

# Trade War or Election Interference?

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## **Abstract**

In response to the Trump trade war, many countries have enacted politically-targeted trade retaliation against swing states and Republican strongholds. We argue that politically-targeted retaliation increases public concerns about foreign election interference. We assess whether reactions are partisan, with Republicans reacting more negatively to actions targeting the incumbent party. We test our predictions using a national survey experiment in the United States fielded before the 2020 election. We find strong evidence that Republicans and Democrats alike view politically targeted retaliation as election interference. Swing state targeting has the greatest effect on perceptions of electoral interference, with Republicans reacting significantly more than Democrats. We also test whether different types of retaliation generate a political backlash against the retaliating actor. When the incumbent's base is targeted attitudes toward the retaliating state worsen, but the same is not true when swing states are targeted. Taken together, the evidence shows that even economic policies whose primary goal is not electoral interference may nonetheless become viewed in that light.

# 1 Introduction

The trade war initiated by Donald Trump was one of the largest shocks to the international economic system since the Great Recession. The trade war began with United States imposing tariffs on washing machines and dishwashers from Asian countries and quickly escalated and expanded to myriad products and countries, as the United States and its trading partners exchanged repeated rounds of tariffs and retaliatory tariffs.<sup>1</sup>

Apart from its magnitude, a defining feature of the trade war was how tariff targets were chosen for explicitly *political* reasons. Retaliation against the United States targeted products and locations of production with the intention of maximizing political pain for President Trump and the Republican party. Some salvos in the trade war targeted Trump's base of support in conservative states. For example, retaliation heavily targeted agricultural products, like soybeans, that are produced in pro-Trump strongholds.<sup>2</sup> Other shots in the trade war targeted more contested swing states. Retaliation against US tariffs was particularly painful for exports produced in swing states like Michigan and Wisconsin.<sup>3</sup> Retaliation also took a personal turn, with analysts noting how tariffs targeted production in the home districts of then-Speaker of the House Paul Ryan, and Senate Majority Leader Mitch McConnell.<sup>4</sup>

While the Trump trade war provides the biggest and most recent example of politically motivated trade retaliation (PMTR), this phenomenon is not new. The European Union effectively used politically targeted trade retaliation against the steel safeguards proposed by George W. Bush.<sup>5</sup> Nor is this tactic limited to tariffs against the United States. The US often targets politically important, geographically concentrated exports of luxury or specialty goods.<sup>6</sup> China recently targeted the politically powerful Australian wine-producing sector in its row over 5G technology and a planned

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<sup>1</sup><https://www.wsj.com/articles/u-s-imposes-trade-tariffs-signaling-tougher-line-on-china-1516658821>

<sup>2</sup>Chyzh and Urbatsch (Forthcoming).

<sup>3</sup>Fajgelbaum et al. (2020); Blanchard, Bown and Chor (2019).

<sup>4</sup><https://www.scmp.com/news/china/diplomacy-defence/article/2140464/how-china-hit-donald-trumps-supporters-where-it-hurts>. Accessed 12-12-2020.

<sup>5</sup>Chaudoin (2014).

<sup>6</sup><https://nymag.com/intelligencer/2019/09/trumps-cheese-tariffs-may-be-his-most-normal-trade-policy.html>. Accessed 12-12-2020.

inquiry into the origins of the SARS-CoV-2 virus.<sup>7</sup>

Academic research generally applies a political-economic lens to analyzing the effects of trade policy, where those harmed or helped by a particular trade policy are more likely to oppose or support the incumbent responsible for that policy, respectively.<sup>8</sup> But trade policy, and its political motivations, now take place in front of audiences that are increasingly aware of foreign political manipulation, in the form of electoral interference (Tomz and Weeks, 2020) and endorsements (Bush and Prather, 2020). In the US case, politically motivated trade retaliation affects a public that is increasingly aware of threats of election interference, which gained prominence in the national discourse with debates over Russian electoral interference in the 2016 Presidential elections. Foreign electoral interference will likely remain an important feature of relations between states, because it is difficult to counter and can level the playing field between asymmetric adversaries. Broader scholarly attention to electoral interference is much needed, because it can undermine confidence in electoral integrity and further polarize the polity, which is evidenced in the varying severity of backlash across partisan members of the public. Furthermore, foreign election interference can also produce a strong backlash against the interfering state, which can strain or destabilize international relations.

We therefore widen the aperture of what is considered electoral interference to include PMTR. Trade policy and the political machinations behind it might have once flown under the radar, but increasing sensitivity to electoral interference means that the distinction between trade policy and interference has become blurred. We argue that the fact that trade retaliation targets were chosen to inflict electoral pain can affect citizens' perceptions in ways akin to their reactions to other forms of electoral interference and in ways that go beyond the direct pocketbook effects of foreign and domestic trade policy. Trade policies designed to ignite retrospective punishment on economic grounds can also trigger reactions similar to those of more direct and overt instances of electoral interference, which include increased public concern about electoral interference and

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<sup>7</sup><https://theconversation.com/its-hard-to-tell-why-china-is-targeting-australian-wine-there-are-two-possibilities-144734>.

<sup>8</sup>Eg Kim and Margalit (Forthcoming).

public backlash against the initiator of the tariffs. We theoretically distinguish between two types of PMTR—base targeting and swing state targeting—which can trigger different reactions among subsets of the electorate. Research on the consequences of electoral interference has focused most heavily on policies targeting the incumbent’s base of support, but efforts to target politically pivotal subsets of the electorate are also gaining prominence.

We first document how PMTR was not an esoteric or unknown feature of the trade war pondered only by academics and elites. A significant proportion of media coverage about the trade war focused on its electoral implications. In our survey of media coverage of the trade war, we find that over 30 percent of newspaper articles in the US specifically mentioned that swing states or states that makeup the base of support for Trump and the Republican party were targeted or disproportionately affected by retaliatory tariffs. Beginning in 2018 when the trade war began, the media provided extensive coverage of PMTR in its coverage of the trade war.

We then use a survey experiment fielded to US respondents in the weeks before the 2020 presidential election to assess how different types of politically targeted trade retaliation affect perceptions of electoral interference and perceptions of the foreign initiator of the targeting. We find a strong effect of political targeting on public concern that the foreign actor was trying to interfere in the US election. When retaliatory tariffs target Trump’s base or electoral swing states, as opposed to generic trade retaliation, public concern about election interference is 13 percentage points higher. Notably, both Democrats and Republicans shared this reaction, even though the targeting was only intended to harm President Trump or the Republican base. Surprisingly, we do not find that Republicans have a stronger reaction to their own political base being targeted than when Democrats learn that the Republican base was targeted. By contrast, Republicans do react stronger than Democrats to swing states being targeted. These findings allow us to speak to competing mechanisms in the literature, which lend greater support to consequentialist theories focused on concerns of the election being tipped, as opposed to partisans being especially concerned about the direct economic consequences of politically targeted trade retaliation on their in-group.

Our findings are important because they show how policies that do not directly manipulate an

election may nonetheless be viewed as electoral interference. Given the public’s growing distrust of democratic processes and the importance of foreign interference in domestic elections, it is critical that we understand how the public perceives politically motivated trade retaliation. Our results show that the public views PMTR as a form of electoral interference, which suggests the overall effects of a trade war extend beyond the direct economic pain and subsequent change in political behavior among the targeted. Politically targeted trade wars can bring similar backlashes and polarized reactions as direct electoral interference. The costs of a trade war—increased polarization and lessened faith in democracy—extend beyond the pocketbook of the individuals affected.

## **2 Background on Politically Motivated Trade Retaliation**

Politically motivated trade retaliation was a prominent feature of the Trump trade war and many other trade spats. After Trump imposed tariffs on imports from the European Union, China, and many other countries, retaliation was swift.

A consistent theme of retaliatory tariffs is the manner in which they are politically targeted. In the US’s recent trade war, countries often retaliated by targeting geographic areas that formed the base of President Trump’s 2016 electoral support. Virtually every target of Trump’s Section 232 tariffs retaliated against agricultural goods produced in states and counties that Trump carried handily in the 2016 elections.<sup>9</sup> For example, the EU retaliated with 25% tariffs against corn, rice, and peanuts, produced in states like Iowa, Arkansas, and Georgia respectively. Chinese retaliation included tariffs on soybeans, which are produced heavily in rural, agricultural areas in the upper Midwest that went heavily for Trump in 2016.

Other prongs of retaliation against Trump’s tariffs targeted goods produced in electorally competitive areas or “swing states.” A Deutsche Bank report emphasized that the Chinese “retaliation has been on agricultural producers and agriculture products, which happen to be in swing states.”<sup>10</sup>

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<sup>9</sup>Congressional Research Services. “Retaliatory Tariffs and U.S. Agriculture.” 2019. <https://fas.org/sgp/crs/misc/R45903.pdf>. Accessed 1-5-2021.

<sup>10</sup>Report cited in Marcellus (2020).

Some of the states that bore the brunt of retaliatory tariffs included pivotal swing states like Ohio, Michigan, Wisconsin, and New Hampshire. In addition to the Chinese retaliation, the European Union also responded with extensive retaliatory tariffs. The BBC (2018) noted in their reporting that the EU chose to retaliate against orange juice, specifically mentioning that it “is a major export of Florida—a key US swing state.” Those countries selecting targets for trade retaliation hoped that the pocketbook consequences of the trade war would translate into political pain for the principals on the other side of the trade war. For an opponent facing re-election, such as Donald Trump in 2020, political pain for voters in swing states could translate most directly into electoral losses.

## **Media Coverage**

A related, striking feature of the Trump trade war was that the political motivations behind trade retaliation featured heavily in media coverage of the war. Coverage in the United States and abroad highlighted swing state and base retaliation. For example, one headline noted “Key swing states are among hardest hit by China’s tariffs,”<sup>11</sup> while another reported “Chinese retaliatory tariffs aim to hit Trump in his electoral base.”<sup>12</sup> To assess the prevalence of stories reporting on the political motivations of tariff retaliation, we used Nexis Uni to search for newspaper stories in the United States that discussed the trade war.<sup>13</sup> We sampled from the thousands of stories in US newspapers that mentioned trade, retaliation, and tariffs, and then had a team of research assistants code whether the story specifically mentioned that certain states, politicians, or political parties were targeted. Of the coded sample, 31 percent specifically mentioned base or swing state targeting. Of our sample, four percent mentioned both swing and base targeting, while 12 percent exclusively mentioned base states and 15 percent exclusively mentioned swing state targeting. Given that almost a third of stories on the trade war in our sample specifically mentioned PMTR, the political motivations of the retaliation were well publicized to the mass public.

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<sup>11</sup>Marcellus (2020).

<sup>12</sup>Guardian (2018).

<sup>13</sup>Our search terms and coding rules are discussed in the appendix, section B.

### 3 Theory and Existing Research

The core theoretical relationship between trade retaliation and changing political behavior focuses on pocketbook voting. Voters engage in retrospective, or anticipatory, assessments of their economic well-being. They form a link between policies like the trade war and their welfare then vote accordingly. However, a growing body of research assesses how politically motivated economic coercion and other forms of electoral interference can affect public opinion and political behavior beyond direct pocketbook effects.

In introducing the excellent and extensive Partisan Electoral Intervention by the Great Powers dataset (PEIG), Levin (2019) defines partisan electoral interventions as taking place when:

... [one country] undertakes specific actions to influence an upcoming election in another sovereign country in an overt or covert manner which they believe will favor or hurt one of the sides contesting that election and which incurs, or may incur, significant costs to the intervener(s) or the intervened country (90).

Politically motivated trade retaliation fits the criteria underlying this definition. According to Levin, election interference encompasses acts that were “*intentionally* done in order to help or hurt one of the sides contesting the election for the executive” and “clearly carry significant costs.”<sup>14</sup> The European Union, China, and other countries retaliating against the United States do not overtly declare that their targeting decisions are politically motivated, but anecdotal and systematic data strongly support this conclusion. Fetzer and Schwarz (2020) and Kim and Margalit (Forthcoming) both examine the degree to which retaliation against Trump’s trade war was politically motivated. Fetzer and Schwarz (2020) find that trade retaliation measures from the European Union, China, Canada, and Mexico tended to be levied against goods produced in counties with higher levels of support for Republicans. Counties which “swung” for Trump (comparing his 2016 vote totals to the 2012 totals for Romney) were also more likely to be targeted by America’s trading partners. Kim and Margalit (Forthcoming) use a different measurement for exposure to retaliation and reach a similar conclusion. They find that a higher GOP vote share in the 2014 and 2016 House elections

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<sup>14</sup>Note that the PEIG data focus on interference from the United States and Russia, so actions against the United States during Trump’s trade war are not included.

increased the degree to which Chinese tariffs targeted particular counties, and that this effect was even stronger in swing districts that were not starkly Democratic or Republican.

With respect to Levin's second criteria, politically motivated trade retaliation extracted a heavy economic and political toll. Fajgelbaum et al. (2020) show that the trade war resulted in a decline in real US wages and that this fell most heavily on Republican counties due to retaliation. The political toll was especially high for Trump and the Republican Party. Blanchard, Bown and Chor (2019) estimate that the Republican party lost five seats in the 2018 House elections due to retaliation against Trump's trade war. Kim and Margalit (Forthcoming) find that counties with an additional 1% of workers exposed to Chinese retaliation saw declines of 0.26 percentage points for the Republican House candidate, compared to the preceding election. They estimate that retaliation from China cost Republicans four seats. They further supplement this aggregate analysis with survey research and analysis of Google search data, suggesting that voters "connected the dots" between Trump's trade war and the anticipated economic harm of retaliation. Chyzh and Urbatsch (Forthcoming) and Wijesinghe (2020) both find a negative relationship between county-level soybean production and Republican vote shares in the 2018 midterm elections.

If PMTR and economic sanctions share similarities in that both represent attempts by external actors to use economic coercion in an effort to spur political change in the targeted state, then what does research on public opinion and sanctions suggest about possible reactions to PMTR? Research on economic sanctions suggests that while the direct pocketbook effect may have the intended effect of decreasing support for the incumbent and their policies, there is also an offsetting "backlash" or "rally 'round the flag" effect generated by resentment at the foreign interference.<sup>15</sup> Shulman and Bloom (2012) link backlash to feelings of nationalism and one's desire to protect their country's autonomy. As a result, in the state targeted by sanctions, disapproval for the sanction-sending state may increase and approval for the policies that the sender seeks to change may also increase. They hypothesize that partisan sanctions, where sanctions are targeted at a specific political side, likely amplify the perceived violation of state autonomy. They find support for their

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<sup>15</sup>Gatung (1967)



predictions using survey data from Ukraine, with retrospective questions about Russian and US interference in the 2004 Presidential elections on behalf of opposing candidates. Ukrainians viewed both sources of interference as inappropriate, across regions and across different levels of respondent support for Russia and the US. Seitz and Zazzaro (2019) also find evidence of a Ukrainian backlash against Russian energy sanctions. Using data from surveys from 2003–2007, they show how Russian sanctions increased support for Western-style economic and political systems, rather than the intended effect of bringing the country closer in the Russian orbit. The backlash effect was larger among those who were more acutely affected by the sanctions because their homes were heated with Russian natural gas. Using survey experimental data from Israel, Grossman, Manekin and Margalit (2018) show that mentions of European Union labelling requirements for goods produced in disputed West Bank settlements increased support for settlements, decreased approval for the peace process, and raised hostility towards the EU. While these sanctions were targeted specifically at Israeli settlers in the West Bank, the backlash was found in all Israelis (settlers and non-settlers) as well as among both supporters and opponents of the government. Furthermore, Gueorguiev, McDowell and Steinberg (2020) find that US coercion designed to change Chinese monetary policy triggered public backlash, though they attribute this primarily to an information effect from informing respondents that the foreign government wants to change domestic policy for their own gain, at the expense of the targeted country.

These results imply that PMTR should trigger similar reactions among respondents as other forms of electoral interference. Trade policy that is designed with political motives, such as harming a specific political party or targeting electorally competitive areas, should increase public concern about foreign election interference and generate a backlash against whomever is initiating the PMTR. In contrast to generic or broad-based retaliatory measures, we expect politically motivated retaliation to activate public worries about foreign involvement in the democratic process.

**Hypothesis 1. *Backlash:*** *Learning that trade retaliation is politically motivated should increase concerns of electoral interference and generate backlash against the the actor imposing the retaliation.*

### 3.1 Moderation Hypotheses

How might different respondents perceive PMTR? Existing work on election interference, foreign endorsements, and sanctions suggests that respondents should triangulate their reaction to foreign economic coercion based on their own personal preferences and partisan affiliations. If the foreign action targets a politician, party, or policy that the respondent supports, then she should react more negatively than if the foreign action targets an opposing political party or politician.

Tomz and Weeks (2020) use survey experiments in their influential research to show that Americans exhibited a “double standard” when prompted with information about hypothetical interference in a future election. Americans reacted more negatively to electoral interference designed to harm their preferred party, compared to meddling against the other party. One of the types of electoral interference analyzed by Tomz and Week’s is what they refer to as “threats,” which “combine an endorsement with a promise of future reward or threat of future punishment, such as threatening to downgrade future relations if the preferred candidate loses” (859). While PMTR is not contingent on the outcome of a future election, it does seek to inflict political pain for a given policy, thus mirroring the a threat that has been implemented. Tomz and Weeks find that a weak majority of respondents (55%) disapprove of these types of foreign actions. However, Democrats are substantially more disapproving of threats favoring a Republican candidate (71%) than a Democratic candidate (39%). Republicans showed a similar split, with 71% disapproving of actions supporting a Democratic candidate compared to 51% disapproval for threats supporting a Republican candidate.

Studying foreign side-taking endorsements, Bush and Prather (2020) find a partisan effect in the United States and Tunisia. PMTR also fits their definition of side-taking, which “occurs when a country meddles in another country’s domestic politics in favor of a particular side” (3). When a foreign government endorses a respondent’s preferred candidate, the respondent is more supportive of economic engagement with the foreign country. Respondents had the opposite reaction to endorsements of their preferred candidate’s opponent. Corstange and Marinov (2012) find a similar effect using survey experiments in Lebanon. When a foreign country takes a partisan stance,

supporting one side over another, this polarizes respondent attitudes regarding relations with the foreign country. They theorize that pre-existing partisan divides help amplify the polarizing effect of foreign side-taking, a background condition that is clearly present in the United States. Similar evidence has also been found in survey work in Russia. Alexseev and Hale (2020) find a "backlash of the better off", concentrated among wealthy and elite Russians who are more likely to be personally targeted by sanctions or know those who are.

Other studies hypothesize and find mixed effects of sanction targeting on respondent reactions. One of the few exceptions to the polarization hypothesis, Sejersen (2021) finds that partisan targeting can lower disapproval of sanctions. Using survey experimental data from Venezuela, he finds that targeting sanctions at the incumbent regime blunts backlash, as citizens perceive the sanctions as entailing less collateral damage. Conversely, Shulman and Bloom (2012) argue that partisan targeting can raise overall disapproval of the sanction, since it implies an even greater intrusion on national elections and identity.

Applied to politically motivated trade retaliation, these arguments imply that members of the public will react in predictably partisan ways to PMTR. Those who are directly targeted should have the strongest negative reaction and express the greatest concerns about foreign interference. In the context of President Trump's trade war, learning that retaliatory tariffs targeted Republican strongholds or Trump's political base should generate the greatest concern about election interference amongst Republicans. By contrast, we would expect Democrats to have a more muted reaction, given that the retaliatory tariffs targeting the Republican base are less likely to harm Democrats and may even be viewed as politically advantageous.

**Hypothesis 2. *Base Targeting—Partisan Effects:*** *Supporters of the side targeted by PMTR should be most concerned about electoral interference and exhibit the greatest backlash.*

## 3.2 Swing State Targeting

We now consider how targeting swing states is theoretically distinct from targeting a politician's base. The above theories provide insights regarding the aggregate effect of PMTR and partisan expectations when tariffs are targeted to harm partisan strongholds. However, whereas a sanction that targets regime supporters at least attempts to match the damage to the politician responsible for the policy that the foreign government wants to change, a sanction that targets electorally competitive areas is likely to harm both supporters of the regime and members of the opposition. This is a critical difference since the economic harms are likely to be distributed differently, but perhaps more importantly, the political consequences may be much greater since targeted swing states can change the political outcomes.<sup>16</sup>

When foreign parties target swing states, it may trigger concern and backlash among both incumbent supporters and opponents, potentially for different reasons. According to a consequentialist logic,<sup>17</sup> regime supporters might be especially worried about swing state targeting not only because some members of their party are being targeted, but also because the political consequences of such targeting is likely to be most consequential. Whereas the political consequences of targeting partisan strongholds are likely to be minimal, since a large percentage of voters would have to vote across party lines to change the electoral outcomes, targeting swing states may shift electoral outcomes even if only a small percentage of voters in those states are influenced. Importantly, voters do not just care about the policies tied to an economic spat. They care about the bundle of policies espoused by their preferred candidate. So a voter considering swing state targeting might look beyond the economic or pocketbook consequences that are limited to trade policy, and take into account the knock-on electoral consequences which can affect social and economic policy in many other areas.

In the case of Trump's trade war, this implies that Republicans may have had the most to lose when PMTR targeted swing states, since a small vote shift in a few states could potentially

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<sup>16</sup>See Blanchard, Bown and Chor (2019) and Kim and Margalit (Forthcoming).

<sup>17</sup>Tomz and Weeks (2020).

shift the political balance of power in the country. Given the potential consequences of targeting swing states, we expect that supporters of the incumbent have the most to lose from such targeting, and that they will respond with the highest levels of concerns about foreign interference targeting electorally competitive areas.

**Hypothesis 3. *Swing State—Electoral Concern:*** *When PMTR targets electorally competitive areas (swing states), supporters of the incumbent should be most concerned about electoral interference and have the strongest backlash.*

The targeting of swing states may also generate concern and backlash among opponents of the incumbent, but for different reasons. Since swing states, by definition, host a relatively even distribution of supporters of both parties, that means a substantial number of opposition supporters will be harmed when swing states are targeted. This could generate concern and backlash amongst opposition members, such as Democrats during the recent trade war, since they, and their co-partisans, are likely to be directly harmed by the retaliation and may also be worried that their votes are being influenced by foreign actors.

**Hypothesis 4. *Swing State—General Concern:*** *When PMTR targets electorally competitive areas (swing states), members of the supporting and opposition parties should both be concerned about electoral interference and exhibit backlash, since both are targeted.*

## **4 Research Methods**

To test the effect of politically targeted trade retaliation on public attitudes, we employ a survey experiment that allows us to isolate the effects of different types of trade retaliation. We fielded our survey using Lucid Theorem on a diverse sample of over 3,500 respondents. The study was fielded between October 20th and 25th in 2020 and targeted respondents to resemble the demographics of US adults based on gender, age, geographic, and racial distributions. Survey samples from

Lucid are increasingly used in social science research, including numerous articles published in top political science journals.<sup>18</sup>

While Lucid allows researchers to access a diverse sample of respondents, recent research finds that data quality declined during the pandemic of 2020,<sup>19</sup> so we employed attention checks and asked respondents to pledge to pay attention to address quality concerns. Approximately 36 percent of recruited participants failed the attention checks and were not included in the sample, which is generally consistent with trends documented by Aronow et al. (2020). Even though response quality declined during the pandemic, Peyton, Huber and Coppock (2020) find that studies conducted throughout the pandemic replicated earlier studies and should generalize beyond the pandemic, though treatment effects from experiments fielded during the pandemic were somewhat more conservative given reduced attention of respondents. We also implemented the recommendation of Burleigh, Kennedy and Clifford (2018), and blocked respondents from participating if they were located outside of the US or were flagged for using a Virtual Private Server (VPS). The sample resulted in a diverse sample that closely mirrored the national population on demographics of age, partisanship, and gender, as shown in the demographic breakdown in the appendix, section A. Like most online surveys, our sample skews slightly lower on income and is somewhat more likely to be college educated than the national population.

Our survey experiment randomly assigned respondents to one of four conditions, each of which varied what the respondent read about the trade war. After being assigned to the control or one of the treatment conditions, respondents were then asked to answer a series of questions, which we discuss below.

In the control condition, respondents read a few short lines about the trade war.

Control: In 2018 and 2019, the Trump Administration started a trade war by imposing tariffs on imports of steel and aluminum from the European Union.

These tariffs are meant to lower imports of steel from Europe into the United States and to convince the European Union to change its trade policies.

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<sup>18</sup>For examples of political science articles using Lucid, see Tomz and Weeks (2020), Kim and Margalit (Forthcoming), and Margalit and Solodoch (Forthcoming).

<sup>19</sup>Aronow et al. (2020).

In response to President Trump's tariffs, the European Union retaliated with tariffs against a variety of products that it imports from the United States.

The control treatment does not specify the nature of the retaliation, which allows us to differentiate between the public's response to retaliation in general, versus retaliation that is politically targeted in the subsequent treatments.<sup>20</sup>

Our study included three separate treatment conditions that described particular features of the retaliation. For respondents not in the control condition, they read the same information as in the control condition, and were randomly assigned to also read one additional piece of information, which was either the the Base, Swing, or Placebo treatment.

Base: ... The European Union intentionally chose products that come from states that voted for Trump in the last election. The European Union hopes that punishing these states will hurt President Trump politically and convince him to end the trade war.

Swing: ... The European Union intentionally chose products that come from "swing states" that will be important in the upcoming US election. The European Union hopes that punishing these states will hurt President Trump politically and convince him to end the trade war.

Placebo: ... The European Union announced the list of products in a press release and also communicated their decision to the United States Trade Representative through diplomatic channels. The official notification contained further details about the tariffs.

The Base and Swing conditions are the most important for our study. They each contain information about the political motivations behind the EU's retaliation. They are very similar to one another in word count, structure, and overall tone. They both explain the intentionality behind the EU's targeting, describing how the retaliation is meant to affect Trump's decision making. When compared to the control condition, they allow us to isolate the effect of trade retaliation that is politically targeted at the base or swing states.

The Base condition emphasizes how retaliation targeted states that supported President Trump in previous elections. The Swing treatment emphasizes how retaliation targeted more electorally

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<sup>20</sup>In a broader study, the authors also tested whether respondents reacted differently to information about the trade war *without* specifying that the other country retaliated. We discuss this alternative condition in the Appendix, section C.

competitive areas in battleground states. We modeled the wording of these treatments after media reporting on the tariffs, so that our treatment in the survey experiment resembles the “treatment” received by respondents when they read information about the trade war or heard arguments from elites.

We avoided mentioning specific states or industries, since that might induce confounding if respondents inferred additional information beyond our desired treatments.<sup>21</sup> We also chose the European Union instead of China—another country that engages in PMTR—because the European Union represents a harder test for our theory. Most EU countries are allies of the United States and are not generally thought to interfere in American elections. By contrast, China is an adversary of the US and has engaged in cyber attacks and espionage against the US. We expect that respondents might be more sensitive to additional information about political targeting from a geo-strategic adversary, compared to core allies, making ours a conservative test of the theory. Survey research also tends to find higher support for protectionism against Asian countries compared to European ones. For example, Di Tella and Rodrik (2020) found large differences in support for tariffs depending on whether an adverse economic shock came from France versus Cambodia.

We included the Placebo treatment to ensure that effects of the Base and Swing treatments resulted from the informational content of those treatments, as opposed to simply having additional information on the page. The Placebo treatment has a nearly identical word count to the Base and Swing treatments, but contains little information that would affect a respondent’s attitude about the trade war.

After reading about the trade war, respondents were presented a bullet-point recap of the key details of the treatment, which remained at the top of the survey screen as they answered post-treatment questions. For example, a respondent assigned to the Base treatment would have read:

To recap:

- The US put tariffs on imports from the EU to get them to change their trade policies.
- The EU retaliated with tariffs of their own on imports from the US.

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<sup>21</sup>Dafoe, Zhang and Caughey (2018).



- The EU’s retaliatory tariffs targeted President Trump’s base.

Our primary outcome measure comes from response to the following question:

I am worried the European Union’s retaliatory tariffs are an attempt to interfere with the upcoming US Presidential election.

Respondents could choose from five responses, ranging from “Strongly agree” to “Strongly disagree” with “Neither agree nor disagree” as a middle option.

Since foreign interference can also generate a backlash against the interfering country,<sup>22</sup> we also included a feeling thermometer asking respondents to “rate the European Union (EU) on a thermometer that runs from 0 to 100 degrees. Rating above 50 means that you feel favorable and warm toward the EU, and rating below 50 means that you feel unfavorable and cool toward EU.” This measure allows us to assess whether politically motivated trade retaliation generates backlash toward the retaliating actor.

## 5 Results

We progress through our analysis in three parts. First we analyze whether PMTR is perceived as a form of election interference by our respondents. Specifically, we test whether the Base and Swing treatments result in respondents being worried that the EU’s retaliatory tariffs are an attempt to interfere with the election. We then analyze the moderation hypotheses, testing whether Republicans, Democrats, and Independents are more likely to be worried about particular types of PMTR as a form of election interference. Lastly, we shift our focus to the EU feeling thermometer measure, testing whether PMTR generates a backlash against the EU.

### **Hypothesis 1: Effect of Treatment on Fears of Interference**

The main effects of our treatments are displayed in Figure 1, which shows the proportion of respondents who are worried that the EU’s tariff retaliation is an attempt to interfere in the 2020

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<sup>22</sup>Bush and Prather (2020)

presidential election. The left side of the figure shows that 29 percent of the respondents in the control condition are worried that the retaliatory tariffs are an attempt at election interference. This shows that even generic trade retaliation in the lead-up to the 2020 election was viewed by some as a concerning form of election interference. We also find that the placebo condition does not change the public's concern ( $p = 0.78$ ), which gives us confidence that the treatment effects reported in the other conditions are not driven by the length of text of the treatments.

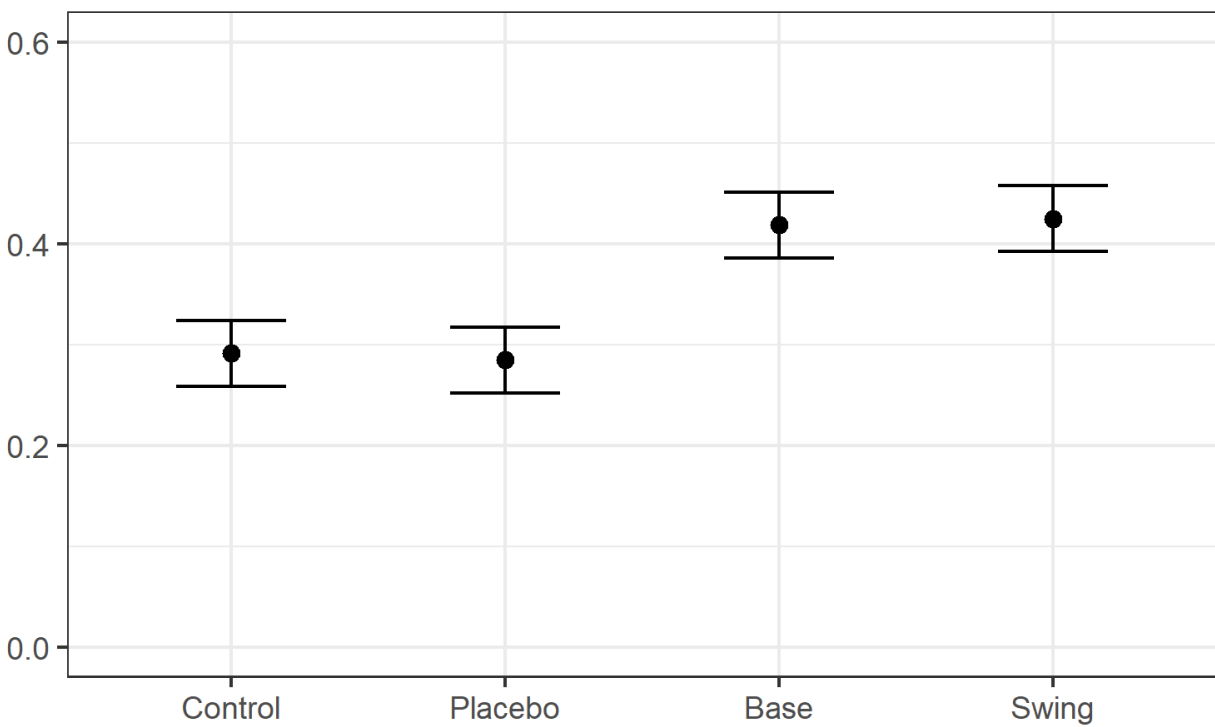
When comparing the Base and Swing treatments to the control, we find strong support for our first hypothesis. Each of the treatments specifying politically motivated tariff retaliation result in substantively large and significant effects for the full sample, as shown on the right side of 1. The Base and Swing treatments each lead to a 13 percentage point increase in the number of respondents who express concern about election interference ( $p < 0.01$ ). These results clearly demonstrate the politically motivated trade retaliation is viewed as a distinct form of foreign interference than generic trade retaliation and a substantial portion of the public is concerned that PMTR is attempted election interference.

## **Moderation Hypotheses**

Our second and third hypotheses predict that reactions to different types of PMTR should vary by respondent party affiliation. We expect the Base treatment to show similar partisan splits as those found in research on electoral interference—where supporters of the targeted politician react more negatively than opponents (Hypothesis 2). Hypothesis 3 predicts a similar partisan split in response to the Swing treatment, whereas hypothesis 4 predicts that both incumbent supporters and opposition members will respond negatively to the Swing treatment, since both are targeted.

We show results for treatment broken down by party, in two ways. Figure 2 shows the proportion of respondents worried about electoral interference, broken down by treatment condition and party. Figure 3 shows results from a linear regression of a binary variable measuring whether respondents are worried about the retaliation being election interference or not on indicators for the various treatment conditions and their interactions with indicator variables for identification

Figure 1: Political Motivated Trade Retaliation Perceived as Election Interference



The figure shows the proportion of respondents in each condition who are somewhat or strongly worried the European Union's retaliatory tariffs are an attempt to interfere with the upcoming US Presidential election. Lines show 95 percent confidence intervals.

as a Republican or Independent. Democrats are the base category. The figure shows the change in the predicted probability that a respondent is worried about election interference compared to the baseline control for Democrats. The Figure reports the treatment effects for models with and without interactions between the treatment effects and partisanship for further comparison to the main treatment effects.

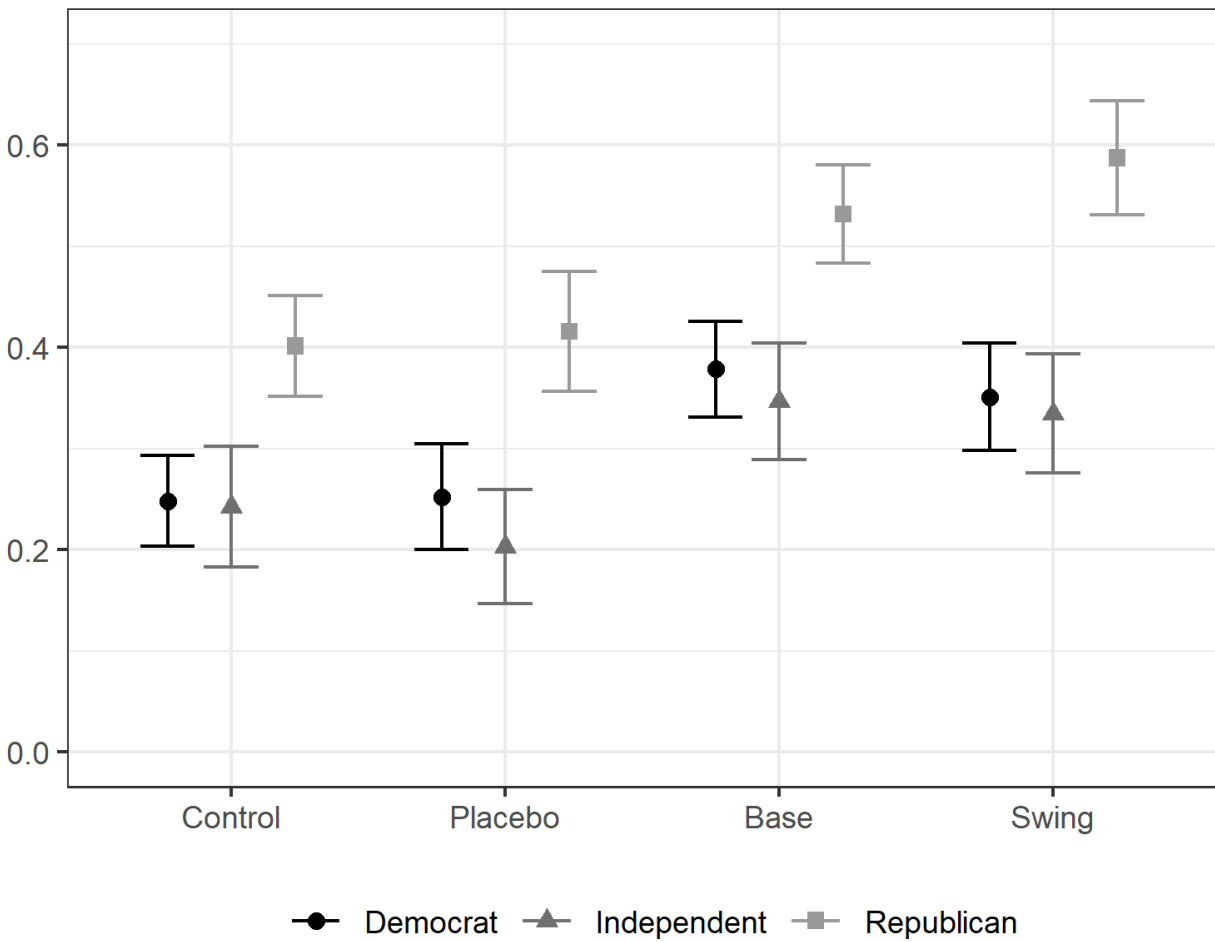
Figure 2 shows that Republicans (grey squares) have a higher baseline concern about trade retaliation being a form of election interference than either Democrats or Independents, in all treatment conditions. Additionally, comparing the Base and Swing treatments to the control treatment shows that each form of PMTR increases concern about election interference for all parties. However, Figure 3 shows that the magnitude of treatment effects varied across parties, in ways both consistent and inconsistent with predictions. Interestingly, we do not find support for Hypothesis 2. Looking at the second line from the bottom of Figure 3, we see Republicans do not have a significantly stronger reaction to the Base treatment compared to Democrats. This result suggests that politically motivated targeting of the Republicans base generates heightened concern about election interference across the political spectrum, not just among Republicans.

Evaluating the effects of our swing state treatment in Figure 3 shows that both Republicans and Democrats have heightened concern about election interference when PMTR targets swing states, which supports our fourth hypothesis. We also find strong support for our third hypothesis, which is that Republicans should react more strongly to the Swing treatment. Indeed, we find there is a positive and significant interaction effect for Republicans. In substantive terms, we find that the Swing treatment increases the number of Republicans expressing concern by 21 percentage points ( $p < 0.01$ ), whereas it only increases concern among Democrats by 6 percentage points ( $p = 0.05$ ).

## **Effect of Treatment on Perceptions of the EU**

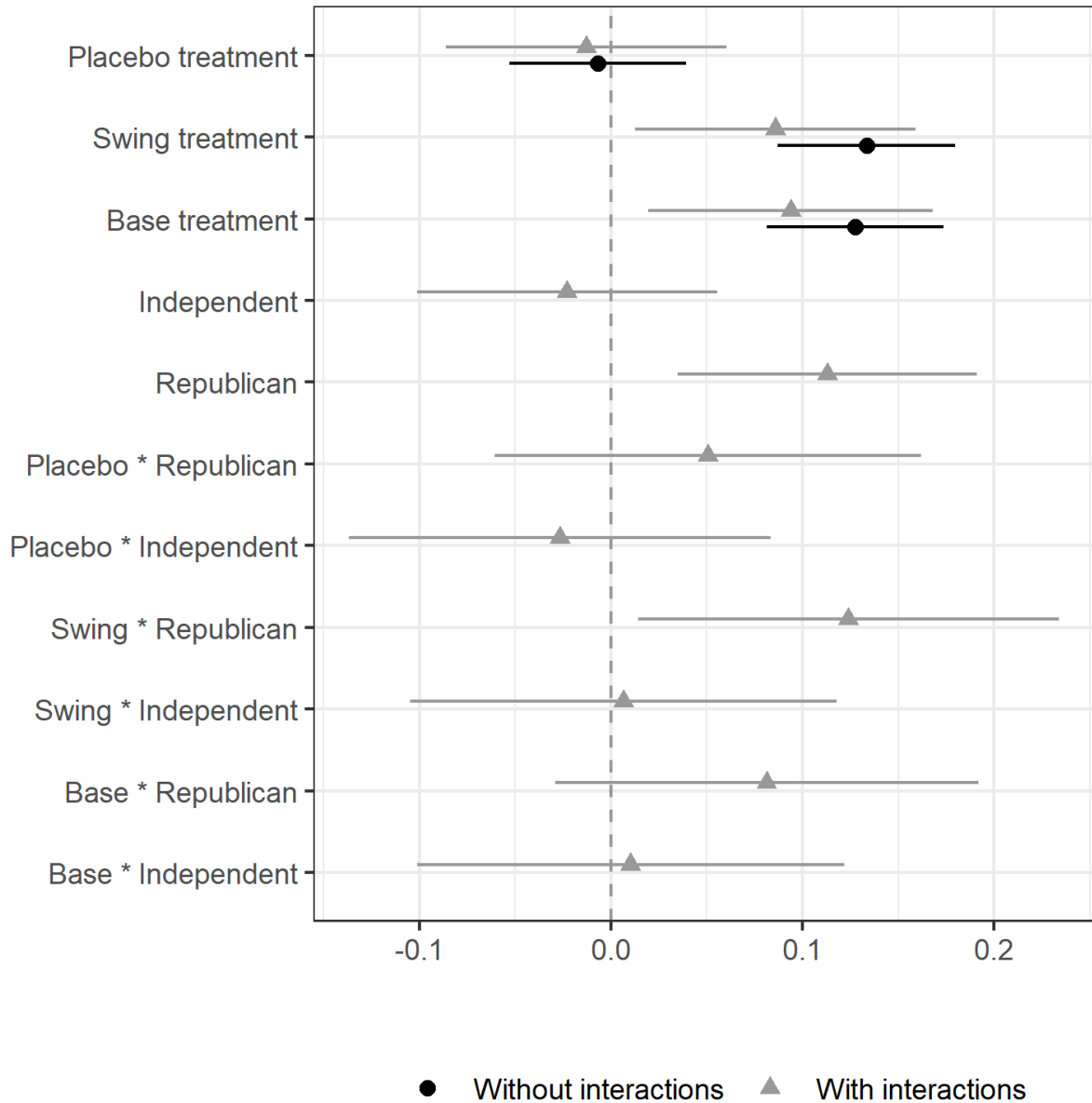
We now shift from analyzing respondents' concerns about election interference to assessing their feelings about the EU. We expect that learning that trade retaliation is politically motivated will lead to less favorable opinions of the EU, and that Republicans would respond more negatively

Figure 2: Political Motivated Trade Retaliation Perceived as Election Interference



The figure shows the proportion of respondents in each condition who are somewhat or strongly worried the European Union's retaliatory tariffs are an attempt to interfere with the upcoming US Presidential election. Respondents are separated based on whether they self-identified as a Democrat, Republican, or something else (categorized as Independent). Lines show 95 percent confidence intervals.

Figure 3: Partisan Interactions on Election Interference



The figure shows the effect of our treatments on whether a respondent is worried the European Union's retaliatory tariffs are an attempt to interfere with the upcoming US Presidential election. Respondents are separated based on whether they self-identified as a Democrat, Republican, or something else (categorized as Independent). Lines show 95 percent confidence intervals.

when they learn that their base has been targeted. We use a feeling thermometer to assess whether respondents feel favorably (scores above 50), unfavorably (scores below 50) or neutrally (score of 50) toward the EU.

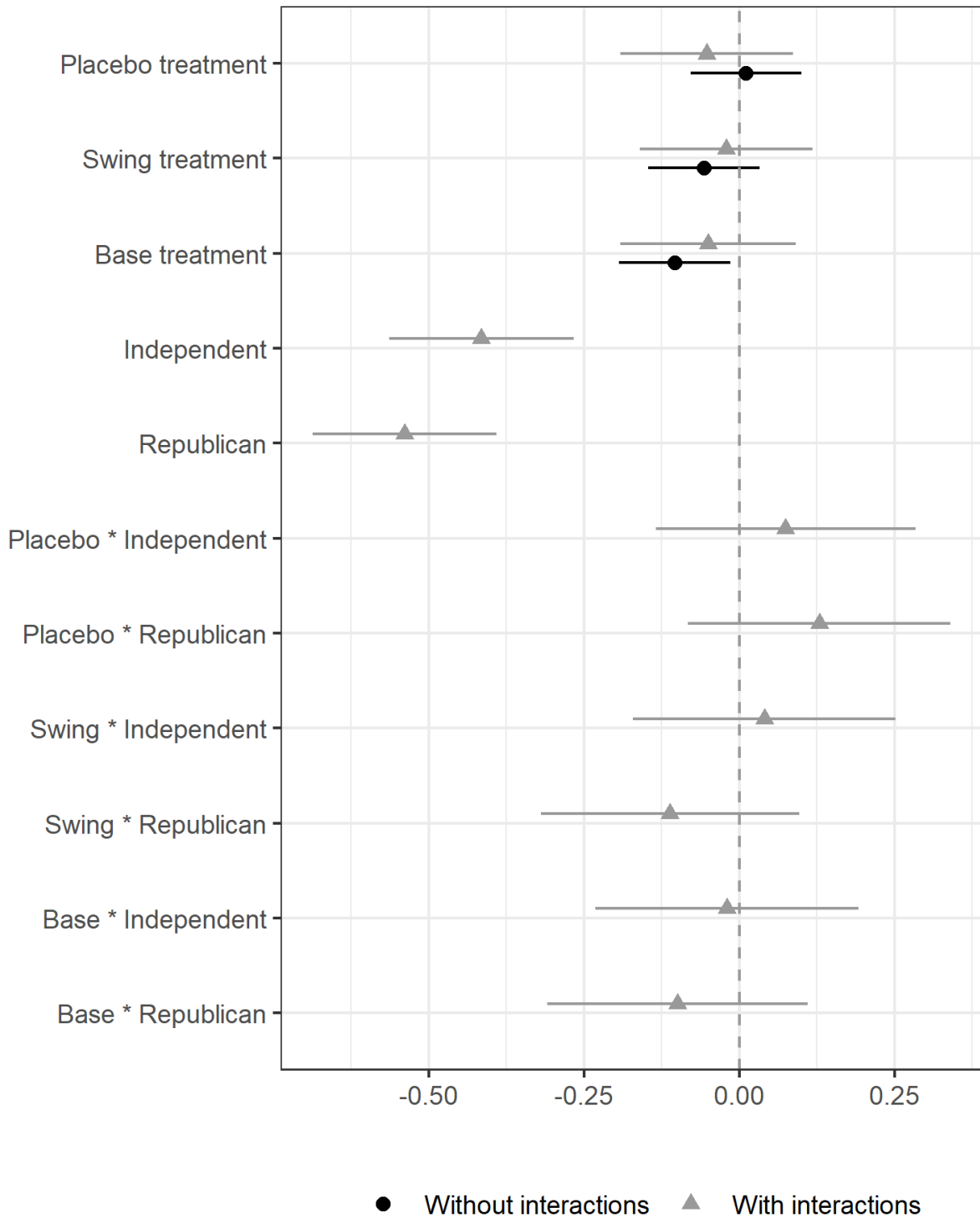
The results of our treatments on attitudes toward the EU are displayed in Figure 4. We find that the Base treatment has a negative effect on attitudes toward the EU ( $p = 0.02$ ).<sup>23</sup> In substantive terms, about 5 percent fewer respondents had favorable feelings toward the EU in the Base treatment than in the control ( $p = 0.05$ ) and about 6 percent more respondents had unfavorable views toward the EU ( $p = 0.02$ ). These results are consistent with PMTR generating a backlash against the actor initiating the politically motivated retaliation; however, the Swing treatment does not have a significant effect on feelings toward the EU, suggesting that the public differentiates between targeting electorally competitive districts as opposed to targeting a political party's stronghold.

We next test whether respondents' political affiliation moderates the effects of our treatments on feelings toward the EU. Figure 4 displays the effects of our treatments when interacted with respondents' party affiliation. We find that Independents and Republicans have significantly less favorable attitudes toward the EU, but we do not find that Republicans' feelings toward the EU shift significantly more than Democrats when exposed to the treatments.

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<sup>23</sup>This results is robust to including controls for political party of the respondent, with the Base treatment negative and significant ( $p = 0.04$ ).

Figure 4: Effects and Interactions on Feeling toward EU



The figure shows the effect of our treatments on whether a respondent feels unfavorable (-1), neutral (0), or favorable (1) toward the EU. Respondents are separated based on whether they self-identified as a Democrat, Republican, or something else (categorized as Independent). Lines show 95 percent confidence intervals.



## 6 Conclusion

As the spectre of electoral interference in developed democracies grows, so too does the possibility that “purely” economic policies or other tools of international statecraft will be viewed as foreign interference. Understanding public reactions to these policies will increasingly require a look beyond their pocketbook consequences. It is possible that the stretching of the concept of election interference to include PMTR will blunt the effectiveness of PMTR moving forward. If the target populace is more aware of the political machinations behind trade policy and treats it as meddling, instead of “high” economic statecraft, then citizens may be more resistant to acquiescing to the changes desired by the targeting state.

Our results also suggest that the total costs of economic coercion should include the non-pocketbook effects on public opinion. An economic analysis of the costs of the Trump trade war would assess job market, price, and consumption effects, which vary across region and individual. The non-material costs stemming from the targeting itself may also factor into an overall assessment. If targeting minimizes economic harm while maximizing political harm, it may have the unfortunate side effect of further deteriorating relations and undermining confidence in the democratic process..

Additionally, this blurring could have implications for the differential effects of economic coercion against democratic and non-democratic targets. If economic coercion targeting democracies is increasingly interpreted as electoral interference, and is therefore more likely to trigger negative reactions, then democracies may become more resistant to that coercion. When targeting democracies, coercion may be less likely to be interpreted as electoral interference the further away from an upcoming election, so targeted democracies could become even more recalcitrant as elections approach. All of these are potentially worthwhile extensions of the study of politically motivated trade retaliation.

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## **Appendix Sections**

**Appendix A:** Sample Method and Demographics

**Appendix B:** Media Coverage of PMTR

**Appendix C:** “Pure” Control versus Retaliation

## A Appendix: Sample Method and Demographics

Demographic	Portion of Sample	U.S. Population
Age 18 to 24	0.127	0.132
Age 25 to 39	0.276	0.266
Age 40 to 59	0.314	0.325
Age >50	0.249	0.293
Female	0.522	0.510
Household income \$0 to \$50,000	0.504	0.371
Household income \$50,001 to \$100,000	0.301	0.288
Household income \$100,001 to \$150,000	0.105	0.156
Household income >\$150,000	0.090	0.185
Republican	0.314	0.290
Democrat	0.377	0.330
Independent (includes non-partisan or other)	0.309	0.380
Attended college	0.745	0.611

Table A.1: Study demographics. U.S. population information on age, sex, income, and education are from the Census Bureau and are for 2019. Partisan identification is from Pew and covers registered voters for 2018/9.

## **B Appendix: Media Coverage of PMTR**

To assess the prevalence of media coverage of PMTR, we used Lexis Uni to search for newspaper articles in the United States from January 1, 2018 to October 31, 2020. To limit the the universe of results to those related to the tariff escalation and relation associated with the trade war, we used the search terms “trade AND retal\* AND tariff\*”. This search, when restricted to the United States and Newspapers, yielded over 3,500 results. We then selected the first 100 results, which were then coded by our team of research assistants.

### **Articles were coded as “Base” if they:**

- Mentions base states affected/targeted by name (e.g. "producers in Mississippi will be hit hard") AL, AK, AR, ID, IN, KY, KS, LA, MO, MS, MT, NE, ND, OK, SC, SD, TN, UT, WY, WV
- If article mentions specific politician being targeted, code the party of the politician and then code the state they represent [Base, Swing, or nothing if neither], or if the article refers to the politician representing the republican base, stronghold, etc
- Those that mention affecting/targeting “Republicans”, "base", Trump’s supporters, areas that carried trump, etc.

### **Articles were coded as “Swing” if they:**

- Mention swing states affected/targeted by name. [AZ, CO, FL, GA, ME, MI, MN, NC, NH, NV, PA, VA, WI]
- Mentions "swing", "competitive" districts, states that flipped, etc that are affected/targeted
- If article mentions specific politician being targeted, code the party of the politician and then code the state they represent [Base, Swing, or nothing if neither], or if the article refers to the politician representing a swing state, contested state, etc

## **C Appendix: “Pure” Control versus Retaliation**

The main manuscript compared outcomes between the retaliation treatment and different further specifications of the retaliation treatment. We also included a “pure” control condition, in which treatment did not include any references to the existence of EU retaliation at all.

In 2018 and 2019, the Trump Administration started a trade war by imposing tariffs on imports of steel and aluminum from the European Union.

These tariffs are meant to lower imports of steel from Europe into the United States and to convince the European Union to change its trade policies.

This treatment was included because it played a role in analyzing outcomes not focused on in this paper. Recall that the outcome question asked respondents to react to “I am worried the European Union’s retaliatory tariffs are an attempt to interfere with the upcoming US Presidential election.” So for this outcome, the control condition is not a “pure” control. The outcome question wording already includes a mention of the existence of EU retaliation.

To be thorough, though, we replicate the above analyses using this alternative control condition as the baseline, rather than the retaliation condition.

### **C.1 Main Results**

Figure C.1 shows the analog of Figure 1. Respondents were very slightly more worried about election interference under the alternative Control condition versus the Retaliation condition. [xx to add, in words, summary numbers.]

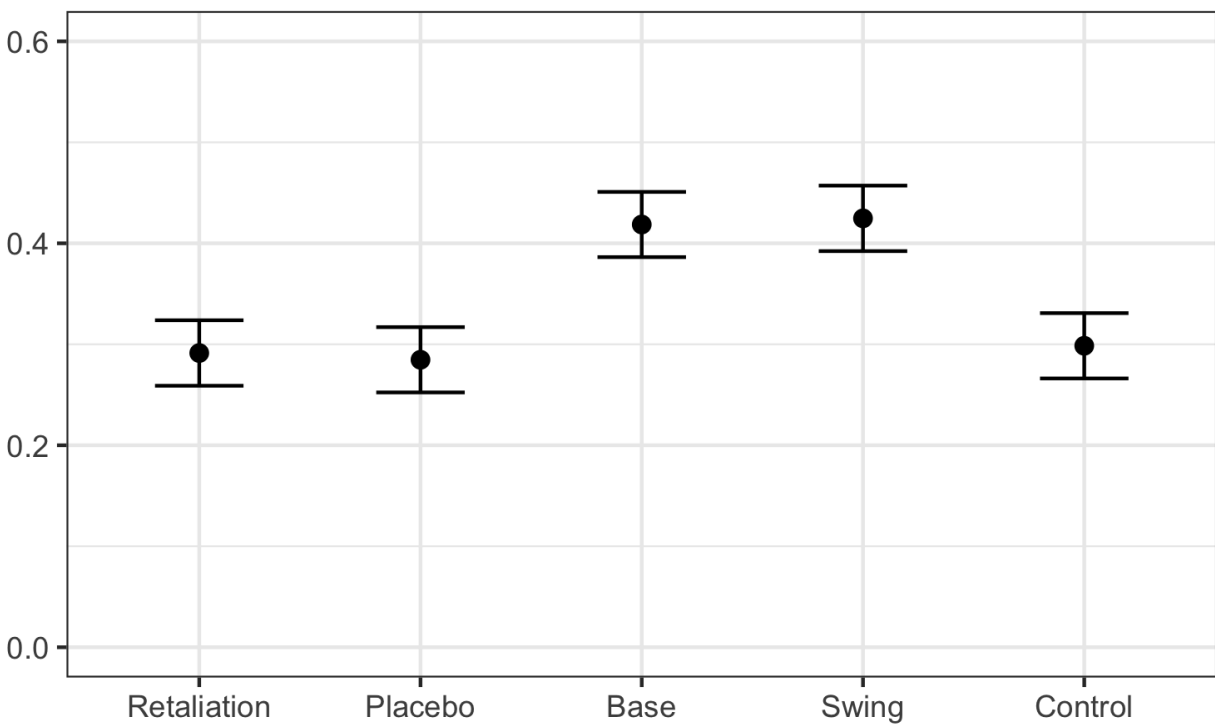
### **C.2 Party Interactions, Election Interference DV**

Figure C.2 shows the analog of Figure 3.

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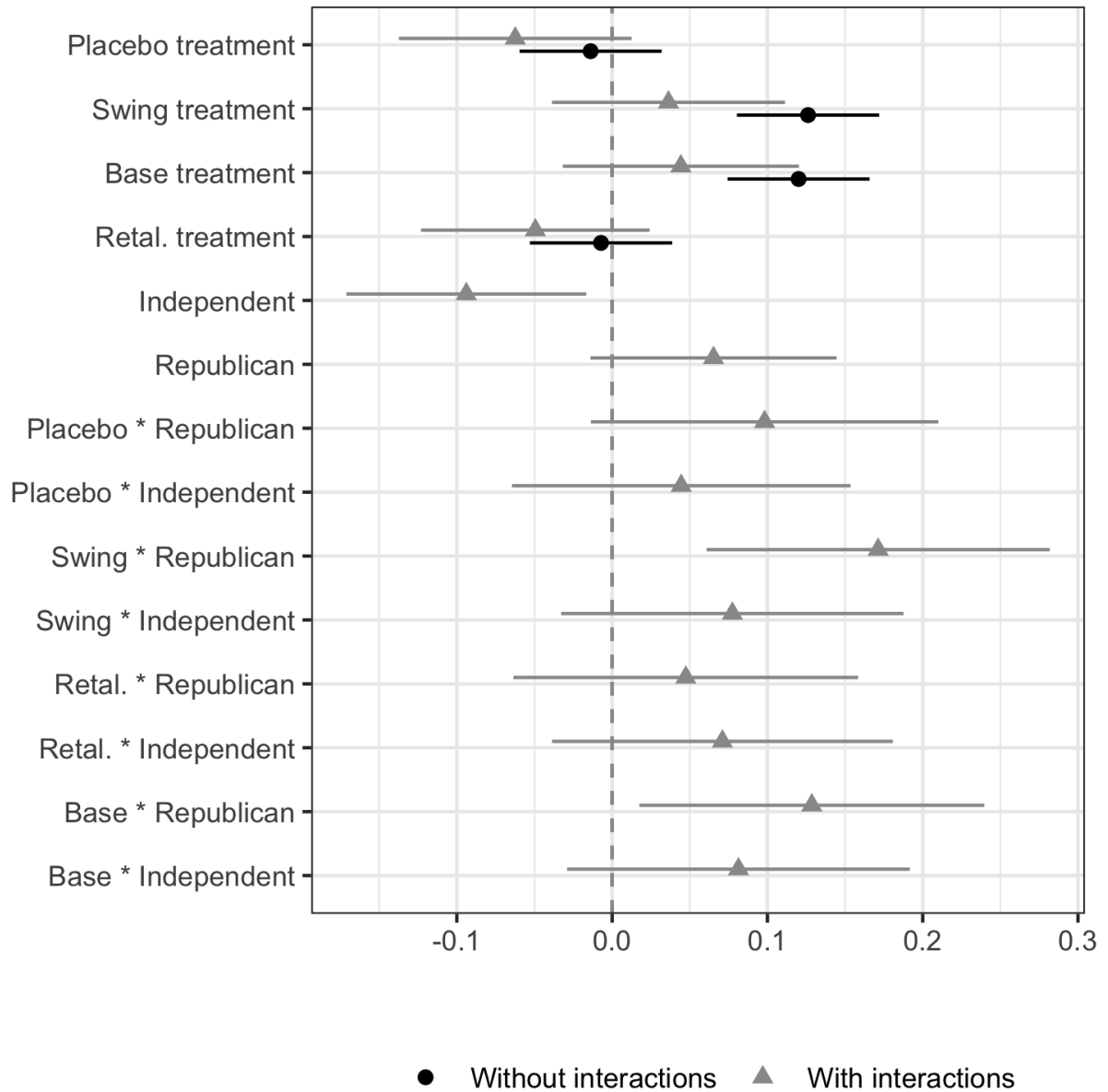


Figure C.1: Political Motivated Trade Retaliation Perceived as Election Interference, with Control Condition



The figure shows the proportion of respondents in each condition who are somewhat or strongly worried the European Union's retaliatory tariffs are an attempt to interfere with the upcoming US Presidential election. Lines show 95 percent confidence intervals. This figure includes the control condition.

Figure C.2: Partisan Interactions on Election Interference, With Control Condition



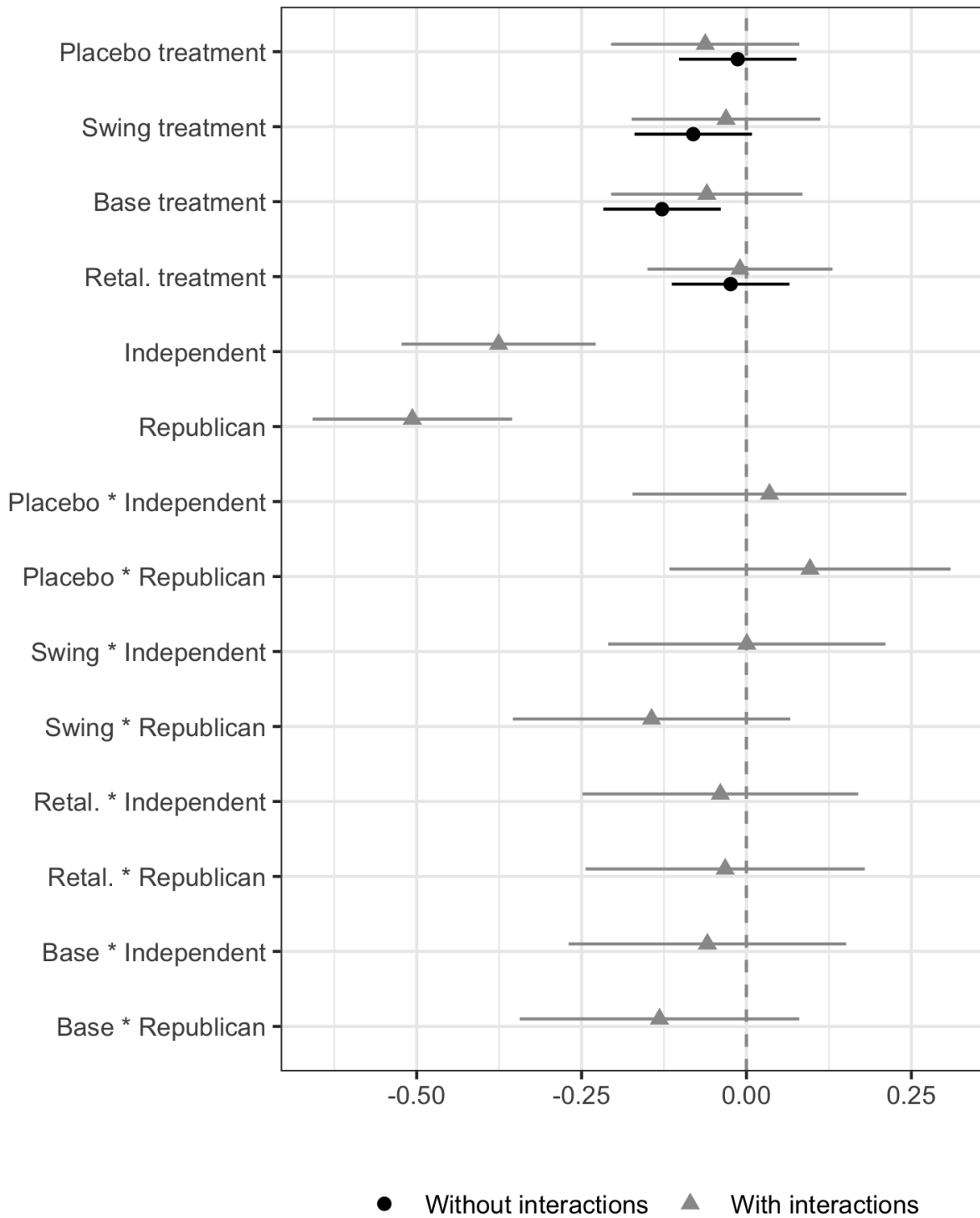
The figure shows the effect of our treatments on whether a respondent is worried the European Union’s retaliatory tariffs are an attempt to interfere with the upcoming US Presidential election. Respondents are separated based on whether they self-identified as a Democrat, Republican, or something else (categorized as Independent). Lines show 95 percent confidence intervals. This figure includes the control condition.

### **C.3 Party Interactions, EU Feeling DV**

Figure C.3 shows the analog of Figure 4.

[xx to add, words around this]

Figure C.3: Effects and Interactions on Feeling toward EU, with Control Condition



The figure shows the effect of our treatments on whether a respondent feels unfavorable (-1), neutral (0), or favorable (1) toward the EU. Respondents are separated based on whether they self-identified as a Democrat, Republican, or something else (categorized as Independent). Lines show 95 percent confidence intervals. This figure includes the Control condition.