

4. Trade Preferences

- *The Issue*
 - *Who's for free trade, who's for protection?*
- *4.1 Models of trade preferences*
 - *Interest based models*
 - *Agent based models*
- *4.2 Protection and adjustment*
- *4.3 Individual trade preferences*

4. Trade Preferences

4.1 Models of Trade Preferences

- *Interest based models* (→ *international economics*)
 - *Factor endowment model*
 - **Heckscher-Ohlin / Stolper-Samuelson**
 - *Basic assumptions and redistributive consequences*
 - *Three factor model* (Rogowski)
 - *Sector (Specific factors) model*
 - **Ricardo-Viner**
 - *Sector type and returns*
 - *Historical Synthesis* (Hiscox)
 - *Prewar vs. postwar*
- *Can these models explain multinational firms?*
- *Agent based models*
 - *Strategic trade theory* (= *industrial organizations*)
 - *Strategic trade, industrial policy, and market opening* (Yoffie & Milner)
 - *Multinationals* (*deductive theorizing*)
 - *Multinationals and anti-protectionism* (Milner)
 - *Foreign investment and protection* (Milner)

4. Trade Preferences

4.2 Protection and Adjustment

- *Protection Length and Adjustment*
 - *What explains changes in protected industries?*
 - *Length of protection*
 - *Increased protection rare in advanced democracies*
 - *What explains policy loosening? (Hathaway)*
 - *Conditions for Adjustment*
 - *Industrial adjustment*
 - *Entry-exit barriers (Aggarwal et al.)*
 - *Labor adjustment and compensation*
 - *Embedded liberalism and small state (⇔ Review)*
 - *Foreign investment and adjustment*
 - *Naturalization and protection*
- *Are these model expectations reflected in individual preferences?*

4. Trade Preferences

4.3 Individual Trade Preferences

- *Individual trade preferences*
 - ➔ *Interpreting “skill” and “education,” gender, “out-groups”*
 - *Interest based models and individual preference (Mayda and Rodrik)*
 - *Factor endowment model*
 - *Specific factors model*
 - *Government policy and individual preference (Hays et al.)*
 - *Economic perception and individual preference*
 - *Self-interest model vs. Sociotropic model (Mansfield and Mutz)*
- *Remaining issues*
 - *How factor ownership, groups and voters in trade policymaking (➔ next week)*

4.1 Models of Trade Preferences Factor Model

Figure 1. Four Main Types of Factor Endowments

		Land-Labor Ratio	
		High	Low
Advanced Economy	Abundant:	Capital Land	Abundant: Capital Labor
	Scarce:	Labor	Scarce: Land
Backward Economy	Abundant:	Land	Abundant: Labor
	Scarce:	Capital Labor	Scarce: Capital Land

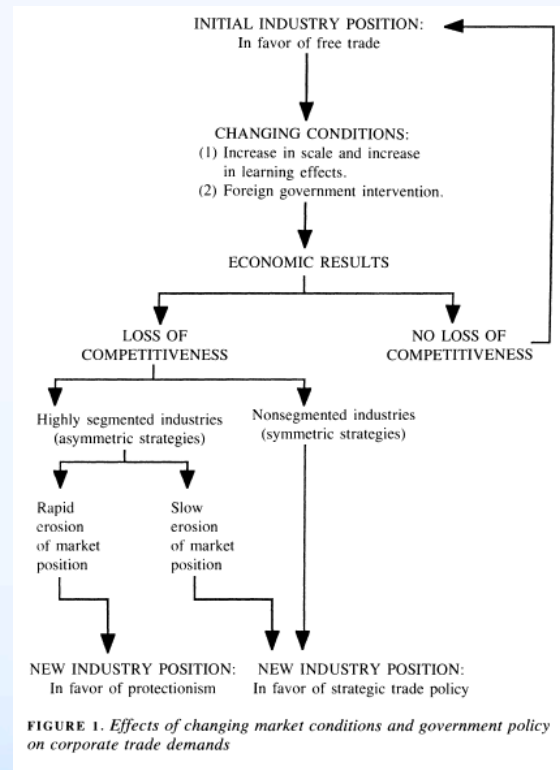
Figure 2. Predicted Effects of Expanding Exposure to Trade

		Land-Labor Ratio	
		High	Low
Advanced Economy	Class cleavage:	Land and capital free-trading, assertive Labor defensive, protectionist	Urban-rural cleavage: Capital and labor free-trading, assertive Land defensive, protectionist (Radicalism)
	Urban-rural cleavage:	Land free-trading, assertive Labor and capital defensive, protectionist (U.S. Populism)	Class cleavage: Labor free-trading, assertive Land and capital defensive, protectionist (Socialism)

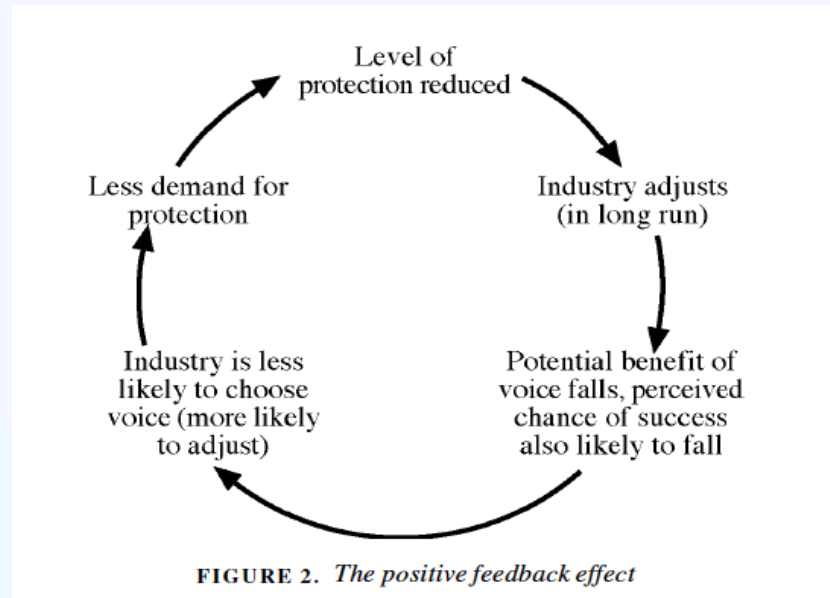
Figure 3. Predicted Effects of Declining Exposure to Trade

		Land-Labor Ratio	
		High	Low
Advanced Economy	Class cleavage:	Labor gains power. Land and capital lose. (U.S. New Deal)	Urban-rural cleavage: Land gains power. Labor and capital lose. (Western European Fascism)
	Urban-rural cleavage:	Labor and capital gain power. Land loses. (South American Populism)	Class cleavage: Land and capital gain power. Labor loses. (Asian & Eastern European Fascism)

4.1 Models of Trade Preferences Strategic Trade Policy



4.2 Protection and Adjustment Adjustment and Feedback



4.2 Protection and Adjustment Conditions for Adjustment

Figure 1. Protectionist Patterns with Low Barriers to Entry

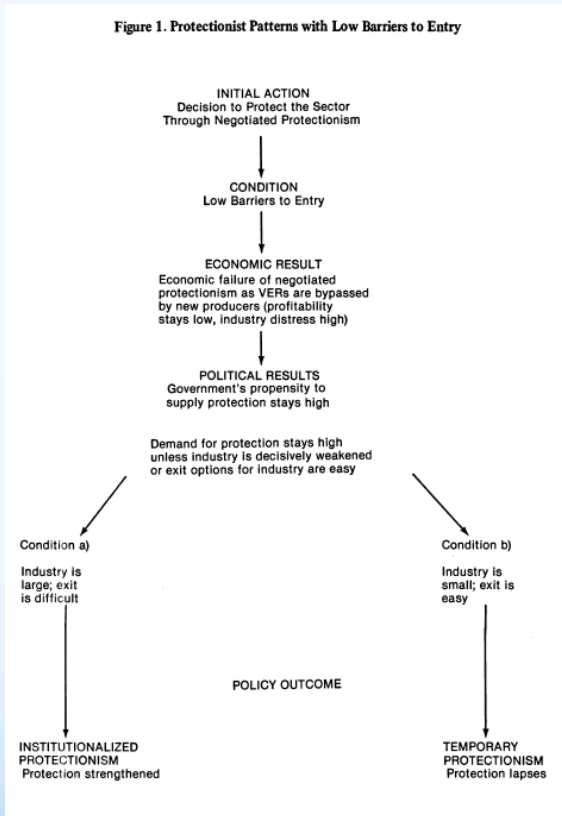
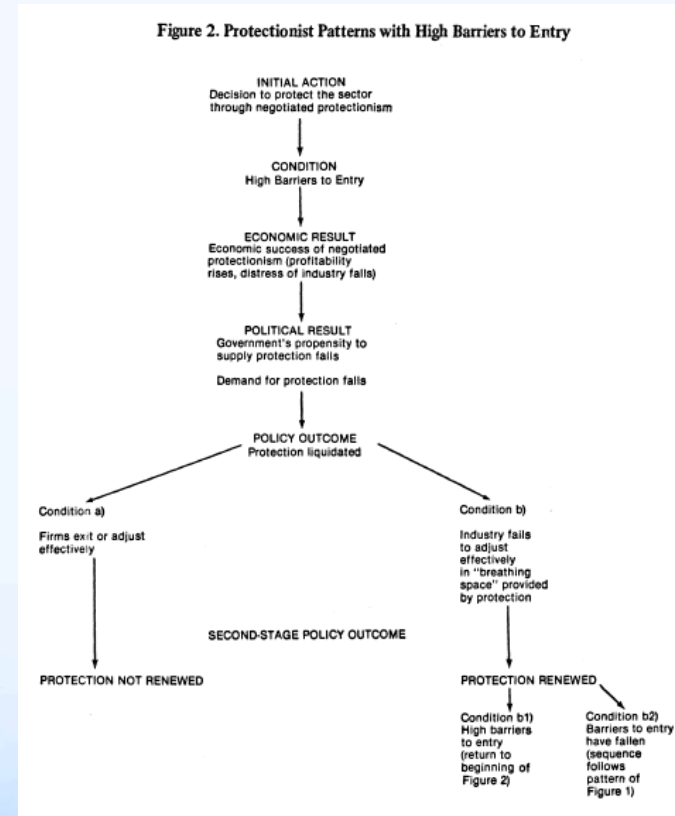


Figure 2. Protectionist Patterns with High Barriers to Entry



4.2 Protection and Adjustment Labor Adjustment

		Internationalized producer/investor stance on welfare compensation	
		Support or low opposition	High opposition
Vulnerable-group demands for welfare compensation	High	<i>One-sided politics: Welfare expansion</i> Job training and relocation assistance	<i>Conflictual politics: Indeterminate outcome</i> Unemployment insurance Public employment Labor-standard regulations
	Low	<i>No politics: Little change</i> General education Capital spending Defense spending	<i>One-sided politics: Welfare retrenchment</i> Health-care benefits Retirement benefits Family benefits

FIGURE 1. Support for or opposition to welfare compensation in the face of greater economic openness

HYPOTHESIS 1: COMPARED WITH GREATER OVERALL TRADE, MORE LOW-WAGE TRADE AS A PROPORTION OF OVERALL TRADE SHOULD ELICIT STRONGER POLITICAL DEMANDS FOR, BUT ROUGHLY THE SAME OPPOSITION TO, WELFARE COMPENSATION, LEADING TO GREATER EXPANSIONS OR LOWER REDUCTIONS IN WELFARE EFFORT.

HYPOTHESIS 2: GREATER OPENNESS SHOULD INSPIRE ONE-SIDED POLITICS OVER PROGRAMS FOR JOB TRAINING AND RELOCATION; VULNERABLE GROUPS SHOULD DEMAND, AND INVESTORS, PRODUCERS, AND GOVERNMENT REPRESENTATIVES SHOULD ACCOMMODATE, EXPANSION OF SUCH PROGRAMS.

HYPOTHESIS 3: GREATER OPENNESS SHOULD INSPIRE LITTLE POLITICAL STRUGGLE OVER PROGRAMS FOR GOVERNMENT INFRASTRUCTURE, DEFENSE, OR CAPITAL INVESTMENTS; OPENNESS SHOULD ELICIT FEW DEMANDS FOR SUCH PROGRAMS FROM VULNERABLE GROUPS; AND INVESTORS, PRODUCERS, AND GOVERNMENT REPRESENTATIVES SHOULD ACCEPT THE STATUS QUO.

HYPOTHESIS 4: GREATER OPENNESS SHOULD ELICIT MORE CONFLICTUAL POLITICS WITH UNCERTAIN IMPLICATIONS FOR PASSIVE LABOR-MARKET PROGRAMS AND REGULATIONS; INTERNATIONALLY VULNERABLE GROUPS SHOULD MAKE STRONG DEMANDS FOR COMPENSATION, AND INVESTORS AND OTHERS SHOULD STRONGLY OPPOSE SUCH COMPENSATION.

HYPOTHESIS 5: GREATER OPENNESS SHOULD ELICIT ONE-SIDED POLITICS, LEADING TO SOME RETRENCHMENT OF FAMILY, RETIREMENT, AND DISABILITY BENEFITS; VULNERABLE GROUPS SHOULD MAKE MODEST DEMANDS FOR COMPENSATION, AND INVESTORS AND THEIR CHAMPIONS SHOULD MAKE RELATIVELY STRONG DEMANDS FOR ROLLBACKS.

4.2 Protection and Adjustment Labor Market Expenditures

TABLE 5. Varying kinds of openness and varying social expenditures, 1980–94, first estimation (t-statistics in parentheses)

Variables	Total social expenditures	Retirement cash and services	Health-care benefits	Family cash and services	Training and relocation benefits
Lagged dependent variable ($t - 1$)	0.536*** (11.211)	0.413*** (7.612)	0.647*** (13.966)	0.725*** (14.327)	0.588*** (9.150)
Trade ($t - 1$)	-0.042*** (-2.847)	-0.031*** (-3.065)	0.002 (0.374)	-0.002 (-0.483)	0.001 (0.317)
Percentage low-wage imports ($t - 1$)	0.014 (0.538)	-0.017 (-0.948)	0.012 (1.255)	-0.001 (-0.132)	0.006* (1.696)
FDI ($t - 1$)	-0.036 (-0.718)	-0.037 (-1.054)	-0.008 (-0.450)	-0.007 (-0.504)	0.021*** (4.058)
Portfolio flows ($t - 1$)	0.007 (1.239)	0.003 (0.725)	-0.001 (-0.613)	0.003† (1.594)	0.001** (2.129)
Deindustrialization ($t - 1$)	0.010 (0.252)	-0.024 (-0.826)	0.046*** (2.968)	0.003 (0.292)	0.002 (0.410)
Unemployment ($t - 1$)	0.239*** (5.247)	0.055** (2.039)	-0.016 (-1.118)	0.022** (1.995)	0.006 (1.240)
GDP per capita ($t - 1$)	0.000 (0.118)	0.000 (0.228)	0.000 (0.802)	0.000* (1.681)	-0.000 (-0.776)
Growth percentage ($t - 1$)	-0.250*** (-7.469)	-0.087*** (-3.706)	-0.021† (-1.641)	-0.022** (-2.395)	-0.001 (-0.192)
Dependency rate ($t - 1$)	0.279*** (2.919)	0.068 (1.048)	0.005 (0.139)	0.054** (2.145)	-0.022 (-0.159)
Left portfolios ($t - 1$)	0.002 (1.085)	-0.000 (-0.084)	-0.000 (-0.009)	0.001 (0.888)	0.000 (0.529)
Christian Democrat portfolio ($t - 1$)	-0.002 (-0.428)	-0.003 (-0.747)	-0.004* (-1.705)	0.001 (0.777)	0.001 (0.949)
Constant	-4.623 (-1.066)	1.645 (0.538)	-0.960 (-0.582)	-2.441** (-2.103)	-0.074 (-0.162)
No. of observations	270	270	270	270	270
Wald χ^2 (43)	35,068.63	4,903.46	2,401.52	6,569.77	1,782.27

Note: OLS coefficients, panel-corrected standard errors, estimated using STATA 6.0 (xtgls). Country and year dummies not shown.

Source: OECD *Historical Statistics*, various years; OECD *Labour Force Statistics*, various years; OECD *National Accounts*, various years; OECD 1996 and 1998; IMF *Balance of Payments Statistics Yearbook*, various years; and Swank 1995.

*** $p < .01$.

** $p < .05$.

* $p < .10$.

† $p < .2$.

TABLE 6. Varying kinds of openness and varying social expenditures, 1980–94, second estimation (t-statistics in parentheses)

Variables	Δ Total social expenditures	Δ Retirement cash and services	Δ Health benefits	Δ Family cash and services	Δ Training and relocation benefits
Lagged dependent level	-0.420*** (-7.784)	-0.628*** (-11.353)	-0.359*** (-7.704)	-0.262*** (-5.147)	-0.446*** (-9.059)
Δ Trade	-0.053** (-2.438)	-0.006 (-0.453)	-0.012† (-1.629)	-0.007† (-1.312)	-0.002 (-0.978)
Trade ($t - 1$)	-0.065*** (-3.644)	-0.030*** (-2.715)	0.001 (0.117)	-0.008* (-1.778)	-0.002 (-0.934)
$\Delta\%$ Low-wage imports	0.036 (0.810)	-0.014 (-0.504)	-0.006 (-0.411)	0.005 (0.461)	0.013*** (3.046)
Percentage low wage ($t - 1$)	-0.022 (-0.771)	-0.036* (-1.966)	0.007 (0.695)	-0.001 (-0.151)	0.009*** (2.914)
Δ FDI	-0.021 (-0.364)	-0.006 (-0.169)	0.003 (0.132)	0.017 (1.179)	0.000 (0.046)
FDI ($t - 1$)	-0.100† (-1.621)	-0.044 (-1.148)	-0.018 (-0.872)	-0.004 (-0.229)	0.020*** (3.303)
Δ Portfolio flows	-0.005 (-0.081)	-0.004 (-0.915)	-0.003 (-1.113)	0.004* (1.974)	-0.000 (-0.280)
Portfolio flows ($t - 1$)	0.006 (0.816)	0.000 (0.093)	-0.003 (-1.114)	0.004** (2.291)	0.001† (1.324)
Δ Deindustrialization	-0.212*** (-4.011)	-0.153*** (-4.538)	0.010 (0.568)	-0.015 (-1.101)	0.000 (0.061)
Deindustrialization ($t - 1$)	-0.038 (-0.833)	-0.062** (-2.068)	0.047*** (2.967)	0.002 (0.150)	0.004 (0.773)
Unemployment ($t - 1$)	0.155*** (2.940)	0.033 (1.136)	-0.017 (-1.055)	0.020** (1.762)	0.011** (2.458)
GDP per capita ($t - 1$)	0.000* (1.745)	0.000† (1.633)	0.000** (1.008)	-0.000 (2.181)	-0.000 (-1.165)
Growth percentage ($t - 1$)	-0.165*** (-4.303)	-0.076*** (-3.185)	-0.016 (-1.250)	-0.008 (-0.879)	0.003 (0.965)
Dependency rate ($t - 1$)	0.271** (2.599)	0.041 (0.637)	0.002 (0.054)	0.062** (2.411)	0.004 (0.405)
Left portfolios ($t - 1$)	0.006** (2.325)	0.002 (1.091)	0.000 (0.225)	0.001 (0.997)	0.000 (0.587)
Christian Democrat portfolios ($t - 1$)	0.000 (0.073)	-0.001 (-0.371)	-0.004* (-1.825)	0.001 (0.975)	0.001 (1.044)
Constant	-4.271 (-0.897)	3.159 (1.026)	-0.831 (-0.473)	-2.718** (-2.275)	-0.301 (-0.633)
No. of observations	270	270	270	270	270
Wald χ^2 (48)	272.76	226.72	164.81	106.98	131.48

Note: OLS coefficients, panel-corrected standard errors, estimated using STATA 6.0 (xtgls). Country and year dummies not shown.

Source: OECD *Historical Statistics*, various years; OECD *Labour Force Statistics*, various years; OECD *National Accounts*, various years; OECD 1996 and 1998; IMF *Balance of Payments Statistics Yearbook*, various years; and Swank 1995.

*** $p < .01$.

** $p < .05$.

* $p < .10$.

† $p < .2$.

4.3 Individual Trade Preferences Factor endowments

Table 4
Factor endowments model (ISSP data set)

Probit with country dummy variables	1	2	3	4	5	6	7	8	9
Dependent variable	Pro-trade dummy								
Age	-0.0008 0.0004+	-0.0007 0.0006	-0.0008 0.0004+	-0.0008 0.0005+	-0.0005 0.0004	-0.0010 0.0004*	-0.0010 0.0004*	-0.0007 0.0005	-0.0008 0.0004+
Male	0.0766 0.0087**	0.0688 0.0151**	0.0760 0.0092**	0.0801 0.0089**	0.0950 0.0077**	0.0719 0.0089**	0.0719 0.0089**	0.0730 0.0098**	0.0734 0.0093**
Citizen	-0.0751 0.0332*	-0.2003 0.0423**	-0.0743 0.0328*	-0.0769 0.0337*	-0.1146 0.0381**	-0.0819 0.0323*	-0.0819 0.0322*	-0.0652 0.0329*	-0.0662 0.0325*
Education (years of education)	0.0200 0.0024**	0.0157 0.0031**	-0.1157 0.0308**	-0.0766 0.0206**	-0.1086 0.0534*	-0.0966 0.0308**	-0.0963 0.0335**	-0.1207 0.0384**	-0.1142 0.0327**
Education* <i>gdp</i>			0.0142 0.0032**	0.0102 0.0021**	0.0135 0.0054*	0.0121 0.0032**	0.0120 0.0035**	0.0146 0.0039**	0.0140 0.0033**
Log of real income		0.0380 0.0115**				0.0542 0.0070**	0.0478 0.0140		
Log of real income* <i>gdp</i>							0.0007 0.0140		
Education* <i>import duties</i>								0.0002 0.0005	
Education*(<i>imports/gdp</i>)									0.0000 0.0001
Rural		-0.0095 0.0083							
Upper social class		0.0314 0.0059**							
Trade union member		-0.0110 0.0207							
Political affiliation with the right		0.0375 0.0122**							
Number obs	24025	4834	24025	22874	18719	16611	16611	21692	23023
Pseudo R ²	0.08	0.09	0.08	0.08	0.09	0.09	0.09	0.08	0.08

Notes: The table contains the estimated marginal effect on the probability of being pro-trade, given an increase in the value of the relevant regressor, holding all other regressors at their mean value. The standard errors of the marginal effect of each relevant regressor – adjusted for clustering on country – are presented under each marginal effect. + significant at 10%; * significant at 5%; ** significant at 1%. In regression (4) we drop the Philippines. In regressions (5), we drop low-income countries (Poland, Bulgaria, Russia, Latvia and the Philippines). *Pro-Trade Dummy* is coded as follows: Pro-Trade Dummy = 1 if Trade Opinion = 4 or 5; 0 if Trade Opinion = 1, 2, 3, 8, or 9. *Education* refers to years of education, with a maximum top-coding (introduced by us) of 20. *gdp* is the log of per capita GDP in 1995, PPP (current international dollars). *Rural* is coded as follows: 1 = urban, 2 = suburbs/city-towns, 3 = rural. *Log of real income* is calculated using data in local currency on individual yearly income from the ISSP data set and purchasing power parity conversion factors from the WDI (World Bank). *Import duties* are average import duties (as % of imports) in 1990-1995. *Imports/gdp* is the average imports-to-GDP ratio in 1990-1995. *Upper social class* is coded as follows: 1 = lower, 2 = working, 3 = lower middle, 4 = middle, 5 = upper middle, 6 = upper. *Trade union member* equals 1 if the individual is a member of a trade union, 0 if he is not. *Political affiliation with the right* is coded as follows: 1 = far left, 2 = centre left, 3 = centre, 4 = right, 5 = far right.

4.3 Individual Trade Preferences Factor endowments

Table 5
Factor endowments model (WVS data set)

Probit with country dummies	1	2	3	4	5	6	7	8
Dependent variable	Pro-Trade Dummy (WVS)							
Age	-0.003	-0.0026	-0.0039	-0.0034	-0.004	-0.0034	-0.0025	-0.003
	0.0001**	0.0002**	0.0002**	0.0002**	0.0002**	0.0002**	0.0002**	0.0001**
Male	0.0365	0.0721	0.0385	0.0344	0.044	0.0239	0.0464	0.037
	0.0043**	0.0078**	0.0046**	0.0047**	0.0050**	0.0072**	0.0049**	0.0043**
Country of birth	-0.0463	-0.1037	-0.0469	-0.0419	-0.0535	-0.0294	-0.0767	-0.0418
	0.0094**	0.0159**	0.0099**	0.0101**	0.0103**	0.0152+	0.0116**	0.0095**
Education (educational attainment)	-0.1004	-0.1399					-0.1184	-0.106
	0.0090**	0.0248**					0.0166**	0.0096**
Education* <i>gdp</i>	0.014	0.0185					0.0156	0.0143
	0.0011**	0.0026**					0.0018**	0.0011**
Education age (age at which education completed)			-0.0232	-0.057				
			0.0043**	0.0054**				
Education age* <i>gdp</i>			0.0031	0.0077				
			0.0005**	0.0006**				
Individual skill (occupation-based individual skill)					-0.0831			
					0.0086**			
Individual skill* <i>gdp</i>					0.0115			
					0.0010**			
<i>Cwe</i> skill (chief wage earner's occupation-based skill)						-0.0446		
						0.0105**		
<i>Cwe</i> skill* <i>gdp</i>						0.0066		
						0.0013**		
Education* <i>import duties</i>							0.0006	
							0.0002**	
Education*(<i>imports/GDP</i>)								0.0001
								0.0001+
Number obs	50771	15166	46143	44495	40068	22962	35413	49789
Pseudo R ²	0.1	0.07	0.1	0.1	0.1	0.11	0.09	0.1

Notes: The table contains the estimated marginal effect on the probability of being pro-trade, given an increase in the value of the relevant regressor, holding all other regressors at their mean value. The standard errors of the marginal effect of each relevant regressor – adjusted for clustering on country – are presented under each marginal effect. + significant at 10%; ** significant at 1%. *Education* (the highest education level attained by the individual) is coded as follows: 1=no formal education; 2=incomplete primary school; 3=complete primary school; 4=incomplete secondary school (technical/vocational type); 5=complete secondary school (technical/vocational type); 6=incomplete secondary (university/preparatory type); 7=complete secondary (university/preparatory type); 8=some university-level education, without degree; 9=university level education, with degree. *Education age* is the age at which the individual finished school. *Individual skill* is coded as follows: 1=agricultural worker; 2=farmer (own farm); 3=unskilled manual worker; 4=semi-skilled manual worker; 5=skilled manual worker; 6=foreman and supervisor; 7=non manual-office worker (non-supervisory); 8=supervisory-office worker; 9=professional worker (lawyer, accountant, teacher, etc.); 10=employer/manager of establishment with less than 10 employees; 11=employer/manager of establishment with 10 or more employees. *cwe* (chief wage earner in the household) skill is coded in the same way as individual skill. Regression (2) is the same as (1) but it only considers observations from the countries in common between the ISSP and the WVS data sets (see Table 3). Regression (4) is the same as regression (3) but it excludes individuals who finished school when they were more than 30 years old. *Import duties* are average import duties (as % of imports) in 1990–1995. *Imports/gdp* is the average imports-to-GDP ratio in 1990–1995.

4.3 Individual Trade Preferences Sector Specificity

Table 6
Sector specific model (ISSP data set)

Dependent variable	Probit with country dummy variables				
	1	2	3	4	5
	Pro-Trade Dummy				
Age	-0.0004	-0.0004	-0.0005	-0.0005	-0.0004
	0.0004	0.0004	0.0004	0.0004	0.0005
Male	0.0802	0.0805	0.0811	0.0808	0.0846
	0.0129**	0.0125**	0.0130**	0.0128**	0.0131**
Citizen	-0.0695	-0.0691	-0.068	-0.0678	-0.0693
	0.0390+	0.0387+	0.0396+	0.0392+	0.0413+
Education (years of education)	0.019	0.0189	-0.1332	-0.1303	-0.124
	0.0028**	0.0030**	0.0238**	0.0254**	0.0241**
Education*gdg			0.016	0.0157	0.0154
			0.0025**	0.0027**	0.0026**
CA sector	-0.0133		-0.0207		0.0115
	0.0239		0.0187		0.0358
CD sector	-0.0252		-0.0204		-0.0168
	0.0116*		0.0122+		0.0311
Exports		-271.602		-242.337	
		408.5989		416.4975	
Imports		-1,807.68		-1,567.50	
		721.0540*		703.3980*	
Education*willingness to move					-0.0336
					0.0308
Education*gdg*willingness to move					0.0027
					0.003
Willingness to move					0.126
					0.0671+
CA*willingness to move					-0.0454
					0.0574
CD*willingness to move					0.002
					0.0449
Number of obs	12432	12432	12432	12432	11473
Pseudo R ²	0.07	0.07	0.07	0.07	0.07

Notes: The table contains the estimated marginal effect on the probability of being pro-trade, given an increase in the value of the relevant regressor, holding all other regressors at their mean value. The standard errors of the marginal effect of each relevant regressor – adjusted for clustering on country – are presented under each marginal effect. + significant at 10%; * significant at 5%; ** significant at 1%. *Pro-Trade Dummy* is coded as follows: Pro-Trade Dummy = 1 if Trade Opinion = 4 or 5; 0 if Trade Opinion = 1, 2, 3, 8, or 9. *gdg* is the log of per capita GDP in 1995, PPP (current international dollars). *Willingness to move*, which varies between 0 and 1, measures the stated willingness to move to another city/town, in order to improve work or living conditions. A sector is defined as a *CA* (comparative-advantage) sector if its adjusted net imports are less than zero and as a *CD* (comparative-disadvantage) sector if its adjusted net imports are greater than zero. *Exports* refers to the value of exports in the respondent's sector of employment, normalized by GDP. *Imports* refers to the value of imports in the respondent's sector of employment, normalized by GDP.

Table 7
Community/national attachment model (ISSP data set)

Dependent variable	Probit with country dummy variables			
	1	2	3	4
	Pro-Trade Dummy			
Age	-0.0003	-0.0001	-0.0007	0.0001
	0.0005	0.0004	0.0005	0.0004
Male	0.0805	0.0832	0.0785	0.088
	0.0089**	0.0097**	0.0081**	0.0089**
Citizen	-0.0759	-0.0582	-0.0846	-0.0704
	0.0379*	0.0249*	0.0284**	0.0237**
Education (years of education)	0.019	0.0157	0.0196	0.0143
	0.0025**	0.0024**	0.0027**	0.0025**
Neighborhood attachment	-0.0174			-0.0157
	0.0052**			0.0051**
Town attachment	0.0069			0.0091
	0.0056			0.0062
County attachment	-0.0213			-0.0167
	0.0051**			0.0043**
Continent attachment	0.0259			0.018
	0.0081**			0.0083*
National pride (1)	-0.0232	0.002		-0.0045
	0.0089**	0.0066		0.0078
National pride (2)		-0.0379		-0.0381
		0.0042**		0.0042**
National pride (3)		-0.0224		-0.0203
		0.0051**		0.0068**
National pride (4)		-0.0527		-0.0551
		0.0044**		0.0046**
Pride in democracy			0.0134	0.0183
			0.0061*	0.0053**
Pride in political influence			-0.0311	-0.0172
			0.0077**	0.0091+
Economic pride			0.0023	0.0097
			0.007	0.0072
Pride in social security system			0.0004	0.0034
			0.0072	0.0078
Number of obs	18993	20472	19867	15091
Pseudo R ²	0.08	0.11	0.08	0.12

Notes: The table contains the estimated marginal effect on the probability of being pro-trade, given an increase in the value of the relevant regressor, holding all other regressors at their mean value. The standard errors of the marginal effect of each relevant regressor – adjusted for clustering on country – are presented under each marginal effect. + significant at 10%; * significant at 5%; ** significant at 1%. *Pro-Trade Dummy* is coded as follows: Pro-Trade Dummy = 1 if Trade Opinion = 4 or 5; 0 if Trade Opinion = 1, 2, 3, 8, or 9. See Appendix B, Tables 12 and 13 for definitions of *neighborhood attachment*, *town attachment*, *county attachment*, *continent attachment*, *national pride* (1) – (4), *pride in democracy*, *pride in political influence*, *economic pride*, and *pride in social security system*.

4.3 Individual Trade Preferences Compensation

How much do you agree or disagree with the following statement: (Respondent's Country) should limit the import of foreign products in order to protect its national economy.

1. Agree strongly
2. Agree
3. Neither agree nor disagree
4. Disagree
5. Disagree strongly

TABLE 1. Models of individual support for trade

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
TRADABLE	-.281*** (.080)	-.239*** (.081)	-.233*** (.085)	-.248** (.097)	-.241*** (.080)	-.220*** (.082)
EXPORTS	.234*** (.087)	.211** (.087)	.248*** (.049)	.171*** (.052)	.174*** (.050)	.236*** (.050)
IMPORTS	-.052* (.029)	-.049* (.028)	-.067*** (.024)	-.030** (.014)	-.027** (.012)	-.063*** (.022)
EDUCATION	.145*** (.032)	.160*** (.030)	.117*** (.025)	.142*** (.021)	.150*** (.023)	.138*** (.026)
INCOME	.282*** (.047)	.138*** (.042)	.367*** (.057)	.231*** (.037)	.165*** (.038)	.177*** (.045)
MALE	-	-	.284*** (.048)	.268*** (.049)	.246*** (.046)	.250*** (.045)
AGE	-	-	-.002* (.001)	-.002 (.001)	-.002 (.001)	-.002* (.001)
SINGLE	-	-	.152*** (.058)	.081** (.036)	.031 (.040)	.039 (.028)
UNEMPLOYED	-	-	-.226** (.096)	-.198** (.091)	-.201** (.079)	-.240*** (.078)
IDEOLOGY	-	-	.045 (.031)	.072** (.030)	.085*** (.025)	.072** (.032)
RELIGIOUS	-	-	-.024 (.079)	-.130** (.066)	-.139** (.062)	-.095 (.069)
NATIONALISM	-	-	-.279*** (.050)	-.260*** (.035)	-.277*** (.033)	-.291*** (.040)
NRR	.768** (.361)	-	.871** (.367)	.597*** (.186)	-	-
ALM	-	.043*** (.009)	-	-	-	.046*** (.008)
SOCIAL SECURITY	-	-	-	-	.097*** (.023)	-
Fixed-country effects	no	no	no	yes	yes	no
Observations	8768	9780	4975	4975	5619	5772
Log likelihood	-12469.4	-13759.0	-6724.8	-6595.0	-7397.8	-7683.5
Pseudo R ²	.029	0.034	.059	.078	.077	.066

Note: Robust standard errors are in parentheses. Respondents are clustered by country. ALM = active labor market; NRR = net replacement rate. *** significant at 1%; ** significant at 5%; * significant at 10%.

4.3 Individual Trade Preferences Effects of Trade

Two survey questions served to construct the dependent variables in the analyses based on the NAES survey:

1. *As you may know, international trade has increased substantially in recent years. This increase is due to the lowering of trade barriers between countries, that is, tariffs or taxes that make it more difficult or more expensive to buy and sell things across international borders. Do you think government should try to encourage international trade or to discourage international trade? Do you think the government should [encourage/discourage] this a lot or only a little?*
2. *I'm going to read you some actions the federal government in Washington can take on a variety of issues. For each one please tell me whether you favor or oppose the federal government doing it. . . . How about the federal government negotiating more free trade agreements like NAFTA? Do you favor or oppose the federal government doing this? Is that strongly [favor/oppose] or only somewhat [favor/oppose]?*

Five survey questions were used to generate the dependent variable for the analysis based on the KN survey. The first two questions were identical to those described earlier, but three additional items were asked as well:

3. *Do you believe that globalization, especially the increasing connections of our economy with others around the world, is good or bad for the United States?*
4. *Should foreign companies be encouraged or discouraged from investing in the United States, for example, by building their factories in this country?*
5. *Do you have a very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable opinion of the WTO, the World Trade Organization?*

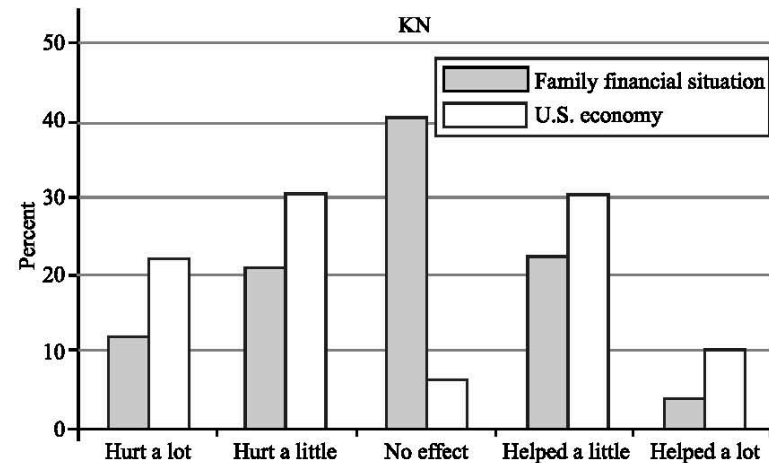
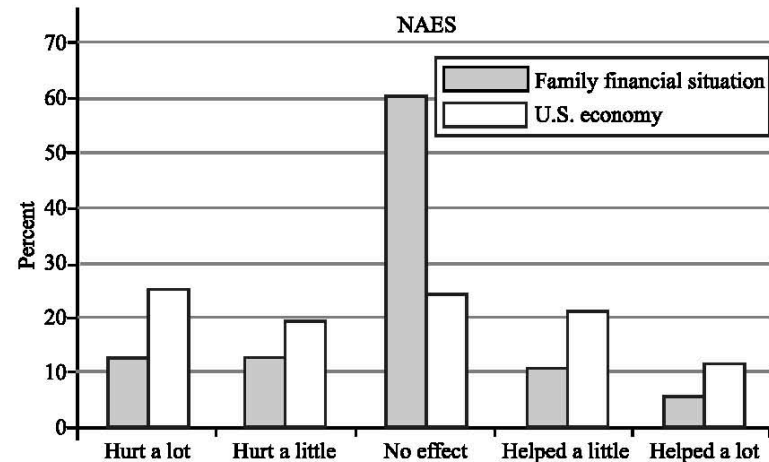


FIGURE 1. The perceived impact of trade on respondents' families and on the U.S. economy

Perceived effects of trade (Mansfield and Mutz 2009)

4.3 Individual Trade Preferences Effects of Trade

TABLE 3. The determinants of trade preferences, based on the KN index

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
SOME COLLEGE	0.146* (0.061)	0.072 (0.051)	0.073 (0.050)	0.069 (0.050)	0.050 (0.048)	0.027 (0.048)
COLLEGE GRADUATE	0.284*** (0.061)	0.155*** (0.044)	0.158*** (0.043)	0.143** (0.043)	0.107* (0.043)	0.056 (0.043)
GRADUATE SCHOOL	0.338*** (0.063)	0.177** (0.051)	0.181*** (0.051)	0.153** (0.054)	0.121* (0.057)	0.031 (0.050)
AVERAGE ANNUAL WAGE	0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
EXPORT ORIENTATION	0.030 (0.051)	-0.017 (0.026)		-0.043 (0.027)	-0.038 (0.029)	-0.029 (0.026)
IMPORT COMPETITION	-0.032 (0.045)	0.017 (0.024)		0.040 (0.025)	0.035 (0.027)	0.030 (0.025)
TARIFF RATE			0.007 (0.009)			
PERCEIVED EFFECT OF TRADE ON U.S.		0.300*** (0.010)	0.300*** (0.010)	0.257*** (0.011)	0.254*** (0.011)	0.249*** (0.012)
PERCEIVED EFFECT OF TRADE ON SELF				0.101*** (0.015)	0.100*** (0.016)	0.075*** (0.018)
UNION MEMBERSHIP	-0.001 (0.053)	0.045 (0.043)	0.046 (0.043)	0.052 (0.043)	0.054 (0.043)	0.066 (0.048)
UNEMPLOYED	-0.126 (0.090)	-0.128* (0.062)	-0.130* (0.063)	-0.089 (0.063)	-0.089 (0.063)	-0.075 (0.070)
REPUBLICAN	-0.118* (0.052)	-0.095* (0.041)	-0.096* (0.041)	-0.113** (0.042)	-0.110* (0.042)	-0.123* (0.047)
DEMOCRAT	-0.081 (0.061)	-0.032 (0.039)	-0.034 (0.039)	-0.034 (0.038)	-0.032 (0.039)	-0.044 (0.048)
MALE	0.100** (0.032)	0.035 (0.030)	0.033 (0.030)	0.034 (0.030)	0.024 (0.029)	0.009 (0.031)
AGE	-0.004* (0.002)	-0.002 (0.001)	-0.002 (0.001)	-0.002 (0.001)	-0.001 (0.001)	-0.002 (0.001)
INCOME	0.010 (0.012)	0.010 (0.010)	0.010 (0.010)	0.006 (0.010)	0.003 (0.009)	0.005 (0.009)
ECONOMICS CLASS					0.044 (0.026)	0.056+ (0.030)
ECONOMISTS' VIEW OF TRADE					0.062* (0.026)	0.055+ (0.027)
ISOLATIONISM						-0.099*** (0.011)
ETHNOCENTRISM						-0.029*** (0.010)
NATIONALISM						-0.023 (0.019)
Constant	2.723*** (0.087)	1.902*** (0.084)	1.936*** (0.090)	1.754*** (0.076)	1.759*** (0.077)	1.886*** (0.087)
R-square	0.070	0.446	0.446	0.463	0.466	0.480
Adjusted R-square	0.064	0.442	0.442	0.458	0.461	0.474
N	1995	1995	1995	1995	1992	1822

Notes: Entries are ordinary least squares regression estimates with robust standard errors, clustered by the respondent's state of residence, in parentheses. Two-tailed tests of statistical significance are conducted for all coefficient estimates. Statistical significance is indicated as follows: + $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$.