Framing Layoffs: Media Coverage, Blame Attribution, and Trade-Related Policy Responses

Don’t Just Blame Trump for GM’s Layoffs—Blame GM

Tariffs could mean a 2M drop in car sales and cost 715,000 jobs, warns auto industry group

GM plant closing not expected to stall Detroit’s rebound

GM to kill Chevrolet Volt, Cruze, Impala as Americans ditch passenger cars
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Does it matter who the public blames for factory closings?

• Politicians – and not just Donald Trump – spend a lot of time pointing fingers.
• The press carries these messages, but unequally
Sample of Media Coverage

### Headline Terms
- Politician Name(s): 32%
- Labor: 11%
- Market Forces: 6%

### Mentioned causes
- Gov't: 27%
- General Motors: 45%
- Market Forces: 54%
How might the frames matter?

- Individual event job losses are relatively small and concentrated, yet nationally publicized
  - Lordstown Assembly, Ohio: 1,618 jobs lost
  - Oshawa Assembly, Ontario 2,900 jobs lost

- Blame attribution influences political accountability
  - A primary concern for scholars of retrospective voting (see Healy and Malhotra 2013)
  - An explanation for the politicians’ finger pointing (Stiers 2021).

- But does it influence support for trade-related policies?
  - Barriers to trade
  - Government assistance for affected workers
Why might frames matter for trade-related policies?

- Complex attribution process
  - Local Government, National Government, Foreign Governments, Corporate Management, Consumer Behavior…
  - Leaves room for adjudication by media (Ecker-Ehrhardt 2010)
  - Is the Government even responsible?

- Potential for backlash
  - Focusing on the specific plight of individuals can be counter-productive
  - Guisinger (2017) personalized description of trade-affected workers decreased support for trade protection (compared to factory-level discussion)
Research design

• Survey experiment fielded on diverse national samples in the United States and Canada
  • Fielded by Dynata in July 2020, during the Covid-19 pandemic
  • Approximately 6,000 respondents after attention check
  • Sample selected for survey invitations using population targets
Factory closing frames

• Subjects randomly assigned 1 of 5 common news descriptions of General Motor’s November 2018 plant closing announcement
  • Control; Changing market conditions; Tariffs bad; Tariffs good; Pandemic (not in our original plan circa January 2020!)

• Follow-up questions included
  • Have you followed this story?
  • Who is to blame?
  • Do you favor or oppose reducing barriers to trade?
  • Which of the following [government assistance programs] should be available to GM workers

• Collected demographics such as age, income, area of employment, gender
Control

General Motors to close Canadian and U.S. plants

General Motors made a major announcement saying it will close numerous assembly plants, including Oshawa in Ontario and Lordstown in Ohio. The plan will help save the company $6 billion, according to GM.

Thousands of jobs are at stake, with at least 1,500 people set to lose their job at each plant. According to a spokesperson for GM, the plants will be unallocated, which means they will no longer produce vehicles in those plants. Vehicle lines made at the targeted facilities will be terminated.
Control + Treatments
(see paper for full text)

<table>
<thead>
<tr>
<th>Changing market conditions</th>
<th>The move comes as consumers are abandoning traditional passenger cars in favor of alternative makes....</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariffs bad (new tariffs have hurt the industry)</td>
<td>The move comes as new U.S.-initiated tariffs on imported goods have increased material costs for some U.S. industries....</td>
</tr>
<tr>
<td>Tariffs good (removing tariffs has hurt the industry)</td>
<td>The move comes as the industry faces increased competition from foreign imports....</td>
</tr>
<tr>
<td>Tariffs pandemic</td>
<td>The move comes as the industry faces the economic impact of coronavirus....</td>
</tr>
</tbody>
</table>
Who is to blame?

The proportion of respondents attributing responsibility for the factory closing to the government, General Motors, or “other.” (Control group responses)
Framing treatments effects on blame

Dependent Variable

- Market Conditions
- Tariffs Bad
- Tariffs Good
- Pandemic

Blame
- Gov’t
- GM
- Other

Pandemic

Tariffs

Good

Bad
Support for Trade

Do you favor or oppose the [the United States / Canada] reducing its barriers to trade? (Control group responses)

- Strongly oppose: 3% (Canada), 3% (U.S.), 3% (Total)
- Somewhat oppose: 10% (Canada), 10% (U.S.), 10% (Total)
- Neither favor nor oppose: 32% (Canada), 38% (U.S.), 34% (Total)
- Somewhat favor: 40% (Canada), 27% (U.S.), 34% (Total)
- Strongly favor: 15% (Canada), 16% (U.S.), 15% (Total)
Effects on Support for Trade

- Market Conditions
- Tariffs Bad
- Tariffs Good
- Pandemic
- Women
- Ideology
- College Degree
- Age
- US Study
- Income

Sparse Model Includes Controls
Government Assistance

Which of the following do you believe are and should be available to laid off G.M. workers? (Control group responses)

- Job training: 67% Does Exist, 82% Should Exist
- Education Support: 49% Does Exist, 72% Should Exist
- Unemployment benefits: 88% Does Exist, 90% Should Exist
- Wage supplement: 36% Does Exist, 49% Should Exist
Effects on Support for Government Assistance Programs

- Market Conditions
- Tariffs Bad
- Tariffs Good
- Pandemic

- Edu. & Training
- Wage Support
Take Away(s)

- Newspaper frames on factory closings
  - Strongly influence blame attribution
  - Weakly influence preferences for barriers but not assistance

- So what?
  - Increased frustration with government, yet amorphous policy directives
  - Didn’t backfire on workers (as in some other studies) but also didn’t increase support for them much

- Next steps
  - Other sources of heterogeneity (class, industry)
  - Collection and coding of national and regional news variation
The move comes as consumers are abandoning traditional passenger cars in favor of alternative makes – if they’re buying vehicles at all. General Motors has more ability to build cars than people want to buy, and especially for traditional passenger cars.

GM plans to invest in electric vehicles and self-driving cars, industries of the future, instead of cars like the Chevy Impala that evoke memories of the past. GM wasn’t able to sell enough vehicles to keep these lines profitable. If the company doesn’t take bold steps to address the new auto market, then more jobs will be at risk. GM faces many challenges and the shift in consumer demand doesn’t help.
The move comes as new U.S.-initiated tariffs on imported goods have increased material costs for some U.S. industries. The recently imposed tariffs of 25 percent on imported steel and 10 percent on aluminum have been identified as a key business challenge. Already enacted tariffs on imported aluminum and steel have cost GM $1 billion in 2019. These immediate cost increases led to a reassessment of production strategy.

Someone familiar with the decision noted that raising tariffs increases costs significantly for the auto industry and threatens thousands of jobs. GM wasn’t able to sell enough vehicles to keep these lines profitable. If the company doesn’t take bold steps to address rising costs from tariffs, then more jobs will be at risk. GM faces many challenges, and higher tariffs on materials don’t help.
The move comes as the industry faces increased competition from foreign imports. Lowered tariffs as part of international trade agreements have been identified as a key business challenge, with sales of foreign cars in the U.S. increasing 14.2% since 2014. This recent surge in foreign competition led to a reassessment of production strategy.

Someone familiar with the decision noted that lowering tariffs increases competition from auto imports and threatens thousands of jobs. GM wasn’t able to sell enough vehicles to keep these lines profitable. If the company doesn’t take bold steps to address increased competition, then more jobs will be at risk. GM faces many challenges, and lower import tariffs don’t help.
The move comes as the industry faces the economic impact of coronavirus. A global recession and decreased consumer demand could mean millions of fewer vehicles sold this year compared to earlier projections. The projected fall in sales as well as uncertainty about a potential government stimulus has led to a reassessment of production strategy by GM.

GM plans to restructure its production lines and factories. GM wasn’t able to sell enough vehicles to keep these lines profitable. If the company doesn’t take bold steps to address the global recession, then more jobs will be at risk. GM faces many challenges and the pandemic doesn’t help.
* The fine print

- Manipulated text from real news reports
  - However, smoothed number of job losses to an average across the factories
- Canadian & US versions differed
  - In the order of factories listed
  - In the picture shown
- An additional experiment embedded in the tariffs good/tariff bad conditions
  - Randomly assigned cue-giver (generic, capital, labor)
  - 3x as many respondents received these 2 frames
- Did not mention Trump directly, but obviously lurking in the background (or arguably foreground)
## Sample Demographics

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Canadian Sample</th>
<th>US Sample</th>
<th>U.S. Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 18 to 24</td>
<td>0.088</td>
<td>0.096</td>
<td>0.132</td>
</tr>
<tr>
<td>Age 25 to 39</td>
<td>0.251</td>
<td>0.232</td>
<td>0.266</td>
</tr>
<tr>
<td>Age 40 to 59</td>
<td>0.346</td>
<td>0.333</td>
<td>0.325</td>
</tr>
<tr>
<td>Age &gt;50</td>
<td>0.315</td>
<td>0.340</td>
<td>0.293</td>
</tr>
<tr>
<td>Female</td>
<td>0.512</td>
<td>0.531</td>
<td>0.510</td>
</tr>
<tr>
<td>Household income $0 to $50,000</td>
<td>0.336</td>
<td>0.426</td>
<td>0.371</td>
</tr>
<tr>
<td>Household income $50,001 to $100,000</td>
<td>0.361</td>
<td>0.322</td>
<td>0.288</td>
</tr>
<tr>
<td>Household income $100,001 to $150,000</td>
<td>0.181</td>
<td>0.135</td>
<td>0.156</td>
</tr>
<tr>
<td>Household income &gt;$150,000</td>
<td>0.122</td>
<td>0.117</td>
<td>0.185</td>
</tr>
<tr>
<td>Attended college</td>
<td>0.690</td>
<td>0.491</td>
<td>0.611</td>
</tr>
</tbody>
</table>

Note: Table 1 reports the sample demographics for the US and Canada, with a comparison to the U.S. population. Population data is from the Census Bureau and are for 2019 for age, gender, income, and education.