

Research on the impact of international trade on domestic politics has yielded a cluster of findings that on their face seem irreconcilable. Multiple studies find evidence that international trade influences election outcomes, but the precise mechanism by which this process takes place is obscure. It seems difficult to reconcile these results with the finding that the salience of trade policy is low, particularly among precisely those groups most affected by trade shocks (Guisinger 2019). This essay will survey recent research findings and offer some thoughts on how these disparate conclusions might be reconciled.

In general, there appears to be feedback between the domestic and international systems. Gourevitch (1978) argued that international considerations impact domestic politics. The international system is not only a consequence of domestic politics and structures, but is also a cause of them. International relations and domestic politics are fundamentally interrelated, and should be analyzed simultaneously. However, this parallelism raises causal questions. How should we expect a given international consideration (like, say, the terms of trade) to impact domestic politics if it is itself an emergent phenomenon of those same domestic politics?

Two broad models of the impacts of international trade have been extensively tested in the literature. On the factor-endowments model (Stolper-Samuelson), inter-sectoral mobility of factors of production is assumed to be costless, and trade is assumed to benefit the owners of locally-abundant factors and harm the owners of locally-scarce factors. On the specific-factors model (Ricardo-Viner), trade will benefit those employed in export-oriented sectors, and will harm those employed in import-competing sectors. Hicks et al. (2014) tested the Stolper-Samuelsen and Ricardo-Viner models in Costa Rica's national referendum on CAFTA-DR, finding that voters working industries with a strong orientation towards exports were relatively more supportive of the agreement, while districts with high concentrations of low-skilled workers were not especially likely to support it. In addition, they found that the uncertainty and complexity of trade agreements allow political elites to have a significant impact on public attitudes to trade, even to the extent of persuading voters to vote against their economic interest (in this case, the most organized party was the PLN).

These findings seem to support the Ricardo-Viner (specific factors) model of trade against the Stolper-Samuelson model, because the cleavages in Costa Rica resembled the cleavages in a developed country (where high-skill workers in export-oriented sectors support

trade, and low-skill workers in import-competing sectors oppose it), where Stolper-Samuelson would predict the reverse. The authors suggest that political cleavages around trade and globalization may generally follow a Ricardo-Viner logic in the developing world, and that top-down trade preference formation (elite influence) is understudied. This result casts doubt on the plausibility of Stolper-Samuelson's inter-factor mobility assumption. In an earlier test of the theories, McKeown (1989) also found support for Ricardo-Viner. He found that the repeal of the British Corn Laws in 1846 was made possible by prior changes to the British economy, including industrialization, shifts from subsistence to cash crops, and higher demand for meat and dairy products, and changing asset portfolios for Britain's upper classes.¹ McKeown found support in the repeal process for a sector-specific (Ricardo-Viner) model of trade, and claims that his findings are inconsistent with a Stolper-Samuelson interpretation.

More generally, local political factors can moderate or exacerbate the impact of trade shocks. Irwin (1994) found support for the hypothesis that voting behavior was linked to the economic interests of constituents as determined by the international trade performance of their sector of employment. Margalit (2011) found that voters are particularly sensitive to the loss of local jobs when this loss results from foreign competition, particularly from offshoring. However, this effect was moderated where government certified harmed workers to receive job training and assistance. There exists a generic electoral effect associated with local reduction in employment, but Margalit identifies an additional negative effect originating from offshoring that compounds this generic effect on incumbents' vote share. This effect may be caused by media coverage that highlights a specific foreign threat as the source of the local hardship. Politicians may also see electoral incentives in portraying foreign competition as the source of domestic woes.²

In a similar vein, Che et al. (2016) find that US counties subject to greater competition from China exhibit relative increases in overall turnout, Democrats' vote share, and the probability that the county will be represented by a Democrat. Moving a hypothetical county from the 25th to the 75th percentile of exposure to China increases the hypothetical Democrat's

¹ Collectively, these developments created a situation where a winning coalition for Corn Laws abolition could be assembled (though they did not explicitly cause the abolition). Party discipline did not completely constrain members' votes, and those members who satisfied the interests of their district were more likely to be reelected

² Note the wisdom of the authors' prognostication: "In such circumstances, concerns about the resurgence of economic nationalism may yet prove to be prescient" (186).

vote share by 1.5%. This effect increases when impacted counties are clustered together. The authors also find that during the period studied (1992 – 2010), Democrats were more likely to support policies limiting import competition and providing economic assistance to workers affected by trade competition. They draw the conclusion that voters are aware of this behavior by Democratic officeholders and become more likely to favor these policies under conditions of severe trade competition. As they put it, "...voters who perceive themselves as being disadvantaged by trade are more likely to vote for politicians that might restrict imports or promote economic assistance" (p.18).

In addition to explicit legislative action to help affected workers, politicians may also take their position on trade bills with an eye to the local impact of the measure in their district. Feigenbaum and Hall (2015) find that economic shocks from Chinese import competition cause legislators to vote in a more protectionist ("left") direction on trade bills, while causing no change to their voting on other bills. However, such shocks have no effect on partisan control of the district, the reelection rate of incumbents or the probability that a particular incumbent will face a primary challenge. The authors conclude that incumbents exposed to negative economic shocks from trade "appear able to fend off these effects in equilibrium by taking strategic positions on foreign trade bills" (p. 1012). More generally, they argue that while incumbents do not generally cater their roll-call votes to the needs of local constituents (preferring to take up national issues), economic roll-call votes are an exception to this general rule, possibly because of their unusual salience for voters' welfare. The specific effect found is a negative relationship between exogenous import exposure and protectionist voting.

In contrast to these results, Campello and Zucco (2016) find that in South American countries, presidential popularity and reelection prospects strongly depend on factors unambiguously exogenous to these presidents' policy choices while in office. They argue that voters may not always recognize situations where economic performance will be determined by factors beyond the government's control, and that the model of retrospective voting developed in advanced democracies may be inapplicable in South America. They further argue that in situations where "...voters do not separate chance from competence when evaluating their presidents" (p.600), incentives for incumbents to maximize voters' welfare should be weaker.

So far, we seem to be driven to the conclusion that politicians are better able to determine voters' interests than are the voters themselves. Campello and Zucco's contribution to the "shark attack" literature indicates that (at least in Latin America) voters are unable to assess the performance of incumbents, but we also know that shocks from import competition lead to votes for increased protection from legislators whose districts are affected. These findings are consistent with a scenario where voters cannot actually separate chance from competence, but politicians are under the impression that voters *can* actually do this. An alternative explanation might be that voters under duress might simply vote for a new candidate (without any retrospective evaluation of the previous incumbent). If this fact were known by incumbents, it would explain action taken in the voters' interest even in the absence of retrospective sanction.

My second hypothesis is supported by Autor, Dorn, Hanson and Majleski (2017), which detects an ideological realignment centered in trade-exposed local labor markets in the United States. Specifically, they find that over the last 20 years, congressional districts exposed to large increases in import penetration disproportionately removed moderate representatives from office, beginning after 2000. When these trade-exposed districts had an initial majority-white population or featured Republican incumbents, such districts became substantially more likely to elect a conservative Republican. However, where such districts were initially majority-minority or had Democratic incumbents, they became substantially more likely to elect a liberal Democrat. In Presidential elections, counties with greater trade exposure shifted towards the Republican candidate. The authors identify a connection between voter opposition to trade and increased identification with one's racial or ethnic group, and argue that economic shocks make voters more receptive to extremist rhetoric. More broadly, they assert that growing import competition from China has contributed to a rightward shift in the political beliefs of American adults. "The connection between economic and political polarization may thus arise not from overarching secular changes in the U.S. economy that affect skill demands nationally, but rather from shocks whose disruptive force falls heavily on an identifiable set of voters who in turn respond with concentrated vehemence at the polls" (p.44). If we incorporate Campello and Zucco's findings, we may say that this concentrated vehemence will not be well-targeted, but that it is anticipable, possibly driving anticipatory action by incumbents in precisely the manner described by Feigenbaum and Hall.

This second hypothesis also receives partial support from Conybeare (1991), which found that Congressional incumbents in the late nineteenth century supplied more tariff protection to districts which they had previously carried by a large majority. He argues that party identification of a district was partially determined by the electorate's tariff interests, and that representatives seek to manipulate tariffs so as to direct rents to their districts. In addition, he argues that voters recognize and reward this behavior. With the exception of this last provision, these findings are compatible with a scenario where politicians anticipatorily cater to constituents' interests, not on the expectation of being specifically rewarded for their actions but rather on the expectation that if the good times continue to roll, their reelection prospects will be enhanced.

The findings discussed in this paper seem to be consistent with the following interpretation. Voters seem to be somehow getting what they want from the politicians who represent them, despite being themselves inarticulate about the nature of their interests and the extent to which incumbents can be fairly held accountable for fulfilling them. Any retrospective voting taking place under these conditions must be exceedingly shallow, amounting to not much more than "how are we doing"? However, if a negative answer to that abstract question results in a higher rate of incumbent turnover (or is *believed* to result in such turnover), that may be all that incumbents need to know. We seem to be tracing the outlines of an elegant principal-agent relationship, where politicians have a strong incentive to cater to their constituents' interests on trade, even in the face of complete popular ignorance as to what those interests actually are.