

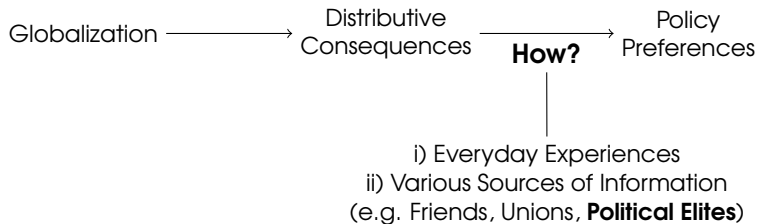
# WHO SPEAKS FOR FREE TRADE? ELITE COMMUNICATIONS AND PUBLIC SUPPORT FOR FREE TRADE

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# PREFERENCE FORMATION & INFORMATION



## TRADE PREFERENCES: WHAT WE KNOW

- Average citizens are ignorant and apathetic about trade policy.
  - ▶ Have not thought carefully about trade and know little about distributional effects of international trade (Rankin, 2001; Rho and Tomz, 2015).
- Individual trade preferences change when provided with information.

→ Evidence on how trade policy affects preferences

→ Evidence on the influence of political institutions on trade preferences

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  - ▶ Have not thought carefully about trade and know little about distributional effects of international trade (Rankin, 2001; Rho and Tomz, 2015)
- Individual trade preferences change when provided with information.
  - ▶ Evidence from survey experiments (Hiscox, 2006; Murillo, Pinto, and Ardanaz, 2013; Rho and Tomz, 2015)
  - ▶ Evidence on the influence of political parties and labor union (Hicks, Milner, and Tingley, 2014; Kim and Margalit, 2016)

## RESEARCH QUESTION

- To what extent, and in what way, do political elites shape trade policy preferences of individual citizens?

# CONGRESSIONAL POSITION TAKING ON TRADE

- Press Releases by the US Representatives
  - ▶ 111th Congress (2009-10)
  - ▶ 2,159 press releases relevant to international trade
- Classification through Supervised Learning Method
  - ▶ Pro-free trade
  - ▶ Protectionist
  - ▶ Trade Adjustment Assistance
  - ▶ Export assistance
  - ▶ Foreign countries' trade barrier against the U.S
  - ▶ Other trade-related
  - ▶ Unrelated

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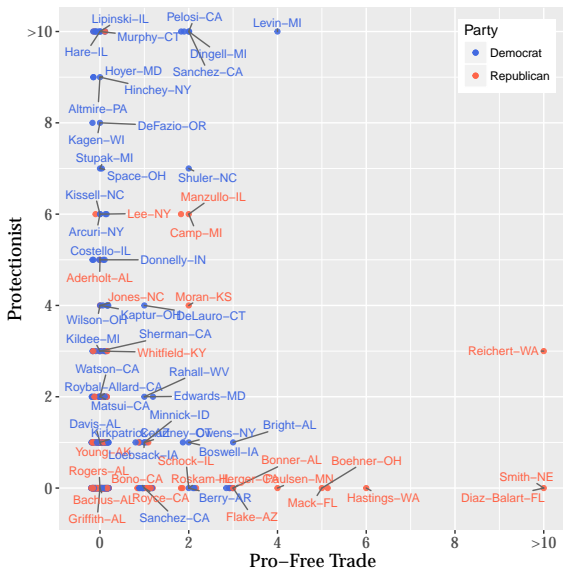
# CONGRESSIONAL POSITION TAKING ON TRADE

**TABLE:** Supervised Text Classification

Classification	Most Frequent Stemmed Words	House
Pro-Free Trade	trade, agreement, will, american, export, job	146 (13.5%)
Protectionist	trade, china, american, job, manufactur, currenc	622 (57.6%)
TAA	worker, assist, job, trade, taa, program	90 (8.3%)
Export Assistance	export, busi, small, program, trade, help	55 (5.1%)
Trade Barrier	senat, trade, beef, market, export, poultry	55 (5.1%)
Others	trade, product, drywal, will, import, export	112 (10.4%)
All Trade-Related		1025



# CONGRESSIONAL POSITION TAKING ON TRADE



# DO ELITE COMMUNICATIONS SHAPE TRADE PREFERENCES?

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- No causal effect

*Politicians do not affect voters' preferences; politicians reflect voters' preferences in their communications.*

- Broad effect

*Politicians exert influence on the trade preferences of their constituents.*

- Narrow effect

*Politicians exert influence on the trade preferences of their co-partisan constituents.*

# EMPIRICAL APPROACH

- Data

- ▶ Legislator-level trade-related communications
- ▶ Trade preferences of 4,000 American workers from 12 selected industries

- Empirical analysis

$$\begin{aligned} \text{Probit}(Y_{ij}) &= \alpha + \beta_1 \text{Pro-Free Trade}_j + \beta_2 \text{Co-Partisan}_{ij} \\ &+ \beta_3 \text{Pro-Free Trade} * \text{Co-Partisan}_{ij} \\ &+ \gamma \text{Industry}_i + \theta \text{Controls}_i + \epsilon_i, \end{aligned}$$

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## EMPIRICAL APPROACH

- Survey conducted during the 2010 mid-term election
  - ▶ All House seats
  - ▶ Senate seats: 25 incumbents ran for re-election
  - ▶ Governorship: 13 incumbents ran for re-election
  
- Different political environment across states
  - ▶ Low information environment:
    - Political attention diverted to re-election seeking senators or governors
  - ▶ High information environment:
    - More focused attention to members of House Representatives

## EMPIRICAL ANALYSIS

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# EMPIRICAL RESULTS

<b>High Information Environment</b>									
	Trade Reduction			Trade on Self			Trade on US		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Pro-Free Trade by Representative	-0.009 (0.009)	0.010 (0.013)		-0.004 (0.009)	0.010 (0.012)		-0.003 (0.009)	0.003 (0.012)	
Copartisanship w/ Representative	-0.020 (0.029)	-0.031 (0.029)	-0.028 (0.033)	-0.055* (0.024)	-0.062* (0.024)	-0.058* (0.028)	-0.050+ (0.026)	-0.053* (0.027)	-0.042 (0.030)
Pro-Free Trade * Copartisanship		-0.052* (0.021)	-0.074** (0.025)		-0.031+ (0.016)	-0.037* (0.016)		-0.013 (0.018)	-0.027 (0.021)
State FE	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No
District FE	No	No	Yes	No	No	Yes	No	No	Yes
Observations	1184	1184	1084	1175	1175	1031	1173	1173	1080
<b>Low Information Environment</b>									
	Trade Reduction			Trade on Self			Trade on US		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
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Copartisanship w/ Representative	0.010 (0.019)	0.003 (0.020)	0.013 (0.022)	0.017 (0.016)	0.010 (0.016)	0.011 (0.020)	0.032+ (0.017)	0.028 (0.017)	0.041* (0.020)
Pro-Free Trade * Copartisanship		-0.025+ (0.013)	-0.026+ (0.015)		-0.026* (0.011)	-0.032* (0.014)		-0.015 (0.012)	-0.017 (0.013)
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Marginal effects; Robust standard errors in parentheses; +  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$

All models include fixed effects for Industry as well as Controls (income, gender, race, age, education, marital status, and union membership).



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# SUMMARY OF MAIN FINDINGS

- Legislators *do communicate* their views on trade.
  - ▶ A majority of legislators do not actively express their views on trade.
  - ▶ More protectionist messages than pro-trade messages.
- Evidence is *consistent with top-down* influence via information-provision.
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    - Especially in high information environment
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