

## **Anti-trade rhetoric is key to U.S. electoral success, study shows, but rarely translates to action**

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August 23, 2016

Bashing trade has always been assumed to be good politics, never more so than during this U.S. election cycle. However researchers at Georgetown University have done the math, showing exactly how anti-trade rhetoric translates into victory at the voting booth.

From where Canada sits, the view of our neighbour's economic landscape is looking a lot less inviting than it used to.

Both Hillary Clinton and Donald Trump have said they would significantly alter – or even rip up – key agreements such as the North American Free Trade Agreement and the Trans-Pacific Partnership.

That kind of rhetoric resonates with a segment of voters – low-skilled, highly paid manufacturing workers, whose jobs are at the highest risk of being outsourced to lower cost jurisdictions overseas – that have an extraordinary amount of influence when it comes to Electoral College votes.

“I hadn't really understood the extent to which low-skilled manufacturing in the United States was concentrated in about 15 states, and seven of them are swing states,” said Dennis Quinn, one of the study's authors and professor of international political economy at Georgetown University's McDonough School of Business. They include states like Iowa, Ohio, Michigan and North Carolina.

“At the national level, the change is politically pretty consequential,” he said.

The assumption that researchers could capture trade's effect on electoral results by measuring economic growth and unemployment turned out to be false, Quinn said. The effect of trade agreements becomes apparent to workers long before it translates into lost jobs or slower growth.

“People know in six months they might lose their job because the firm has lost orders. And lost orders show up a whole lot faster than the lost jobs,” Quinn said.

Trade with the United States was a key issue at the Liberal government's summer retreat in Sudbury, Ont., this week, according to a report by Bloomberg News. The closed-door meetings included a presentation on cross-border relations by Canada's ambassador to Washington, David MacNaughton and Foreign Affairs Minister Stephane Dion.

"Everyone's interested in the anti-trade rhetoric that's going on with the United States," MacNaughton said in an interview with Bloomberg. "You can't have the Bernie Sanders phenomenon, the Donald Trump phenomenon, Hillary Clinton saying the things that she's saying, without realizing that there's something going on, right? It's a challenge for us."

The study also looked at how the level of U.S. exports, expressed as a percentage of GDP, translates into electoral results. More imports results in fewer votes for the incumbent, or incumbent's party. So presidential candidates are incentivized to speak out against trade, regardless of how they would actually govern.

This is a familiar theme in this year's U.S. presidential election cycle. Donald Trump recently told the New York Times, "I would pull out of NAFTA in a split second... It's the worst trade deal ever signed in the history of this country and one of the worst trade deals ever signed anywhere in the world. NAFTA is a disaster."

Hillary Clinton had similar harsh words for the TPP, something she was responsible for promoting as secretary of state: "I will stop any trade deal that kills jobs or holds down wages – including the Trans-Pacific Partnership. I oppose it now, I'll oppose it after the election, and I'll oppose it as president," she said during an economic policy speech in Michigan earlier this month.

According to Dan Ikenson, director of trade policy studies at the Cato Institute, at least nine presidential candidates have used anti-trade rhetoric in the last 25 years, including Ross Perot, Pat Buchanan, John Kerry, and Mitt Romney.

Even president Barack Obama got into the act during the 2008 campaign, where he argued that NAFTA "paid only lip service to the rights of labour and the importance of environmental protection," and said he never supported it.

However, as president, not only did Obama not amend NAFTA, but he led negotiations on an even larger trade agreement, the TPP, which includes 12 countries that surround the Pacific.

So how often does anti-trade rhetoric translate into anti-trade policy?

"If history is anything to go by, (Clinton) shouldn't be taken too seriously," says Jeffrey Kucik, assistant professor of political science at the City College of New York. "She's probably been a little more adamant than Obama was, so maybe that's worth paying careful attention to."

But Trump, for all of his bombast, shouldn't be dismissed, Kucik said. "When he says he wants to tear up NAFTA, I think that signals something deeper about how Republicans are starting to feel about free trade and I think that's something to take seriously," he said.

Research by Kucik shows that while leaders rarely exit or renegotiate trade agreements, sometimes they will simply not implement parts of economic agreements that have been agreed to by prior leaders.

In the current race, factors like the economy (“okay but not great”), a rising U.S. dollar, and the fact that the Democrats have held power for the past eight years work against Clinton, Quinn, the Georgetown professor, said.

“On balance, this could be a very close election,” he said. “We still think that Hillary Clinton has the edge, she especially has the electoral college edge.”

But that’s no reason to fear for the future of the TPP, or any other trade agreement, Kucik said. “I just can’t see a scenario in which the U.S. can successfully or realistically sever ties to its most important trade partners.”