Trade Rhetoric Geography in the US Presidential Election Speeches

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Abstract

The US presidency literature generally views the president as the non-particularistic figure who represents national interest. However, less is known about presidential candidates, who have different incentive structure from that of the president. We argue that presidential candidates are particularistic at the stage of delivering presidential election speeches. With the text analysis of all the presidential campaign speeches in the last three elections, we show that where presidential candidates deliver campaign speeches determine their framing of trade. Moreover, we find that conditional on political party of the presidential candidates, their usage of the trade rhetoric is more apparent in rustbelt regions and swing states.

1. Introduction

Donald Trump secured votes from most of the rust belt regions in 2016 presidential election. Among many reasons of this success, his framing of trade as “unfair” and his promise to “make America great again” with the protectionist trade policy appealed voters of rust belt regions. This echoes the recent IPE literature that voters suffering from job security due to trade punish the incumbent president by choosing the presidential candidate from the other party (Jensen et al 2017; Margalit 2011).

Although the voter punishment theory may explain why Trump got elected, this theory does not answer to the following two questions. First, how presidential candidates would *ex-ante* respond to expected voter punishment? Given that presidential candidates are strategic actors who can preemptively influence public opinion through public speeches, they have motivations to depict trade in a way that would result in maximizing their vote shares. Second, provided that geography matters in voter’s trade-related job security, would presidential candidates speak differently when they deliver speeches in trade-sensitive regions? Traditional international trade theory, such as Heckscher–Ohlin theorem and external economies of scale, predicts industrial specialization by region. If geography is the factor deciding the level of job security in trade, rational presidential candidates would consider geographical characteristics when they deliver speeches.

To answer these two questions, we conduct a text analysis with all the presidential speeches of the last three elections, from 2008 to 2016. With the structural topic model, we distinguish the different trade rhetoric in rustbelt and non-rustbelt regions. After constructing the document-term matrix (DTM) with the trade-related unigram words, we construct a regression model of triple interactions with political party of presidential candidates, rustbelt region, and swing states. We show that conditional on political party, rustbelt region and swing states are significant predictors in how frequent would presidential candidates bring up trade rhetoric in their speeches. In the last section, we conduct sentiment analysis on the selected trade-related speeches of presidential candidates, thereby qualitatively supporting our argument.

2. Literature Review

***Trade and Domestic Elections***

While individual trade preferences can be shaped by a variety of factors such as education (Hainmueller and Hiscox 2006), asset ownership (Scheve and Slaughter 2004), and job characteristics (Owen and Johnston 2017), less is studied on how these individual preferences are aggregated at a societal level. A number of recent IPE literature casts doubt on the classical voter-driven models of trade policy based on complete information, pointing out that voter’s knowledge on trade is conditional on high salience of trade policy across all the electorates (Guisinger 2009). This intervention has led scholars to pay attention to public opinion of trade policy, namely formation of perception on how the US economy as a whole is affected by trade. Psychological factors are known to influence American perception toward international trade, such as out-group hostility (Mansfield and Mutz 2009) and in-group favoritism (Mutz and Kim 2017).

If psychological factors do influence public opinion on trade, rational politicians have incentives to take advantage of the rhetoric that invokes out-group hostility and in-group favoritism. This is not only to maximize the vote shares in the election, but also to *ex-ante* respond to voter punishment on incumbent president. A number of scholars find that when voters feel insecure about their job security, they electorally punish the incumbent by choosing the candidate from the other party (Jensen et al 2017; Margalit 2011). Making public speeches with the rhetoric on out-group hostility and in-group favoritism would provide a leeway for politicians to suppress possible voter punishment due to job insecurity (Kuk, Seligohn, and Zhang, 2017).

***Geography and Trade***

Traditional international trade theory predicts regional specialization based on factor endowments (Heckscher–Ohlin theorem) or external economies of scale. According to the former, we see emergence of regional industrial complex because of the differences in factor endowments by region. Goods that intensively use regionally abundant factors are exported, and goods that intensively use regionally scarce factors are imported. On the other hand, the external economies of scale theory links regional concentration of industry with knowledge spillovers, labor-market pooling, and specialized capital inputs (Krugman 2009).

Political scientists have analyzed the consequence of regionally divided trade preferences on domestic politics. Starting from Olson (1971)’s hypothesis on collective action (the “close group” with close physical proximity experiences less monitoring costs for effective lobbying), a number of scholars enunciated the effect of geography on patterns of firm-lobbying and strategic voting (Hansen 1990; Schonhardt and Bailey 1991). However, the relationship between geographical dispersion of industries and the level of achieved protectionism seems inconclusive. Whereas the collective action theory predicts high regional industrial concentration leading to stronger protection granted, Rogowski (1997) and Busch and Reinhardt (1999) argues that geographically dispersed regions acquire stronger protection due to its broader political representation in the Congress.

Provided that geography of industrial concentration leads to two different theoretical predictions on protectionism, it is important to test the two theories with speeches of politicians. Assuming that political speeches reflect both demands of the constituencies and the subsequent feedback from the politicians, analyzing the content of the speeches paves the way of understanding how geography plays a role in trade politics.

3. Theory

We theorize that presidential candidates make campaign speeches considering the regional characteristics of the location where they deliver speech. This theory posits that geography shapes regional public opinion on trade, and presidential campaign speeches respond to the regional public opinion as a means of vote maximization. Presidential candidates would emphasize trade as a job in regions sensitive to trade-related unemployment. On the other hand, in regions insensitive to trade-related unemployment, they would frame trade as a type of foreign policy. In other words, even if in-group favoritism and out-group anxiety sugarcoats trade rhetoric, the basis of the rhetoric resides in geography.

4. Hypotheses

5. Empirical Strategy

5-0. The criteria on Rust belt regions and swing states

5-1. STM

* FREX score

5-2. DTM

* Adding word counts \* FREX score weights

5-3. Sentimental Analysis(option)

6. Data and Data Structure

- sources, cleaning issues (duplicates, no scripts, sounds..)

- how to deal with missing values, and why it happens

- State issues -> multiple/foreign , no information on swing states vote ratio

- Descriptive Statics (Whole, by rust/non-rust, by swing/non-swing)

- Presidential Speech Map

7. Main Results

- Trade salience map

- Vote margin—FREX proportion graph

- word clouds

- Regression

- Positive/ Negative trade-related sentences from Sentimental Analysis (Focus on framing)

8. Conclusion

This research develops the literature on American politics and IPE in two ways. First, this research dis-entangles the president and presidential candidates. While the former is more institutionally bound by separation of powers, the latter has more discretion in positioning-taking. Additionally, their incentive to be the president drive them to use the discretion in a way that maximizes probability of winning the election. Second, this research brings back the importance of geography in international trade in linkage with public opinion. Geography not only explains special interest group, but also explains differences in public opinion by region.

9. References