Janus Through the Looking Glass: Federalism, Trade Policy Preferences, and Multiple Identity Primers

Pre-Analysis Plan

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1 Introduction

"We must always take heed that we buy no more from strangers than we sell them, for so we should impoverish ourselves and enrich them." English diplomat Sir Thomas Smith wrote those words in 1549 [@hales1893discourse]; however, update the language, and they could just as easily have flown from any politician's podium in America today. Contemporary national figures (from both parties) actively make the case that globalization "stacks the deck against us" [@blinken2021aforeign] and constitutes "economic surrender" [@trump2016fulltranscript]. And many Americans, lacking accurate knowledge of how trade affects them personally [@guisinger2017american; @mutz2021winners], hear and believe their national leaders [@boucher2019tariff; @essig2021trump].[1] Public opinion on trade has thus been nationalized, becoming "a mile wide but an inch deep" [@blinder2019thefree, pp. 121], with most Americans supporting "trade" – in theory – but agreeing that "there should be more trade barriers" [@boyon2021sentiment].

In a nation as geographically varied as the United States, nationalizing and souring public opinion on trade invariably creates spatially-determined winners and losers. The logic for this goes beyond mere "Krugman-type" economic abstractions.[2] The 135 million residents of U.S. border states, for instance, plainly lose when trade barriers are erected.[3] Yet even in these border states trade restrictions poll well [e.g. @ut2019texassurvey], and state-level politicians have dutifully followed public opinion, lining up to profess their opposition to trade. Essentially, as predicted by Daniel Hopkins, a national emphasis on trade policy has shifted voters attention away from "tangible local issues to more symbolic national ones" [@hopkins2018increasingly, pp. 5]. But this raises an interesting question: Could a counter framing that primes residents with information about the effects of trade for their state or locale counteract the effect of a national framing?

The answer to this puzzle is important for a number of reasons. On a practical level, it could inform issue framing and education strategies that pro-globalization lobbies and politicians employ.

[1] Admittedly, most studies to date demonstrating this focus on Trump's persuasive ability. However, there is a long tradition exploring the influence of political elites on citizens' policy preferences in general that gives informed credence to the notion that elite rhetoric about trade matters a great deal [@zaller1992nature; @gabel2007estimating; @broockman2017causal].

[2] For some "Krugman-type" economic abstractions emphasizing comparative advantage see Krugman [-@krugman1987free]. For some "Krugman-type" abstractions about why certain geographies win and others lose see Krugman [-@krugman1999role].

[3] Texas alone exported $247 billion of goods in 2015 (mostly to Mexico) with exports accounting for 8.2% of all employment in the state [@canas2016texas].

On a more erudite level, this is the first work to acknowledge identity intersection in federal systems as a significant factor in shaping public trade preferences. While previous manuscripts examine states' roles in national trade policy lobbying [@blase2003has; @zepeda2019role; @freudlsperger2020trade] or in political economy more broadly [e.g. @tiebout1956pure; @oates1972fiscal; @chubb1985political; @zax1989there; @rodden2006federalism; @rodden2006hamilton; @weingast2014second; @lockwood2015political], they always leave unexamined the assumption that "American nationalism became preeminent as the United States emerged on the world scene" [@huntington2004we, pp. 17]. Yet evidence of continued state and local attachments surrounds us. Scholars, thus, require a much better understanding of the impact of multiple issue frames if they are to make reliable inferences about voters' attitudes toward trade in federal systems.

This manuscript begins building that greater understanding with a simple theory: That appeals to the local benefits of trade can sociotropically affect overall support for trade – even in the face of a countervailing national-level framing. Essentially, I make three suppositions: (1) That voters trade preferences are sociotropic; (2) That voters in federal systems identify socially with their states and locales; and (3) that issue framing locally should be at least as effective at moving public opinion as a casual reading of the literature on national trade and issue framing [e.g. @gilens2001political; @hiscox2006through; @coppock2019validating, pp.8-9] might suggest. To test the theory, I conduct a pair of survey experiments measuring the impact of state-level framing on voter attitudes in Texas. Texas's size, diversity, partisan-lean, and reliance on international trade makes it an ideal test case. The results evince the ability of local- and state-level framing to move opinion on trade, even when paired with a countervailing national-level framing. This finding has significant implications for understanding public opinion, trade policy, and identities in federal systems.

The paper that follows is organized into four sections. The first section discusses the existing literature on public opinion and trade and explains why and how individuals form trade opinions. I then introduce the themes of federalism and sociotropic identity overlap, building a theory of how contradictory trade frames emanating from different levels of government interact. The experimental analysis section presents the results of two survey experiments in Texas which strongly evince the theory. Finally, I conclude by discussing the implications of my findings along with possible directions for future research.

2 Sociotropism, In-Group Favoritism and Trade Preferences

How do voters formulate their trade preferences? Until recently, economic theories formed the "hard core" of most answers to this question [@lake2009open, pp. 231--232]. Many scholars now, however, agree that voters' trade preferences are heavily *sociotropic*, or *premised on maximizing collective in-group benefits*. As Mutz [-@mutz2021howamericans] expounds:

> "The way ordinary Americans think about trade is very different from the way economists and policy wonks think about it. Most people do not have accurate knowledge of how trade affects them personally: they do not support trade if they stand to gain from it or oppose it because it will hurt them economically. ... [Yet] the fact that self-interest matters little to their trade preferences does not imply that Americans are unconcerned about the economic impact of trade. People care a great deal about how they perceive the country as a whole to be affected by trade. They connect policy decisions made in Washington to what they see as those policies' national consequences. ... Scholars of political economy tend to eschew the idea that basic human psychology enters into attitudes toward international commerce. But for many Americans, whether they support trading with another country parallels their own interpersonal decisions."

One observes this in the factors associated with trade preferences. Robust nationalist sentiments, which reflect a preference for the national in-group, naturally augur fierce protectionist preferences [@rankin2001identities; @mayda2005some; @margalit2012lost].[4] But Right-Wing Authoritarianism (RWA), Social Dominance Orientation (SDO), prejudice, and white identity – traditional interpersonal markers of more generally perceived in-group superiority – also strongly predict opposition to trade [@mutz2017impact; @jardina2019white, pp. 207-213; @ballard2021economic; @mutz2021racialization; @mutz2021winners]. At the same time, education, cosmopolitanism, and social trust [@hainmueller2006learning; @mansfield2009support; @kaltenthaler2013social], factors associated with lower levels of perceived in-group superiority, typically presage a more open mindset toward trade.

Sociotropic preferences also explain some of the odder causal associations found in previous

[4] In support of protectionism, many nationalist American farmers have even sociotropically rationalized self-impoverishment [@park2021partisanship].

experimental work on trade. For instance, a recent experiment manipulated tariff reductions in a fictitious trade agreement between the United States and another country before asking Americans for their opinions on the agreement. It found that, irrespective of absolute economic gains, Americans only supported the hypothetical agreement if both countries made equal (in relative terms) tariff reductions [@brutger2021fair]. This "beggar thyself to beggar thy neighbor" outcome is logically incoherent from a material standpoint. But a sociotropic voter necessarily concerns himself or herself with the fair treatment of others in his or her in-group [@vangrasstek2011employment, pp. 10-11]. In another experiment, American respondents were told about a policy that might ease trade restrictions, then were offered the name of a company that might benefit. The company was given either a "culturally familiar" name (British) or a "foreign" name (African or Asian). Prejudiced individuals, when assigned to the treatment with the foreign-sounding name, were much more likely to report protectionist views [@sabet2013s]. There is no obvious material reason why a company's name should affect trade preferences; however, to the extent that this measure taps a more general tendency to favor the in-group over the out-group, it makes sense that more prejudiced voters might extend their own biases beyond domestic policy preferences.

3 Local- and State-Level Sociotropism and Framing Effects

Sociotropic attachment does not solely manifest at the national-level. Federalism provides individuals with a plethora of identity markers (county, city, state, etc.) with which to associate. These local attachments often go understudied in American politics, since voters "are unlikely to go out of their way to seek out information about state or local politics" [@hopkins2018increasingly, pp. 11].[5] Yet these attachments remain very real. As Ernest Young [-@young2015volk, pp. 17] explains:

> "Evidence of continued state distinctiveness and attachments is all around us. If one leaves behind the suburbs, it would be hard to claim that Newark feels like Austin, San Francisco, or even Manhattan, that the Jersey landscape resembles Yosemite, the Texas Panhandle, or the coast of Maine, or that people in Jersey are indistinguishable from the denizens of Laredo, Berkeley, or Wichita. Or consider the 2012 electoral season,

[5]Fully 94 percent of articles on U.S. elections in the five leading American Politics journals between 1980 and 2000 focused on elections for federal office [@berry2007accountability, pp. 845].

> which presented our federalism in all its fascinating (and frustrating) glory. During the interminable Republican primaries, each new state presented a radically different playing field, with a different correlation of political forces (e.g., evangelicals in South Carolina, Yankees and crossover voters in New Hampshire, Catholics in Pennsylvania), a unique set of salient issues (immigration in Texas and Arizona, abortion in Pennsylvania, ethanol subsidies in Iowa), and even styles of campaigning (door-to-door in New Hampshire, TV ad blitzes in Michigan and Florida). In the general election, the varied characteristics of each state profoundly shaped the electoral strategies of the candidates, and the outcomes in each state reflected considerable political divergence."

Still, the strength of these attachments remains subject to debate. At one extreme, some scholars argue that "geographic contexts have little independent effect on political attitudes, especially in a nationalized political moment" [@hopkins2018increasingly, pp. 95]. Others, meanwhile, believe that "many Americans hold deep and consequential attitudes about the states in which they live, and that even in an age of national media consumption and centralized party messaging, these identities are still highly relevant" [@jacobs2020staying, pp. 545]. Yet trade policy as a voting issue cuts through the debate. Similarly to racial and ethnic contexts, which have well-established local effects [e.g. @hopkins2012flooded; @enos2017space], trade policy meets even some skeptics' criteria [@hopkins2018increasingly, pp. 97] to be considered as a salient local issue in that: (1) It attracts local voters' attentions[6], and (2) it relates to important national issues [@park2021partisanship]. Framing trade locally, therefore, should be as effective at moving public opinion as a casual reading of the literature on national issue framing [e.g. @gilens2001political; @hiscox2006through] might suggest, since the same sociotropic principles and attachments apply.[7] This presupposition completes the logic behind the theory outlined in Figure 1.

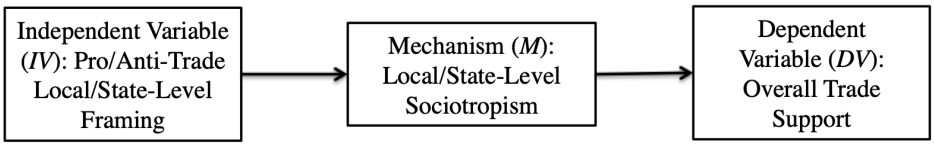
The theory will be tested using 3 Hypotheses:

1) Main Hypothesis: Trade framing locally will affect overall support for trade.

[6] Even if Park and Carcelli's results [-@park2021partisanship] prove not to be generalizable outside of rural areas or the ag sector, the nontrivial number of Americans living in border locales can physically see the effects of trade. That makes this true for at least the 135 million Americans living along the Canadian and Mexican borders.

[7] The only caveat that might apply is that Hiscox [-@hiscox2006through] finds pro-trade frames not to be effective. This is consistent with loss aversion and prospect theory [@kahneman1979prospect; @rozin2001negativity]. However, as will be shown later, I do not find a similar difference in the persuasive effectiveness of positive and negative primes. I attribute this difference to Hiscox's choice of positive prime rather than the immovability of trade opinion in the positive direction.

Figure 1: Theory Visualized



2) Sociotropism Hypothesis, Part 1: Treatment will lead to a statistically significant increase in concern for trade's local-level effects.

3) Sociotropism Hypothesis, Part 2: Treatment will not lead to a statistically significant increase in the belief that trade affects an individual personally.

4) Sociotropic Trade Preference Hypothesis: Local-level sociotropism will be strongly associated with overall support for trade.

5) Sociotropic Mechanism Hypothesis: When both the effect of the trade frame and the detected level of local sociotropism are considered together as determinants of overall trade support, only local-level sociotropism will have a nontrivial effect.

4 Experimental Methodology

To test the theory outlined in Figure 1, I will conduct a pair of IRB-approved survey experiments in Texas in May 2022. Texas represents a "hard case" [@eckstein1975plausibility] for the proposed theory for several reasons. For one, former President Trump, an enormously influential national figure, polls extremely well in Texas [@ut2022texassurvey]. His popularity offers him an outsized megaphone with which to advocate for tariffs, and this megaphone is enormously effective.[8] Texans thus come to the table with strong pre-established priors towards trade. Furthermore, Texas's large size[9] means that not every Texan directly witnesses cross-border trade. Centrifugal economic forces within Texas often push the material interests and incentives of different subregions apart.[10] Framing

[8] A plurality of Texans even support potential tariffs on Mexico [@ut2019texassurvey] according to the most recent polling on the subject. Such a result would have been unconscionable before Trump's ascendance.

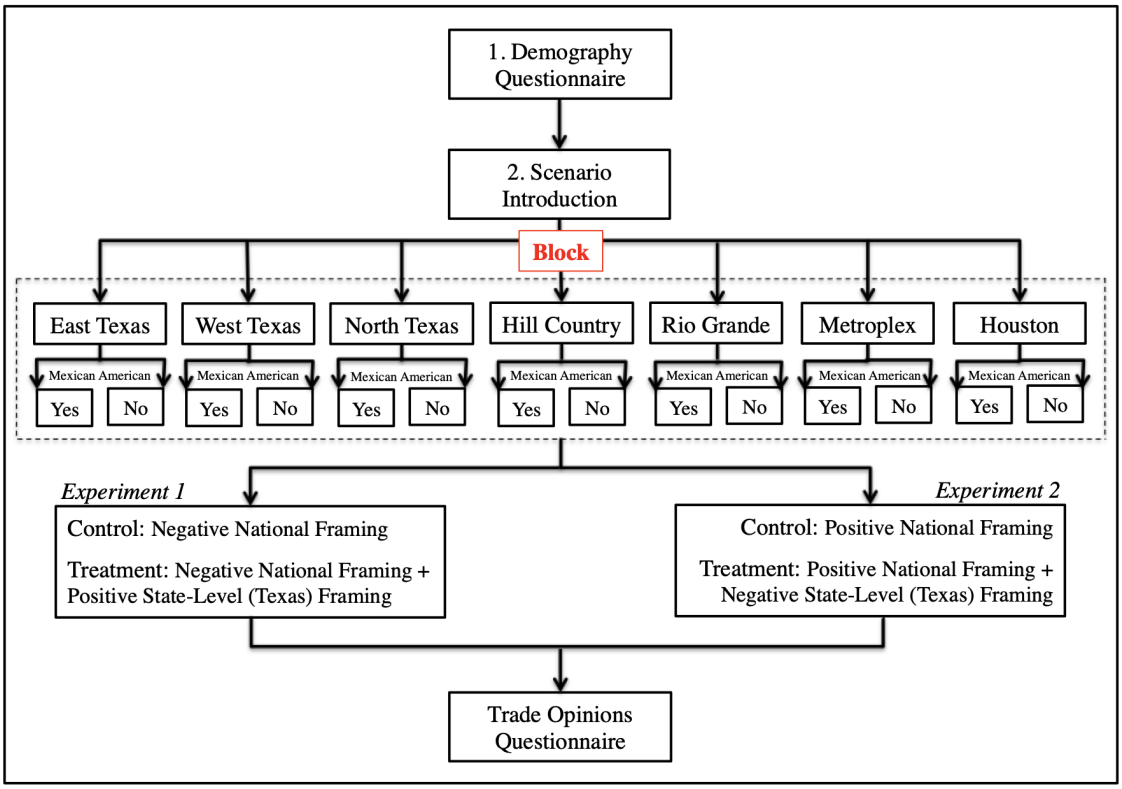
[9] Texas is 1.65 times larger than California. Were it independent it would be the 40th largest country in the world and larger than every state in Europe.

[10] The Austin Hill Country, for instance, has a large technology sector with links to California. Houston strongly relies on oil super majors with operations overseas, while the area around San Antonio draws on smaller American shale drillers. El Paso, meanwhile, is separated from the rest of Texas by the massive Sonora desert. All of which is to emphasize that Texas does not have *one* clear-cut economic center of gravity.

trade as a positive or negative for Texas then speaks little to individuals' personal experiences, rendering the outcome of my experiments entirely dependent on abstract sociotropic attachments and beliefs.

To conduct my two experiments, I will aim to recruit 600 respondents on the Qualtrics online platform. 400 respondents will be assigned to Experiment 1, and 200 respondents will be assigned to Experiment 2. Participants will receive modest compensation for participation, and security checks and quality verifications will be used to verify identity and prevent duplication. Security measures including digital fingerprinting to prevent duplication, reCAPTCHA verification, and basic attentiveness checks will be used.[11] Participants will be sampled from all parts of Texas with the largest representation from the most populous subregions. In general, socio-demographic characteristics of the studies samples should be representative of the Texas state population.

Figure 2: Overall Design of the Studies

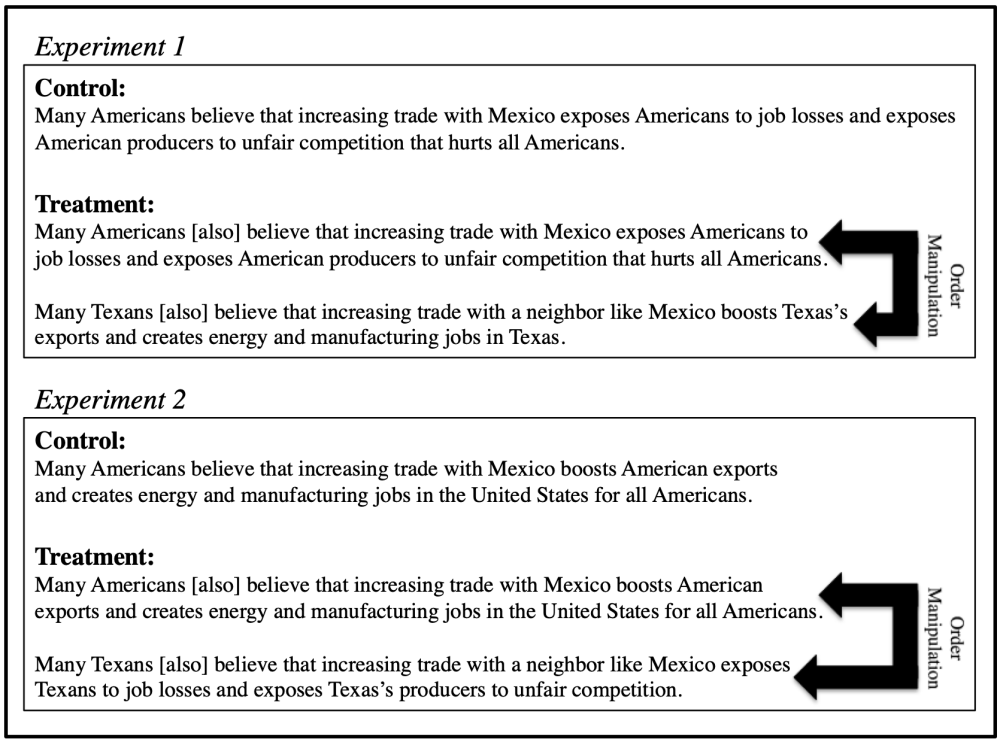


The overall structure of both study designs is shown in Figure 2. Each study will begin with a

[11] I measured attentiveness in two randomly embedded questions. One presented respondents with a picture containing 10 dots and then asked them, "how many dots are shown here?" The other presented respondents with a picture containing 7 triangles embedded within each other and then asked, "how many triangles are shown here?"

demographic questionnaire to later facilitate blocking. Respondents in both studies then read the scenario introduction prompt: "The following questions are about international trade. Recently, there has been much attention paid to the issue of trade. We are interested in learning more about how members of the public like yourself think about this issue." Subjects in Experiment 1 will be introduced to either a negative national-level control framing or to a mixed treatment frame, which combines both the negative national frame and a positive state-level frame. Subjects in Experiment 2, meanwhile, will be exposed to either a positive national-level control framing or to a mixed treatment frame (the control and a negative state-level frame). Blocking on region and self-reported "Mexican ancestry" will be added to remove predictable nuisance variables.[12] The exact treatments and controls in each study are laid out in Figure 3.

Figure 3: Treatment and Control Framings



The phraseology of the primes was carefully considered to maximize external validity in several ways. First, the frames specify the experimental trade partner as Mexico, both because it

[12] I block on 7 regions as defined by county. These are: the Rio Grande, Hill Country, East Texas, West Texas, North Texas, the Dallas-Fort Worth Metroplex, and Greater Houston. As was previously discussed, Texas is very large, so one should expect some subregional variation. As for the emphasis on Mexican ancestry, at least one previous study [@mutz2021racialization] demonstrates that one ethnic group, whites, tends to prefer trade with majority co-ethnic states. It is hardly a stretch to expect that Mexican Americans may behave similarly.

represents the largest trade partner of the United States and Texas [@census2020stateexports; @census2021trade],[13] and because politicians invariably blame a nonwhite (or Latinx) trading partner (e.g. South Korea, Mexico, China, Japan, etc.)[14] when framing trade as harmful.[15] Second, the themes of "all Americans," "job losses," and "unfair competition" draw directly from recent speeches by national-level officials [e.g. @trump2016fulltranscript; @blinken2021aforeign]. The energy and manufacturing sectors are chosen to emphasize Texas's two largest export industries [@bradley2022understandinggdp].

Following treatment in each experiment, I will administer a trade opinion questionnaire to collect data on the theorized mechanism and dependent variable.[16] The dependent variable will be measured by inquiring as to general support for "increasing trade with Mexico." I will inquire into sociotropic concern, meanwhile, by asking: (1) the degree to which respondents agree (or disagree) that trade benefits Texas and (2) the degree to which subjects agree (or disagree) that trade personally benefits them.[17] I will inquire using this combination of questions because sociotropy requires subjects to believe simultaneously that trade benefits Texas (as a whole) and that it does not materially profit them (as individuals). Controls will also be included and explored in the Appendix.

[13] Almost one third of all of Texas's international Trade is with Mexico. Its next most significant trade partner is Canada to which it ships roughly 8% of its exports [@census2020stateexports].

[14] For a complete list see Trump's first speech on economic policy [@trump2016fulltranscript].

[15] While Biden may prefer China as an adversary to Trump's more scattershot approach, the general focus on majority nonwhite trading partners is bipartisan. This makes good political sense; experimental evidence demonstrates that anti-trade appeals against majority nonwhite nations resonate more with the white majority of the American electorate [@mutz2021racialization]. However, economic data shows that Mexico is no more likely to trade "unfairly" with the United States than Canada [@robertson2016thenafta], and Germany manipulates its currency far more than any Asian country [@bernanke2015germany]. In other words, economic realities cannot explain the framing gap.

[16] Refer back to Figure 1 for the theory.

[17] Agreement is measured using a 7-point bidirectional likert scale.

5 References