

Trading Places, Trading Platforms: The Geography of Realignment

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Motivating Puzzle: Partisan Realignment on Trade

Table: Advanced Plurality Countries in the 1980's

Party	Position
Left	Protectionist
Right	Pro-Trade

Table: Advanced Plurality Countries Today

Party	Position
Left	Pro-Trade
Right	Protectionist

Motivating Puzzle: Voter Realignment by Education

Table: Advanced Plurality Countries in the 1980's

Party	Electoral Base
Left	Uneducated
Right	Educated

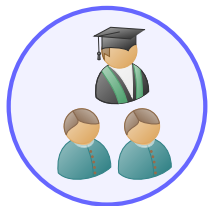
Table: Advanced Plurality Countries Today

Party	Electoral Base
Left	Educated
Right	Uneducated

Initial Trade Positioning

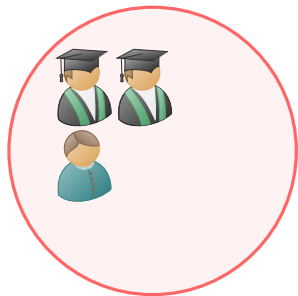
High-Density District

Left Platform is Protectionist



Low-Density District

Right Platform is Pro-Trade



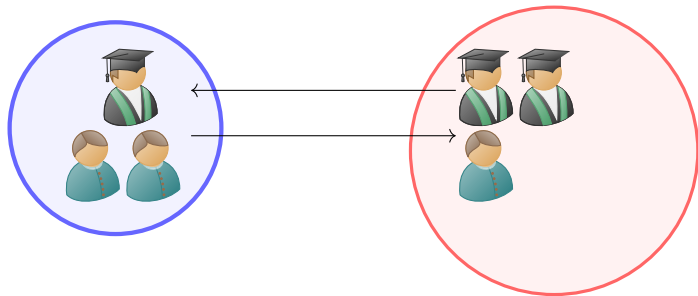
Internal Migration: "Trading Places"

High-Density District

Low-Density District

Left Incumbent

Right Incumbent



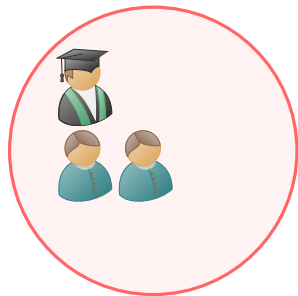
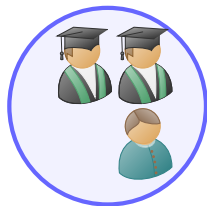
Partisan Realignment: "Trading Platforms"

High-Density District

Low-Density District

Left Platform is Pro-Trade

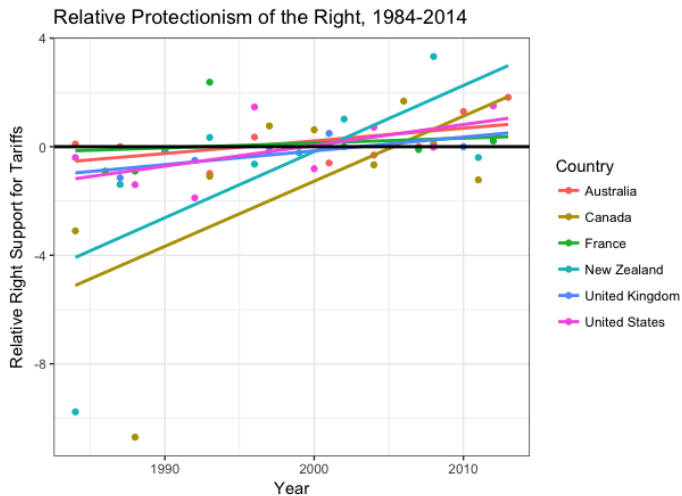
Right Platform is Protectionist



Measuring Party Positioning on Trade

- ▶ Data: Manifesto Project (Party Platforms)
 - ▶ Australia, Canada, France, New Zealand, United Kingdom, United States
 - ▶ 1984-2014
- ▶ “Support for Tariffs” = Positive Mentions of Protectionism - Negative Mentions of Protectionism
- ▶ “Relative Protectionism of the Right” = Right “Support for Tariffs” - Left “Support for Tariffs”

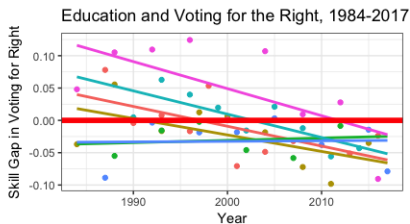
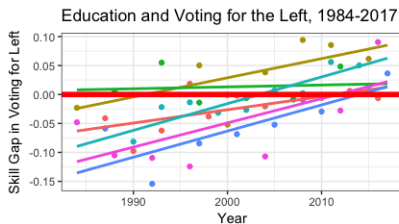
Partisan Realignment on Trade



Measuring Voting by Education Level

- ▶ Data: Post-electoral surveys, 1984-2017 in all six countries
- ▶ Divide voters into college-educated and above (“skilled”), and voters without college education (“unskilled”)
- ▶ Skill Gap in Voting by Party: % Skilled Voting for Party - % Unskilled Voting for Party

Voter Realignment by Education



Formal Model: Political System

- ▶ High-density district b and low-density district a
- ▶ Left and Right candidates compete in both districts (l_a, l_b, r_a, r_b)
- ▶ Political geography: l_b and r_a are incumbents
- ▶ l_b sets τ_l and r_a sets τ_r

Formal Model: The Spatial Economy

- ▶ S skilled workers, U unskilled workers
- ▶ Location of workers (S_b, S_a, U_b, U_a) determined endogenously
- ▶ Each worker gets a skill and location specific wage $W_{\theta d}$ and pays a location specific cost of rent ρ_d
- ▶ Spatial equilibrium: $W_{Sb} - \rho_b = W_{Sa} - \rho_a$, and $W_{Ub} - \rho_b = W_{Ua} - \rho_a$.

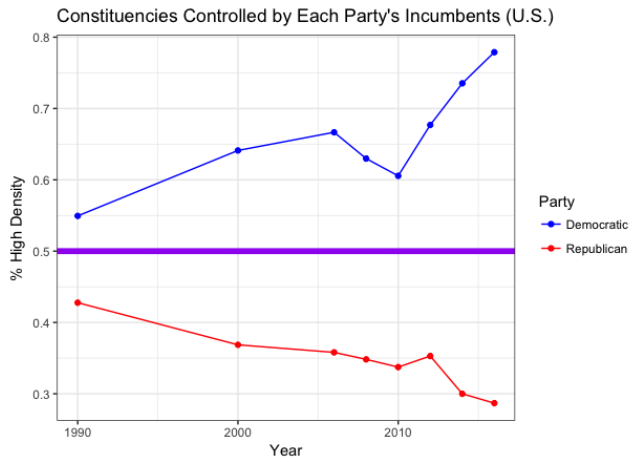
Model Summary

- ▶ Because of electoral competition, $\tau_l = \tau_{m_b}$ and $\tau_r = \tau_{m_a}$
- ▶ Economic forces cause skilled workers to migrate from low-density to high-density ($S_{b2} > S_{b1}$ and $U_{a2} > U_{a1}$).
- ▶ In response, the Left incumbent adopts a more pro-trade platform than before ($\tau_{l2} < \tau_{l1}$ and $\tau_{r2} > \tau_{r1}$).
- ▶ Changes in party positioning drive skilled voters towards the Left ($S_{l2} > S_{l1}$ and $U_{r2} > U_{r1}$).

Observable Implications of Theory for U.S.

- ▶ Majority of Democratic Congressional Districts are High-Density
- ▶ Educated Move to High-Density Districts
- ▶ Increasing Relationship between Population Density and Percent Skilled
- ▶ Democratic Districts Become More Skilled Relative to Republican Districts

Political Geography of the United States



Skill-Sorting in the U.S.

- ▶ Cooperative Congressional Election Study panel, 2010-2012
 - ▶ Subset on respondents who moved between Congressional Districts
- ▶ “Density Gap” = Mean (Population Density for 2012 District) - (Population Density for 2010 District) for each skill type
- ▶ Expect positive Density Gap for Skilled migrants, negative Density Gap for Unskilled migrants

Skill-Sorting in the U.S.

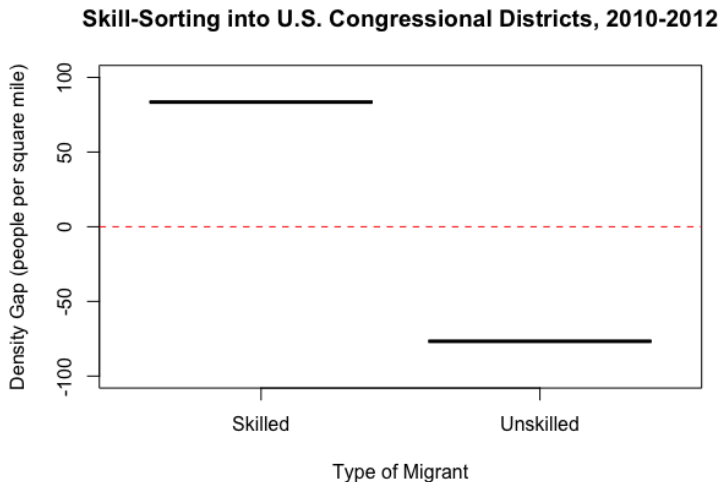


Figure: *Density Gap in Migration to U.S. Congressional Districts*

Economic Geography of the United States

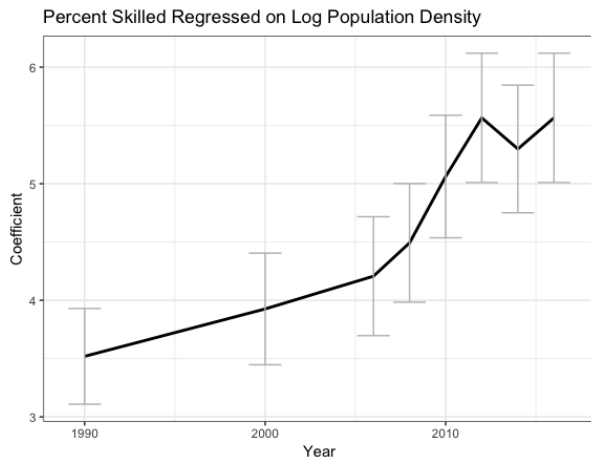


Figure: U.S. Coefficient Plot for Percent Skilled Regressed on Log Population Density

Skill Level of Democratic and Republican Constituencies

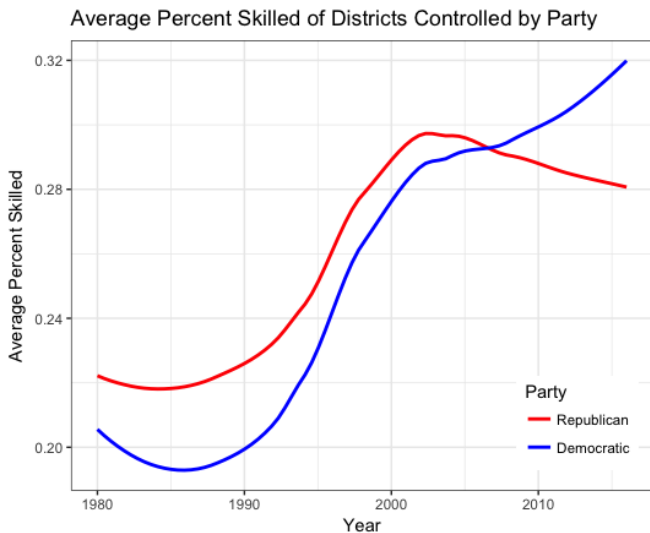


Figure: Average Percent Skilled of Districts Controlled by Party (U.S.)

Contributions

- ▶ Demonstrates partisan realignment on trade
- ▶ Theoretically links political and economic geography
- ▶ Introduces internal migration into trade politics

Thank you!

- ▶ PR “Placebo Test” [here](#)
- ▶ Left and Right Tariff Trends [here](#)
- ▶ Coding of Major Parties [here](#)
- ▶ Data Sources for Voting Analysis [here](#)
- ▶ Sequence of Game [here](#)
- ▶ Model Propositions [here](#)
- ▶ Ruling Out Partisan Sorting in the U.S. [here](#)
- ▶ Political Geography of Other Advanced Plurality Countries [here](#)
- ▶ Theoretical Contribution [here](#)

Countries: Austria, Belgium, Denmark, Finland, Ireland, Israel, the Netherlands, Norway, Sweden and Switzerland

Table: Right and Left Support for Tariffs in PR, 1984-2014

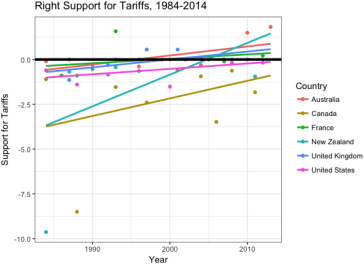
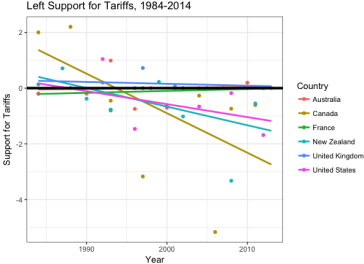
	<i>Dependent variable:</i>	
	Left Support for Tariffs (1)	Right Support for Tariffs (2)
Year	-0.006* (0.003)	-0.014** (0.006)
Constant	11.617* (6.168)	27.565** (12.624)
Observations	352	271
R ²	0.010	0.018
Adjusted R ²	0.007	0.014
Residual Std. Error	0.503 (df = 350)	0.869 (df = 269)
F Statistic	3.562* (df = 1; 350)	4.806** (df = 1; 269)

Note:

*p<0.1; **p<0.05; ***p<0.01

return

Liberalizing Left and Restrictionist Right



return

Major Parties

- ▶ Left parties: Democratic (U.S.), Labour (U.K.), Liberal (Canada), Labor (Australia), Labour (New Zealand), Socialist (France)
- ▶ Right parties: Republican (US), Conservative (UK), Progressive Conservative/Conservative party (Canada), Liberal (Australia)
- ▶ French Right: Conservatives/Gaullists (1986,1988), the Rally for the Republic (1993,1997), the Union for the Presidential Majority (2002), and the Union for a Popular Movement (2007,2012)

return

Measuring Voting Behavior

- ▶ Canadian Election Study (1984, 1988, 1993, 1997, 2000, 2004, 2008, 2011 and 2015)
- ▶ Australian Election Study (1987, 1990, 1993, 1996, 1998, 2001, 2004, 2007, 2010, 2013, and 2016)
- ▶ New Zealand Election Study (1990, 1993, 1996, 1999, 2002, 2005, 2008, 2011, and 2014)
- ▶ American National Election Study (1984, 1988, 1992, 1996, 2000, 2004, 2008, 2012, and 2016)
- ▶ Various French post-election studies (1988, 1995, 1997, 2002, 2007, and 2012)
- ▶ British Election Studies (1987, 1992, 1997, 2001, 2005, 2010, 2015 and 2017)

return

Percentage of Constituencies That Are High-Density

	Australia 2011	Australia 2013	Australia 2016	Canada 2001	Canada 2006	Canada 2011	Canada 2016	U.K. 2001	U.K. 2011
Left	61	67	64	59	66	77	67	58	71
Right	41	40	39	29	34	35	21	36	34

return

Sequence of Game

- ▶ At the start of Period 1, incumbents l_b and r_a simultaneously set platform tariff positions τ_{l1} and τ_{r1}
- ▶ Elections are held and politician payoffs are realized
- ▶ Nature chooses either a or b as the median district
- ▶ Party p_1 that controls the median district enacts $\tau_{G1} = \tau_{p1}$
- ▶ At the start of Period 2, population movement occurs until spatial equilibrium is achieved
- ▶ Period 2 incumbents set platform tariff positions τ_{l2} and τ_{r2}
- ▶ Elections are held and politician payoffs are realized
- ▶ Nature chooses either a or b as the median district
- ▶ Party p_2 that controls the median district enacts $\tau_{G2} = \tau_{p2}$

return

Theoretical Contribution

Table: Theories of Partisan Re-Positioning on Trade in Advanced Plurality Countries

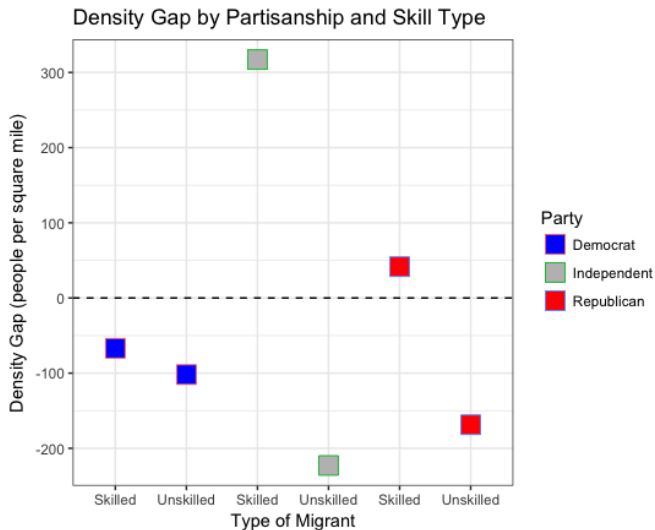
Theory	Source	Explains Liberalizing Left	Explains Protectionist Right
Trade-induced Authoritarianism	Ballard-Rosa et. al. (2017), Ballard-Rosa et. al. (2018)		✓
Increased Number of University-Educated Citizens	Evans and Tilley (2011), Ford and Goodwin (2014)	✓	
Sorting of Skilled and Unskilled Workers	Schonfeld (2018)	✓	✓

Table: Theories of Partisan and Voter Realignments by Education

Theory	Source	Explains Voter Realignment by Education	Explains Partisan Realignment on Trade
Increasing Salience of Immigration	Piketty (2018)	✓	
Expansion of Higher Education	Piketty (2018)	✓	
Increasing Importance of "Second-Dimension" Politics	Kitschelt and Rehm (2018)	✓	
Sorting of Skilled and Unskilled Workers	Schonfeld (2018)	✓	✓

return

Ruling Out “Partisan Sorting”



return

Model Propositions

Proposition

$\tau_{r2} > \tau_{r1}$, and $\tau_{l2} < \tau_{l1}$.

Proposition

$\tau_{G2} > \tau_{G1}$ if the median district is type a, and $\tau_{G2} < \tau_{G1}$ if the median district is type b.

Proposition

A partisan realignment occurs if $\frac{S_{a1}}{U_{a1}} > \frac{S_{b1}}{U_{b1}}$ and $\frac{S_{a2}}{U_{a2}} < \frac{S_{b2}}{U_{b2}}$.

Proposition

Because $\tau_{r2} > \tau_{r1}$ and $\tau_{l2} < \tau_{l1}$, $\frac{S_{l2}}{U_{l2}} > \frac{S_{l1}}{U_{l1}}$, and $\frac{S_{r2}}{U_{r2}} < \frac{S_{r1}}{U_{r1}}$.

Proposition

If a partisan realignment on trade occurs, then there is a voter realignment by education as well. ($\tau_{l1} > \tau_{r1}$ and $\tau_{l2} < \tau_{r2}$, then $\frac{S_{l1}}{U_{l1}} < \frac{S_{r1}}{U_{r1}}$ and $\frac{S_{l2}}{U_{l2}} > \frac{S_{r2}}{U_{r2}}$).