferred trade with allies, as predicted by the security externalities theory. At the same time, their disapproval of trade with adversaries diminished when they anticipated that trade would serve as a conduit to peace—a result consistent with the liberal peace hypothesis. But a startling feature of our findings was that even when the prospect of peace made trade with an adversary more favorable than before, citizens still preferred to trade with allies. Overall, these results indicate that geopolitical considerations are paramount in the minds of voters, and that while both the security externalities and liberal peace theories are critical determinants of public opinion on trade, security externalities dominate.

Our findings make several contributions both to the international relations scholarship on trade and security, and to public policy debates on global economic cooperation. First, we show that the literature on public opinion on trade policy has missed a key determinant of citizens' attitudes: geopolitics. Our observational surveys demonstrated that at least for some country pairs, such as Russia and the United States or Pakistan and India, geopolitical concerns dwarf economic factors when citizens appraise the overall benefits of trade. These results were bolstered by our experiments, which found that the magnitude of the preference for trade with allies over adversaries was larger than or comparable to the preference for trade with democracies or with partners that offer benefits to our respondents' domestic economies. That public opinion on trade is molded by geopolitical considerations previously unacknowledged in the literature is significant; it might help explain why prior studies have at times registered public opinion findings that appear to be incongruent with existing political economy models of the determinants of trade preferences. It also indicates that scholars seeking to understand the role of geopolitics in international economic exchange should pay attention to both the security externalities and peace-inducing features of

trade; a sole focus on either mechanism can generate misleading inferences about how trade impacts statecraft. Additionally, it suggests that the public opinion scholarship on national security policies is potentially missing an important part of the story by largely ignoring the role of trade and economic cooperation in influencing mass preferences on security relations between nations.

Second, the stickiness of our finding that people prefer to trade with allies over adversaries challenges conclusions in the literature about the malleability of trade preferences. Some scholars argue that trade is perhaps too complex of a policy domain for people to hold firm beliefs about it, so that voters are easily swayed by a host of ever-changing considerations. We document, by contrast, that people have well-established preferences over geopolitics, and that these predilections in turn create sticky viewpoints on trade policy with allies and adversaries. An important implication of our findings is that the opening up of trade with adversaries or the closing off of trade with allies can potentially be difficult for governments, since politicians will often face electorates that care deeply about the geopolitical ramifications of these policy shifts. Such an interpretation is consistent with many historical cases in which politicians sought to forge closer trading relations with adversaries but encountered widespread public hostility to their proposed policy platforms. Particularly well-known examples include Nixon's opening of trade with China, which had to be conducted in secret given the vehement public opposition, and Germany and France's efforts to link their economies before World War II. Note that the latter example required a catastrophic war before citizens could be convinced of the peace-inducing benefits of closer economic ties.

Indeed, our results speak to many contemporary policy debates about trade agreements under negotiation—such as proposals to include China within the TTP framework, the U.S.'s opening of trade with Iran, India and Pakistan's plans to break down trade barriers, and others. In each of these cases, the public has been deeply resistant to policy proposals seeking closer trading relations with adversaries. While existing public opinion scholarship offers few guidelines to help make sense of such mass preferences, our paper proposes a simple yet coherent framework to explain these trends. Voters are skeptical of trade with adversaries because they fear the geopolitical consequences of such economic linkages. Because of the significant uncertainty surrounding these agreements'

33

likely geopolitical effects, citizens appear to assume that closer economic linkages will strengthen their rivals.

At the same time, an important implication of our findings is that a significant portion of the population responds positively to the idea that trade leads to peace; policymakers seeking to advance trade agreements with geopolitical dimensions could thus benefit from clarifying these potentially positive geopolitical consequences of tighter trade linkages.[34] Our experiments suggest that this kind of information could help convince some voters to change their minds and support economic cooperation with adversaries. More ambitiously, policymakers can consider explicitly designing trade agreements to advance the goal of reducing conflict. Future work should consider whether and how specific provisions or arrangements in these agreements could be effective at convincing citizens that trade will lead to peace.

More broadly, our study helps to explain when states are able to cooperate economically in a global order characterized by anarchy. Leaders around the world—particularly in democratic societies, but also in authoritarian regimes—are heavily constrained by public opinion. Thus, even when leaders wish to cooperate, they can find it difficult to do so because skeptical publics may remain preoccupied with the negative geopolitical repercussions of trade. Though future work can test whether similar dynamics operate in other areas of global cooperation such as foreign investment and aid, our study points a potential explanation: the public is often unsure of whether economic cooperation creates peace or facilitates war with adversaries. Cooperation between adversaries may thus require shifts in opinion; for example, WWII convinced voters in France and Germany of the necessity of avoiding war again, thereby giving rise to economic cooperation. Regime change, demographic shifts, or public education campaigns could similarly trigger transformations in public opinion. However, note that in our conjoint experiment, even when individuals were given clear information about the geopolitical effects of trade, they still preferred trade with allies over the "best case" scenario of trade with adversaries. This result suggests that under some

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[34]In a similar vein, our findings suggest that politicians seeking to promote trade agreements between historical geopolitical allies—such as, for example, the Transatlantic Trade and Investment Partnership (TTIP), or the TPP excluding China—could likely gain considerable leverage by highlighting the positive security benefits that stand to emerge from such agreements.

conditions, governments might be able to foster public support for economic cooperation with rivals, but also points to the primacy of geopolitical concerns in shaping individual attitudes toward trade.

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Tables and Figures

Table 1: Reasons for Trade with Adversaries

India

Category	Responses
Security Externalities	73
Peace	74
Trust	17
Other Geopolitical Rationale	4
Economic Rationale	50
Other Rationale	4
Cannot Be Determined	12

U.S.

Category	Responses
Security Externalities	33
Peace	70
Trust	26
Other Geopolitical Rationale	23
Economic Rationale	82
Other Rationale	12
Cannot Be Determined	9

Table 2: OLS Estimate of the Effect of Ally / Adversary Treatment

	Binary Outcome 1	Binary Outcome 2	Ordered Outcome 3
Adversary Treatment	- 0.189***	- 0.189***	- 0.510***
	(0.028)	(0.028)	(0.048)
Constant	0.582***	0.412***	2.147***
	(0.020)	(0.077)	(0.047)
Controls	No	Yes	No
R-Squared	0.035	0.061	0.042
N	1,208	1,202	1,208

Notes: Pre-treatment controls include gender, age, education, religion, race, and income. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 3: OLS Estimates of the Effect of Military, Peace, and Democracy Treatments

	Effect in Full Sample 1	Effect For Adversaries 2	Effect For Allies 3
Military Treatment	-0.109***	-0.183***	-0.039
	(0.029)	(0.039)	(0.040)
Constant	0.542***	0.484***	0.601***
	(0.020)	(0.029)	0.028
R-Squared	0.012	0.035	0.002
Peace Treatment	0.313***	0.331***	0.299***
	(0.027)	(0.037)	(0.038)
Constant	0.332***	0.227***	0.435***
	(0.027)	(0.024)	0.028
R-Squared	0.097	0.115	0.091
Democracy Treatment	0.078***	0.056***	0.098***
	(0.029)	(0.040)	(0.039)
Constant	0.449***	0.365***	0.532***
	(0.020)	(0.028)	0.028
R-Squared	0.006	0.003	0.009
N	1,202	603	605

Notes: Constants not shown. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 4: Interactions between Adversary, Peace, and Military Treatments

	Binary Outcome 1	Binary Outcome 2	Ordered Outcome 3
Adversary X Peace X Military	-0.087***	-0.094***	-0.141*
	0.034	0.033	0.083
Adversary X Peace	0.074***	0.081***	-0.124**
	0.024	0.024	0.058
Adversary X Military	-0.100***	-0.094***	0.490***
	0.023	0.023	0.058
Peace X Military	0.057**	0.077***	0.124**
	0.024	0.024	0.058
Adversary Treatment	-0.158***	-0.163***	0.370***
	0.018	0.017	0.043
Military Treatment	-0.063***	-0.069***	-0.020
	0.018	0.018	0.043
Peace Treatment	0.268***	0.253***	-0.730***
	0.017	0.017	0.040
Constant	0.467***	0.354***	3.193***
	0.013	0.025	0.030
R-Squared	0.151	0.172	0.155
N	1,208	1,202	1,208
Controls	No	Yes	No

Notes: Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 5: Conjoint Experiment: Effect of Trade Partner's Attributes on Support for Free Trade

	Treatment Effect in Full Sample
Other Country's Government Type	
Baseline: Not a democracy	
Democracy	0.128***
	(0.009)
Other Country's Alliance with America	
Baseline: Ally	
Adversary	-0.274***
	(0.013)
Current Military Size of Other Country	
Baseline: A little smaller than the American military	
Much Smaller	0.027***
	(0.008)
Increase in Size of Other Country's Military	
Baseline: No change in size	
A little	-0.038***
	(0.011)
A lot	-0.168***
	(0.011)
Change in Likelihood of Conflict	
Baseline: Likelihood stays the same	
Decreases a little	0.081***
	(0.012)
Decreases a lot	0.184***
	(0.013)
Impact of Trade on U.S. Economy	
Baseline: Helps a little	
Neither helps nor hurts	-0.107***
	(0.010)
Hurts a little	-0.270***
	(0.011)
Constant	0.757***
	(0.014)
R-Squared	0.131
N	12,080

Notes: Robust standard errors clustered by respondent in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Figure 1

Effect of Trade Partner Attributes on Support for Trade
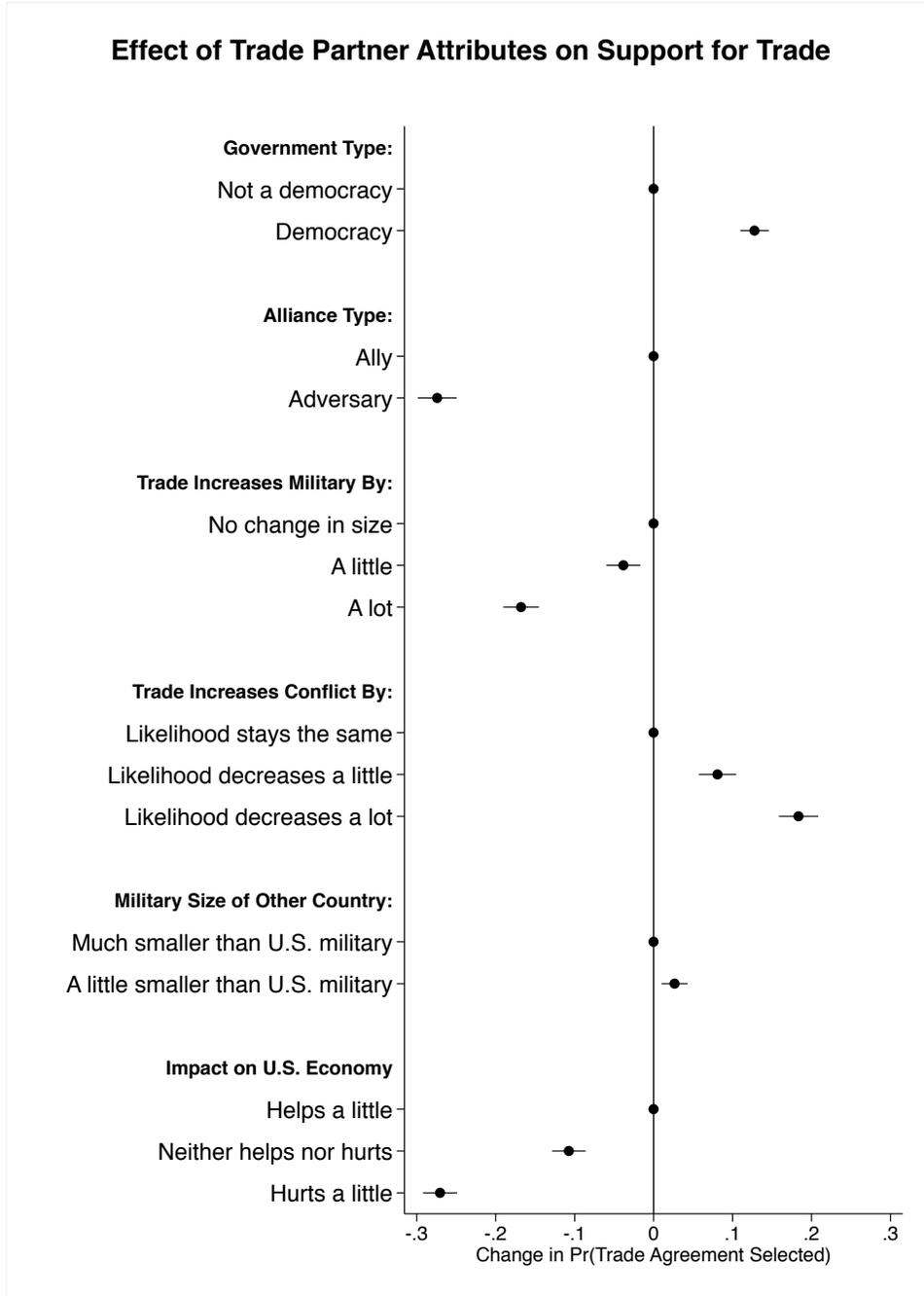
Public Opinion on Geopolitics and Trade:
Theory and Evidence

Appendix of Supporting Information

(Not for publication)

A Formal Illustration of Geopolitics and Trade

As our earlier discussion makes clear, insights derived from the liberal peace theory challenge the central tenets of the economic statecraft literature. How can we reconcile the two sets of ideas? We argue that both concerns can occur simultaneously in people's minds, illustrating one particularly plausible scenario by adapting the basic model found in Gowa and Mansfield (1993) and Gowa (1994). In particular, we contend that trade has two, potentially countervailing effects on a country's security: it can affect not only a country's ability to win a war were conflict to break out *but also* the probability of war erupting in the first place. Thus, we argue that to fully understand the relationship between geopolitics and trade, trade's effects on security must be decomposed into these two constituent parts.

We start with the classic model found in Gowa and Mansfield (1993), which supplements a basic prisoner's dilemma by modeling additional disutility from trading with an adversary and additional utility from trading with an ally. The disutility from trading with an adversary is a function of the adversary's gains from trade and is "based in part on what Robert Powell has described as a 'very simple, highly stylized assumption about the nature of warfare': that is, the 'stronger a state is economically, the more likely it is to prevail in war'" (Gowa and Mansfield 1993, 410). However, this model does not consider trade's ability to affect the probability of war breaking out in the first place.

Therefore, we begin with this modified prisoner's dilemma, but we further alter the stage game to include the possibility of war between adversaries in a second period. In our set-up, states first choose whether to cooperate through free trade or to defect by imposing trade protection, as in the standard game. However, after making this choice, war breaks out with some probability. Like Gowa and Mansfield (1993), we consider a grim trigger strategy, so that if a state defected in the first period, both states defect in the second period and in each subsequent stage game. If a war erupts, there is some probability that a particular side wins, and then the stage game repeats itself.

States gain utility over the resources they obtain from trade Θ and from winning the war W (disutility from losing the war is normalized to zero), and lose utility from the cost of fighting a

war C. If both states cooperate, each gains R from trade in that period; if one defects, the defector obtains T and the cooperator receives S in that period; and if both defect, each receives P in that period. Thus, $\Theta \in R, T, S, P$.

While states are the strategic actors in the game, since only governments can formulate trade policy, we expect that citizens' utilities are influenced by similar components. When trade cooperation occurs, citizens on average benefit from the gains from trade, as they receive cheaper prices on goods and experience other economic benefits.[35] Further, citizens pay a cost from fighting wars, whether through forfeited tax revenues that could have been spent on public services or through conscription or war casualties, etc. Citizens also obtain utility from winning wars, since they experience economic benefits from wartime settlements as well as other moral gains, and are at the very least able to avoid the significant costs entailed in losing wars to adversaries. Adapting this model of state behavior thus allows us to decompose the factors that comprise citizens' utilities, and to subsequently investigate how they evaluate these tradeoffs when trading with adversaries.

Because both theories predict that states desire trade with allies, we examine the more interesting case of trade between adversaries here and relegate the case of trade between allies to the supplemental appendix. If a war breaks out, state i's probability of winning is given by q (and state j's probability by $1 - q$), which depends on the resources of both states. There are thus four possible probabilities: $q(R_i, R_j)$, $q(P_i, P_j)$, $q(S_i, T_j)$ and $q(T_i, S_j)$. Further, the more trade that i engages in, the more likely it is to win the war, all else equal. This occurs because trade increases the efficiency with which states use resources, freeing up additional resources for military purposes as in Gowa and Mansfield (1993).

Thus, citizens benefit from their state obtaining relatively more wealth through trade, but suffer from their adversary doing the same. If both adversaries increase trade with each other, the citizens of the state that increases trade the most gain a benefit in terms of the probability of victory. If trade between adversaries increases in equal amounts, the effect washes out and the probability of war is simply the baseline probability. Thus, the probability of victory is greater the more resources the

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[35]Of course, trade creates economic winners and losers, but to highlight the broader geopolitical tradeoffs that are at the heart of our investigation we do not incorporate such nuances here.

state has and the fewer its partner has—formally, $q_{\Theta_i}(\Theta_i, \Theta_j) \geq 0$ and $q_{\Theta_j}(\Theta_i, \Theta_j) < 0$.

A second effect of economic exchange is that the more trade increases between adversaries, the lower is the probability of war breaking out in the first place. This occurs because trade can provide benefits that are destroyed by war, and it can foster interactions and understanding, as argued by proponents of the liberal peace. The probability that war breaks out, denoted p, is thus a function of whether the adversaries cooperate in their trade relations or not, such that $p_{\Theta_i}(\Theta_i, \Theta_j) \geq 0$ and $p_{\Theta_j}(\Theta_i, \Theta_j) \geq 0$. There are then four possible probabilities: citizens receive $p(R_i, R_J)$ if the adversaries cooperate in the first period, $p(P_i, P_J)$ if the adversaries defected previously, $p(T_i, S_J)$ if one of the adversaries defected in the first period, and $p(S_i, T_J)$ if the other adversary defected in the first period.

If adversaries cooperate, citizens in state i therefore receive: $R_i + p(R_i, R_j)[q(R_i, R_j)W - C]$. However, if i defects against an adversary, its citizens receive: $T_i + p(T_i, S_j)[q(T_i, S_j)W - C]$ in the first stage, and $P_i + p(P_i, P_j)[q(P_i, P_j)W - C]$ in each subsequent stage. These payoffs are summarized in Table 1.

Citizens of state i therefore favor cooperation with an adversary when the payoff from cooperation is greater than the payoff from defection, or when:

$$
\frac{R_i + p(R_i, R_j)[q(R_i, R_j)W - C]}{1 - \delta} \geq
$$
$$
T_i + p(T_i, S_j)[q(T_i, S_j)W - C] + \frac{\delta[P_i + p(P_i, P_j)[q(P_i, P_j)W - C]]}{1 - \delta}.
$$

As the equation makes clear, when the probability of victory associated with defection $(q(T_i, S_j), q(P_i, P_j))$ for state i increases, the citizens of state i are more likely to support this action, whereas when the probability of victory associated with cooperation $(q(R_i, R_j))$ increases for i, the citizens of state i become more likely to favor cooperation. Thus, as in Gowa and Mansfield (1993), **if trade increases the partner's military capabilities, the citizens of state i are less likely to favor free trade, all else equal.**[36]

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[36]The model predicts that the relative military build-up allowed by trade matters for public opinion; however, we seek a clean test of Gowa and Mansfield (1993)'s model and thus focus on the prediction regarding the effect of trade

However, the model also suggests a countervailing effect on support for trade with an adversary. In particular, when the probability of war associated with cooperation $p(R_i, R_j)$ decreases, citizens of state i are more likely to desire cooperation as long as the utility associated with fighting the war is less than the cost of fighting it, or $q(R_i, R_j)W < C$. (The converse is also true.) Relatedly, if the probability of war associated with defection increases, citizens of i are more likely to prefer to cooperate, again when the utility of fighting is less than the cost of fighting, and vice versa. Put differently, **as long as citizens in i would rather not fight a war, if trade increases the probability of peace, these citizens favor increasing trade with their adversary.** These predictions are summarized in Table 3.

Note that these calculations show that, unlike the conclusion in Gowa and Mansfield (1993), citizens of states in an adversarial relationship sometimes receive additional utility from trading with each other. Whether or not this is true depends on how much they expect trade to decrease the probability of war, and how much they value this outcome. Trade with adversaries thus has countervailing effects: citizens benefit from the reduced probability of war that may result from trade between their state and a rival, but lose from the resources their country's adversary derives for use in such a war, were it to break out.

Having sketched a model that depicts how these countervailing pressures interact to form preferences about trade policy, we now examine whether this theoretical framework indeed captures how citizens interpret the linkages between geopolitics and trade. Further, we seek to understand how much they value trade's effect on peace relative to the probability of victory, and the extent to which these opinions are malleable.

Trade Between Allies

Consider how the game between allies is played. The game precedes as before, but with a slight modification: Now, if a war breaks out, it occurs between the two allies on one side and an adversary on the other. Thus, trade between the allies does not affect the probability of war, so the

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on the other state's military capabilities.

probability of war breaking out is simply p.[37] Instead, trading only has one effect on the war: it increases the probability that the allies defeat the adversary, or $q_{\Theta_i}(\Theta_i, \Theta_j) \geq 0$ and $q_{\Theta_j}(\Theta_i, \Theta_j) \geq 0$. There are thus four possible probabilities: $q(R_i, R_j)$ and $q(P_i, P_j)$, $q(S_i, T_j)$ and $q(T_i, S_j)$.

If allies cooperate, they receive: $R_i + p[q(R_i, R_j)W - C]$. However, if a state defects against an ally, it receives $T_i + p[q(T_i, S_j)W - C]$ in the first stage, and $P_i + p[q(P_i, P_j)W - C]$ in each subsequent stage. These payoffs are summarized in Table 2.

Player i cooperates with an ally when the payoff from cooperation is greater than the payoff from defection, or when:

$$\frac{R_i + p[q(R_i, R_j)W - C]}{1 - \delta} \geq$$
$$T_i + p[q(T_i, S_j)W - C] + \frac{\delta[P_i + p[q(P_i, P_j)W - C]]}{1 - \delta}.$$

As the equation shows, changes in the probability of victory have the same impact as in the game between adversaries: when the probability of victory associated with cooperation ($q(R_i, R_j)$) increases for player i, i becomes more likely to cooperate, and the same is true for the probability of defection. However, unlike the game between adversaries, the probability of victory now represents the probability that the two trade partners are victorious in a war with an adversary. Thus, if we assume that trade has an overall positive impact on the joint economies – and therefore militaries – of the allies, the probability of victory increases as a result of cooperation and decreases as a result of defection. The net result is that, as in Gowa and Mansfield (1993), **when trade increases an ally's military, state i supports trade with that partner.**

Now consider the impact of the probability of war. When p is higher, this variable has a positive impact on allies' desire to trade with each other when trade increases their probability of victory, or when $\delta q(P_i, P_j) + (1 - \delta)q(T_i, S_j) < q(R_i, R_j)$; otherwise an increase in p decreases the desire to trade. However, since we have just assumed that this is the case, an increase in the probability

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[37] The game could be modified such that trade increases the probability of war due to the deterrent effect that trade between allies has on an adversary. However, we abstract away from effects on deterrence to focus on our two theoretical mechanisms of interest.

of war leads allies to desire trade more. Put differently, **a greater outside threat increases state**

*i***'s support for engaging in trade with an ally.** These predictions are summarized in Table 3.

Table 1: Trade with Adversaries: Payoff Matrix

Country j

	Cooperate	Defect
Cooperate	$R_j + p(R_i, R_j)[(1 - q(R_i, R_j))W - C]$ $R_i + p(R_i, R_j)[q(R_i, R_j)W - C]$	$T_j + p(S_i, T_j)[(1 - q(S_i, T_j))W - C]$ $S_i + p(S_i, T_j)[q(S_i, T_j)W - C]$
Defect	$S_j + p(T_i, S_j)[(1 - q(T_i, S_j))W - C]$ $T_i + p(T_i, S_j)[q(T_i, S_j)W - C]$	$P_j + p(P_i, P_j)[(1 - q(P_i, P_j))W - C]$ $P_i + p(P_i, P_j)[q(P_i, P_j)W - C]$

(Row label: Country i)

Table 2: Trade with Allies: Payoff Matrix

Country j

		Cooperate	Defect
Country i	Cooperate	$R_j + p[q(R_i, R_j)W - C]$ $R_i + p[q(R_i, R_j)W - C]$	$T_j + p[q(S_i, T_j)W - C]$ $S_i + p[q(S_i, T_j)W - C]$
	Defect	$S_j + p[q(T_i, S_j)W - C]$ $T_i + p[q(T_i, S_j)W - C]$	$P_j + p[q(P_i, P_j)W - C]$ $P_i + p[q(P_i, P_j)W - C]$

Table 3: Summary of Conditions to Prefer Trade

With Adversaries		With Allies	
Variable	Condition	Variable	Condition
$q(P_i, P_j)$	$\downarrow$	$q(P_i, P_j)$	$\downarrow$
$q(T_i, S_j)$	$\downarrow$	$q(T_i, S_j)$	$\downarrow$
$q(R_i, R_j)$	$\uparrow$	$q(R_i, R_j)$	$\uparrow$
$p(P_i, P_j)$	$\uparrow$ when $q(P_i, P_j){<}C$	p	$\uparrow$, when $\delta q(P_i, P_j) + (1-\delta)q(T_i, S_j) {<} q(R_i, R_j)$
	$\downarrow$ when $q(P_i, P_j){>}C$		
$p(T_i, S_j)$	$\uparrow$ when $q(T_i, S_j){<}C$		
	$\downarrow$ when $q(T_i, S_j){>}C$		$\downarrow$, when $\delta q(P_i, P_j) + (1-\delta)q(T_i, S_j) {>} q(R_i, R_j)$
$p(R_i, R_j)$	$\uparrow$ when $q(R_i, R_j){>}C$		
	$\downarrow$ when $q(R_i, R_j){<}C$		

Table 4: Treatments in Conjoint Experiment

Attributes	Values
Country government type	Democracy
	Not a democracy
Country current military size	One quarter the size of the American military
	One third the size of the American military
	One half the size of the American military
Country alliance with America	Ally of America
	Adversary of America
Trade will increase the size of the military of the other country by	No change in size
	Two times
	Three times
Trade will change the likelihood the other country engages in conflict with the US by	Likelihood stays the same
	Likelihood decreases a little
	Likelihood decreases a lot
Impact of trade on the US economy	Helps a little
	Neither helps nor hurts
	Hurts a little

Details on the India Survey Replication

By design, we only allowed respondents who were geographically located in India to participate in the survey. We also asked respondents if they were located in India and terminated the survey if they responded in the negative. Although the representativeness of the Indian MTurk sample has not been explored in detail, several prominent political science articles have drawn on this sample for the purposes of survey research (Charnysh, Lucas and Singh 2015). We note that this sample is more likely to be male, higher educated, English-speaking, urban, and geographically concentrated; consequently, we include pre-treatment demographic covariates in all of our specifications. Our primary goal here was not to make population-wide inferences about the validity of our experimental results. Instead, we wished merely to investigate whether the theoretically-specified geopolitical triggers of mass preferences that appeared to evoke strong responses in our American sample operated in a similar manner among Indian respondents.

Our experimental design was identical to the U.S. vignette experiment, save for some minor context-specific variations. In particular, because the words "ally" and "adversary" would not have been familiar to many Indian respondents, we added synonyms and used the phrases "ally or partner" and "adversary or opponent" in place of the original words. The precise wording of the vignette appeared as follows: "An article in a major national newspaper recently stated that India is considering enacting a free trade agreement with another country. Trade will strengthen the Indian economy, although some Indians will lose their jobs as a result of free trade. The other country in the free trade agreement [*is / is not*] a democracy and has a large military. Importantly, the other country is an [*ally or partner / adversary or opponent*] of India, meaning that it is considered to be [*friendly with / hostile to*] India. In addition, the article makes two key predictions about how trade with India will impact the other country. First, trade [*will / will not*] benefit the other country's military. Second, trade [*will / will not*] help ensure peace by reducing the possibility of a conflict between the other country and India." Respondents were asked: "Given the facts described in the article, do you support increasing trade with this country?"

Table 5: Replication of Vignette Experiment Among Indian Respondents

	Ally/Adversary Treatment	Military Size Treatment	Peace Treatment	Democracy Treatment
	1	2	3	4
Treatment Effect	-0.186***	-0.097**	0.229***	0.029
	(0.044)	(0.044)	(0.043)	0.044
Constant	0.938***	0.790***	0.710***	0.761***
	(0.215)	(0.216)	0.222	0.220
Controls	Yes	Yes	Yes	Yes
R-Squared	0.048	0.022	0.069	0.012
N	474	474	474	474

Notes: Pre-treatment controls include gender, age, education, religion, race, and income. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. All significance levels reported using two-tailed tests; note that the military treatment is significant at the 5% level using a one-tailed test.

Table 6: Effect of Trade Partner's Attributes on Support for Free Trade

	Effect Among Doves	Effect Among Hawks
Other Country's Government Type		
Baseline: Not a democracy		
Democracy	0.118***	0.137***
	(0.013)	(0.012)
Other Country's Alliance with America		
Baseline: Ally		
Adversary	-0.230***	-0.312***
	(0.018)	(0.017)
Current Military Size of Other Country		
Baseline: A little smaller than the American military		
Much Smaller	0.023*	0.029**
	(0.012)	(0.012)
Increase in Size of Other Country's Military		
Baseline: No change in size		
A little	-0.022	-0.052***
	(0.016)	(0.015)
A lot	-0.172***	-0.165***
	(0.016)	(0.016)
Change in Likelihood of Conflict		
Baseline: Likelihood stays the same		
Decreases a little	0.083***	0.079***
	(0.018)	(0.016)
Decreases a lot	0.205***	0.164***
	(0.019)	(0.017)
Impact of Trade on U.S. Economy		
Baseline: Helps a little		
Neither helps nor hurts	-0.133***	-0.083***
	(0.016)	(0.014)
Hurts a little	-0.296***	-0.247***
	(0.016)	(0.015)
Constant	0.740***	0.772***
	(0.021)	(0.018)
R-Squared	0.133	0.135
N	5,650	6,430

Notes: Robust standard errors clustered by respondent in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. To construct a measure of relative hawkishness, we asked respondents to what extent they agreed or disagreed with four statements: "the best way to ensure world peace is through military strength"; "it is fine for our country to use force when dealing with international problems"; "rather than simply reacting to our enemies, it's better for us to strike first"; "generally, the more influence our nation has on other nations, the better off they are." Based on respondents' agreement with these sentences, we created a five-point index and classified those above the mean level of agreement as hawks and those below the mean level of agreement as doves.

Table 7: Effect of Trade Partner's Attributes on Support for Free Trade

	Effect Among Isolationists	Effect Among Non-Isolationists
Other Country's Government Type		
Baseline: Not a democracy		
Democracy	0.126***	0.132***
	(0.012)	(0.014)
Other Country's Alliance with America		
Baseline: Ally		
Adversary	-0.274***	-0.275***
	(0.016)	(0.019)
Current Military Size of Other Country		
Baseline: A little smaller than the American military		
Much Smaller	0.017	0.039***
	(0.011)	(0.013)
Increase in Size of Other Country's Military		
Baseline: No change in size		
A little	-0.053***	-0.017
	(0.014)	(0.017)
A lot	-0.173***	-0.159***
	(0.015)	(0.017)
Change in Likelihood of Conflict		
Baseline: Likelihood stays the same		
Decreases a little	0.070***	0.096***
	(0.016)	(0.018)
Decreases a lot	0.177***	0.194***
	(0.016)	(0.020)
Impact of Trade on U.S. Economy		
Baseline: Helps a little		
Neither helps nor hurts	-0.101***	-0.116***
	(0.014)	(0.016)
Hurts a little	-0.259***	-0.286***
	(0.014)	(0.017)
Constant	0.770***	0.772***
	(0.018)	(0.018)
R-Squared	0.126	0.139
N	7,050	5,030

Notes: Robust standard errors clustered by respondent in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 8: Effect of Trade Partner's Attributes on Support for Free Trade

	Effect Among Liberals	Effect Among Conservatives
Other Country's Government Type		
Baseline: Not a democracy		
Democracy	0.130***	0.124***
	(0.013)	(0.013)
Other Country's Alliance with America		
Baseline: Ally		
Adversary	-0.236***	-0.314***
	(0.018)	(0.017)
Current Military Size of Other Country		
Baseline: A little smaller than the American military		
Much Smaller	0.017	0.038***
	(0.011)	(0.013)
Increase in Size of Other Country's Military		
Baseline: No change in size		
A little	-0.012	-0.067***
	(0.015)	(0.015)
A lot	-0.152***	-0.186***
	(0.016)	(0.016)
Change in Likelihood of Conflict		
Baseline: Likelihood stays the same		
Decreases a little	0.091***	0.071***
	(0.017)	(0.017)
Decreases a lot	0.202***	0.163***
	(0.018)	(0.018)
Impact of Trade on U.S. Economy		
Baseline: Helps a little		
Neither helps nor hurts	-0.126***	-0.086***
	(0.016)	(0.015)
Hurts a little	-0.300***	-0.239***
	(0.015)	(0.016)
Constant	0.725***	0.791***
	(0.020)	(0.019)
R-Squared	0.132	0.137
N	6,290	5,790

Notes: Robust standard errors clustered by respondent in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 9: Effect of Trade Partner's Attributes on Support for Free Trade

	Effect Among Democrats	Effect Among Republicans
Other Country's Government Type		
Baseline: Not a democracy		
Democracy	0.130***	0.125***
	(0.014)	(0.012)
Other Country's Alliance with America		
Baseline: Ally		
Adversary	-0.238***	-0.304***
	(0.020)	(0.016)
Current Military Size of Other Country		
Baseline: A little smaller than the American military		
Much Smaller	0.014	0.037***
	(0.012)	(0.012)
Increase in Size of Other Country's Military		
Baseline: No change in size		
A little	0.002	-0.071***
	(0.016)	(0.015)
A lot	-0.157***	-0.178***
	(0.017)	(0.015)
Change in Likelihood of Conflict		
Baseline: Likelihood stays the same		
Decreases a little	0.083***	0.079***
	(0.019)	(0.016)
Decreases a lot	0.201***	0.170***
	(0.019)	(0.017)
Impact of Trade on U.S. Economy		
Baseline: Helps a little		
Neither helps nor hurts	-0.118***	-0.097***
	(0.016)	(0.014)
Hurts a little	-0.276***	-0.264***
	(0.016)	(0.015)
Constant	0.717***	0.790***
	(0.021)	(0.018)
R-Squared	0.128	0.138
N	5,460	6,620

Notes: Robust standard errors clustered by respondent in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 10: India: Effect of Viewing Pakistan as Less Adversarial on Willingness to Trade

	Measure 1		Measure 2	
	No Controls	Adding Control Variables	No Controls	Adding Control Variables
Favorable	0.099***	0.099***	0.097***	0.093***
View of Pakistan	(0.023)	(0.023)	(0.027)	(0.027)
R-Squared	0.008	0.009	0.005	0.006
N	2220	2220	2220	2220

Notes: Control variables and constant not shown. Standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 11: India: Effect of Desire for Peace on Willingness to Trade

| | Measure 1 | | Measure 2 | |
	No Controls	Adding Control Variables	No Controls	Adding Control Variables
Desire for	0.232***	0.234***	0.191***	0.194***
Peace	(0.018)	(0.018)	(0.025)	(0.025)
R-Squared	0.070	0.071	0.025	0.026
N	2220	2220	2220	2220

Notes: Control variables and constant not shown. Standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

The China-Taiwan Case

The relationship between Mainland China and Taiwan has been the primary security concern for both sides since the end of the Chinese Civil War in 1949. The ruling Chinese Communist Party (CCP) in Mainland China claims sovereignty over the island of Taiwan, whereas Taiwan views the Mainland as an adversary that poses military threats and stymies its role and activities in the international community. While both sides have an interest in maintaining the status quo (i.e. China does not actively seek unification and Taiwan does not unilaterally declare independence), their relations are characterized by mistrust and potential volatility.

However, mainland China and Taiwan began to negotiate trade agreements after the pro-unification Kuomintang (KMT) took back both the legislature and presidency in Taiwan in 2008 from the pro-independence Democratic Progressive Party (DPP). By offering favorable trade terms to Taiwan that are conducive to its economic recovery, China seeks the normalization of relations with the island, which could help to promote peace.[38] Yet in Taiwan, opinions on free trade with Mainland China are divided along partisan lines, and public sentiments toward this issue are highly influenced by the approval (or the lack thereof) of the incumbent party. For example, the Economic Cooperation Framework Agreement (ECFA), signed in 2010, caused contentious debate in Taiwan. The KMT and supporters of the ECFA emphasized its economic benefits such as boosting domestic economic growth, safeguarding Taiwans competitiveness in the mainland market,[39] and the increased likelihood of peaceful relations with Mainland China (Huang 2012). The DPP and opponents of the ECFA, on the other hand, claimed that it would be both economically disadvantageous and politically dangerous. They feared that economic integration via trade would increase Taiwan's economic dependence on the Mainland, strengthening Mainland China. Negotiation of subsequent trade agreements between the two sides has thus proven to be politically challenging

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[38]March 5, 2009. Taiwan Affairs Office of the State Council of the Peoples Republic of China. "Premier Wen Calls for Peaceful Development in Cross-Strait Relations." ($http$: $//www.gwytb.gov.cn/speech/speech/201101/t20110123_1723974.htm$, last accessed on April 30, 2016.)

[39]April 22, 2009. Office of the President, Republic of China (Taiwan). "President Mas Remarks at the Videoconference with the Center for Strategic and International Studies." ($http$: $//english.president.gov.tw$, last accessed on April 30, 2016.)

(Romberg 2014).

To test whether this elite rhetoric matches the views of the public, we use data from the 2015 Taiwan National Security Survey, which was conducted by the Election Study Center of the National Chengchi University in Taipei, Taiwan. The dependent variable we employ is a question that asks, "Some people in our society assert that Taiwan should strengthen its economic and trade ties with the Mainland, and others believe we should lessen such ties. Which opinion do you agree more with?" Answers range from on a scale from 0-2 from "lessen ties" to "strengthen ties."

We examine several independent variables. We first look at perceptions of mainland China as an adversary, captured by the question "On a scale of 0-10 how much do you give the Mainland Chinese government?" Higher values indicate a less adversarial view of the mainland. An alternative question capturing the same concept reads "On a scale of 0-10, where 0 indicates cross-strait relations as extremely hostile and 10 as extremely peaceful, how would you rate current cross-strait relations?" Again, a higher number signals a more friendly view of mainland China. We run a simple regression, both examining the correlation without any control variables and then controlling for several demographic variables including whether the respondent is a member of the KMT political party, whether the respondent identifies as Taiwanese, level of education, age, and gender. The results indicate that, in line with the predictions of our theory, people who perceive mainland China to be a greater adversary are less willing to trade with China. This result is highly significant and remains so regardless of the way the question is asked, and whether control variables are included.

Second, we analyze whether people prefer to seek a military build-up or peace. To get at this, we look at the following question: "Facing military threat from the Mainland, do you think Taiwan should strengthen its military power, or adopt moderate policies to avoid agitation?" Answers to this question range on a scale from 0-2 from "strengthen the military" to "adopt moderate policies." We also capture this question in a different way using the question: "Facing military threat from the Mainland, do you think Taiwan should strengthen its military power, or adopt moderate policies to avoid agitation?" This is again coded on a scale from 0-2 where higher values indicate a greater

21

desire for peace. We find a strong correlation between the desire to trade and the desire for peace, which is statistically significant in all specifications.

Table 12: Effect of Viewing China as Less Adversarial on Willingness to Trade

| | Measure 1 | | Measure 2 | |
	No Controls	Adding Control Variables	No Controls	Adding Control Variables
Favorable View	0.201***	0.157***	0.121***	0.083***
of Mainland China	(0.031)	(0.014)	(0.019)	(0.018)
R-Squared	0.220	0.271	0.047	0.183
N	816	806	828	819

Notes: Control variables and constant not shown. Standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 13: Effect of Desire for Peace on Willingness to Trade

| | Measure 1 | | Measure 2 | |
	No Controls	Adding Control Variables	No Controls	Adding Control Variables
Desire for	0.162***	0.112***	0.233***	0.184***
Peace	(0.024)	(0.023)	(0.037)	(0.036)
R-Squared	0.054	0.185	0.047	0.182
N	801	791	816	809

Notes: Control variables and constant not shown. Standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

The North Korea-South Korea Case

Similar dynamics played out in South Korea when debating whether to increase trade with its primary adversary, North Korea. In particular, the leftist party in South Korea favored increasing trade with North Korea in order to increase the prospects for peace between the two countries. Thus, when it assumed power, the party supported the building of the Kaesung Industry Complex in North Korea which was designed to increase trade between the two nations. This factory was an element of the so-called "Sunshine Policy" which advocated opening to North Korea in order to foster peace. Indeed, according to a South Korean government report, "The sunshine policy can be seen as a proactive policy to induce incremental and voluntary changes in North Korea for peace" (Kwon 2014, 2). Rice and fertilizer were provided, and South Korean businesses were allowed to operate in North Korea.

However, opponents of the industrial complex and of the sunshine policy more broadly argued that liberalizing trade relations with North Korea would strengthen the state and allow it to divert resources toward its military – specifically to its nuclear weapons program. Thus, "whenever North Korea raised the level of security threat with its missile or took war-provoking postures, the Sunshine Policy was brought to the discussion table....The hardliners in the South criticize the Sunshine Policy as having done nothing but help the North to develop a nuclear weapons program" (Kwon 2014, 2).

Generalizability

We find additional evidence of the generalizability of our effects when we examine the results of our first survey. In particular, respondents were also asked whether they supported trade with other countries and why. We found that they tend to explain their answers in geopolitical terms, particularly regarding peace and security externalities. For example, U.S. respondents who do not want to trade with North Korea ("the regime is run by a despot, trade will only make him stronger"; "North Korea is a very adamant and known enemy of the United States. They hate our way of living and I don't want to help their economy in any way. I am frankly scared of that country and their power and intentions"; "This is a bad country . The leader is crazy. It may help the country if we traded. I would not support helping the country of North Korea at all") and China (" Increasing foreign trade would give them more economic prosperity") cite security externalities, and they do want to trade with allies (e.g. Britain) for these reasons ("Great Bitain is our ally, we should do what we can to help them. We need strong relations in Europe to help keep enemies at bay. The stronger their economy is the more able they will be to help us in situations when it becomes necessary to do so.") Further, people do want to trade with adversaries when they believe it will lead to peace ("We should nurture peace. Trade makes allies.") Similar results obtain in India regarding China ("Trade will cause a good relationship between the two countries. But China will try to strengthen its military") and other partners.