

Great Expectations: The Democratic Advantage in Trade Attitudes

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Abstract

Why is trade with some countries more popular than with others? Linking the literature on regime type and trade cooperation with the literature on trade attitudes, we argue that the domestic political institutions and cooperative reputations of foreign states condition the willingness of the public and policy elites to deepen trade cooperation. Using survey experiments fielded on the American public and a unique sample of U.S. foreign economic policymakers, we show that respondents prefer trade with democracies over trade with non-democracies by large margins. Further, we find that this democratic advantage stems from a strong expectation that democracies will make for more reliable and consistent cooperation partners. This study provides one of the first direct and causally identified tests of the mechanisms underlying theories of the political economy of regime type and international cooperation. While we focus on the case of trade attitudes, our argument is general, suggesting that support for cooperation in other issue areas is conditional on similar factors.

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Introduction

Trade with some countries is more popular than with others. Less than 50 percent of Americans, for example, say that increased trade with China or Russia would be good for the U.S., while nearly 80 percent support increased trade with Canada, Germany, and Japan.⁴ Likewise, nearly 80 percent of Germans say that increased trade with Japan would be good for Germany, while less than 65 percent say the same for China or Russia.⁵ What accounts for this variation?

Despite an extensive body of literature on mass trade attitudes, this question is largely unexplored. To a significant degree, this is because the existing literature on trade attitudes has focused almost exclusively on explaining how individual-level attributes determine support for trade openness *in general*. Although this analytical choice has yielded substantial insights into how and why support for trade varies across *individuals*, it has obscured the extent to which support for trade among the public and policy elites varies across *trading partners*. While a small number of studies have examined public support for trade based on partner-specific qualities,⁶ these studies have done less in exploring the causal mechanisms giving rise to that support. For example, we know in the aggregate that individuals prefer trade agreements with democracies,⁷ but we do not know why. Moreover, to our knowledge, no previous research has investigated what gives rise to country-specific trade cooperation preferences among policy elites.

The relative paucity of causally identified micro-foundational evidence on how and why

⁴ Pew Research Center 2010, 2014. Note that 2014 is the most recent year in which Pew asked this question.

⁵ Pew Research Center 2014.

⁶ Notable examples include Carnegie and Gaikwad 2022; Herrmann, Tetlock, and Diascro 2001; Spilker, Bernauer, and Umaña 2016.

⁷ Spilker, Bernauer, and Umaña 2016.

country-level features affect trade policy preferences among the public and elites is surprising, given the extensive literature on the political economy of economic integration linking the economic and political features of states to their attractiveness as cooperative partners. In this article, we draw on these theories to generate hypotheses about what factors may shape attitudes toward trade among the public and policymakers. We argue that the variation in support for trade across potential partners stems from differential expectations about the likelihood that those trading partners will honor their policy commitments. While a variety of cues might shape these expectations, we argue that regime type and past cooperative behavior are particularly important in this regard.

While previous research on trade preferences shows *who* favors trade, our arguments focus on *with whom* individuals prefer to trade and, more importantly, why. We test our theory of partner-specific trade attitudes and the underlying mechanisms using survey experiments fielded among samples of the U.S. public as well as a unique sample of senior U.S. trade and development policy practitioners. We find that the domestic political institutions of potential trading partners play a crucial role in determining partner-specific trade attitudes among the public. A parallel survey experiment fielded on U.S. policy practitioners displays similar dynamics. Moreover, we demonstrate that an important reason behind this pattern is that democracies are perceived as more reliable partners. On average, the public believes that democracies are more likely to honor their trade policy commitments, treat U.S. firms fairly in their domestic legal system, and host firms that compete fairly with U.S. firms.

In a follow-up study, we use a “mechanism suppression” research design to directly manipulate the trading partner’s past behavior in addition to its regime type. We confirm that support for trade is driven by expectations that the potential partner will honor its trade policy

commitments, broadly defined. Further, we provide suggestive evidence that regime type moderates this effect, where past behavior matters somewhat more for democracies than for non-democracies.

We make three contributions to the literature on the political economy of international cooperation. First, our study provides micro-foundational evidence of several mechanisms underlying prominent theories of the political economy of regime type and trade cooperation.⁸ It contributes to a growing body of research showing that, even if the public is largely ignorant of the particular details of many foreign policy choices, their policy preferences are informed by fairly well-structured beliefs about the broad implications of making and violating international commitments.⁹ As evidence mounts that partner-specific trade shocks have important political implications¹⁰ and that contemporary trade politics takes on an increasingly bilateral character, understanding the dynamics of partner-specific politics is increasingly important. In short, this article sheds new light on the *international* politics of trade cooperation. Moreover, our research joins an emerging body of literature highlighting that the characteristics of potential partners shape public opinion about international economic cooperation.¹¹

Second, to our knowledge, our study of policy elites is the first to systematically demonstrate that those with direct influence over U.S. foreign economic policy have a strong and independent preference for trade with specific types of partner. As such, this article offers a rare direct and causally identified test of how trading partners' domestic institutions affect the

⁸ Mansfield, Milner, and Rosendorff 2000, 2002.

⁹ Chaudoin 2014; Gray and Hicks 2014; Powers 2020; Renshon, Dafoe, and Huth 2018.

¹⁰ Autor, Dorn, and Hansen 2016.

¹¹ Brutger and Li 2022; Carnegie and Gaikwad 2022; Gray and Hicks 2014; Spilker, Bernauer, and Umaña 2016.

willingness of elites abroad to enter new institutionalized trade relationships. Our efforts here parallel those of scholars in other subfields of international relations in recent years that probe the veracity of important theories of international politics using survey experiments on political elites with direct influence over foreign policy.¹²

Finally, our tests of causal mechanisms suggest that the preference for trade with democracies arises from expectations about the reliability of democratic political institutions compared to non-democracies. While we do not investigate the sources of those expectations in the minds of the public, we do note that domestic political debates surrounding the question of who the U.S. ought to offer trade on preferential terms often prominently feature arguments about how the potential partner's domestic political institutions affect the ability to credibly commit to honoring the terms of any potential trade agreement. Indeed, while we focus on the issue area of trade, our theoretical argument is quite general, suggesting that support for cooperation among elites and the public is conditional on similar concerns in other issue areas, such as arms control, human rights, and military alliances.

Partner-Specific Trade Preferences?

Much research on trade attitudes has focused on individual-level determinants of general trade policy preferences. Early work on this question was generally optimistic about the applicability of predictions generated by distributional models of trade to the individual level.¹³ However, the conventional wisdom now suggests that the public generally lacks the information needed to

¹² Chu and Recchia 2022; Kertzer and Renshon 2022; Tomz, Weeks, and Yarhi-Milo 2020.

¹³ Mayda and Rodrik 2005; Scheve and Slaughter 2001.

formulate trade policy preferences on the basis of the likely income effects of trade openness.¹⁴ Other factors, including out-group sentiments, sociotropic expectations,¹⁵ local¹⁶ and national economic conditions,¹⁷ gender,¹⁸ and race perceptions,¹⁹ may play important roles in structuring trade attitudes. While this strand of research considerably advanced our understanding of mass trade attitudes, it focused almost exclusively on explaining how individual-level factors determine support for trade openness *on average*.

In fact, those measuring trade attitudes often try to avoid causing respondents to think about particular countries. Hiscox, for example, asks about “increasing trade with other nations.”²⁰ The long-running question in the American National Election Study (ANES) asks whether respondents favor or oppose “new limits on imports” without specifying the origin of those imports, while the Pew Research Center asks respondents whether “free trade agreements between the U.S. and other countries” have been good or bad for the United States. Scholars who adopt this strategy highlight the fact that their goal is to avoid bringing particular trading partners to mind and the potentially confounding factors that come with them.²¹ We are sympathetic to the need to avoid activating potentially idiosyncratic concerns about specific trading partners in these studies. At the same time, however, we are interested in better understanding why trade

¹⁴ Guisinger 2009; Rho and Tomz 2017. See also Lee and Liou 2022 who suggest that economic interests affect individual policy preferences in more nuanced ways than previously recognized.

¹⁵ Mansfield and Mutz 2009.

¹⁶ Bisbee 2019.

¹⁷ Mansfield, Mutz, and Brackbill 2019.

¹⁸ Mansfield, Mutz, and Silver 2015.

¹⁹ Guisinger 2017.

²⁰ Hiscox 2006.

²¹ Chaudoin 2014; Hiscox 2006.

with some countries is more “politically charged” than with others.²²

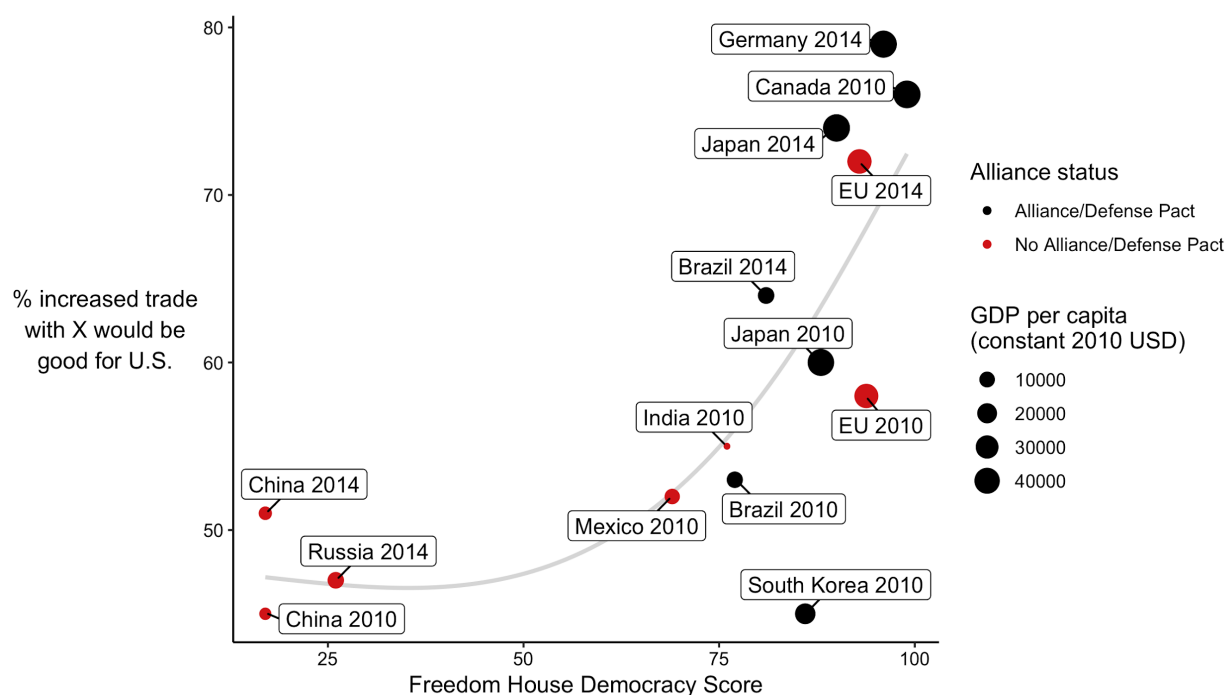


Figure 1. *Features of U.S. trading partners and country-specific trade attitudes*

To this end, we begin by highlighting the fact that the public does, in fact, have partner-specific trade attitudes. Figure 1 plots two waves of Pew Research Center surveys,²³ which asked Americans their views about increasing trade with particular countries,²⁴ against each country’s Freedom House democracy score. In addition to regime type, the black dots

²² Chaudoin 2014.

²³ To our knowledge, 2014 is the last time Pew Research asked the U.S. public about partner-specific trade preferences.

²⁴ Some partner countries appeared in only one of the two waves of the Pew surveys. Specifically, Russia and Germany were not included in the 2010 survey; Canada, India, Mexico, and South Korea were not included in the 2014 survey.

represent allies of the U.S., while the red dots indicate non-allies.²⁵ Moreover, each dot is sized according to the income level of the country. We mark these factors to highlight how they could confound the democracy-trade preference relationship in observational data.

Figure 1 shows that there is a strong positive relationship between the level of democracy and support for increasing trade. The public has a strong preference for trade with democracies. Nonetheless, the graph also illustrates the potential danger of studying partner-specific trade attitudes using observational data: support for trade is correlated with not only democracy but also alliance status and wealth. Moreover, it remains unknown why the public prefers to trade with democracies and whether their views track those of policy elites. To motivate our study of these potential partner-specific preferences, we shift our focus from theories focused on the question of “Which individuals prefer trade liberalization?” to theories focused on the question of “With whom do individuals prefer to liberalize trade?”

A small number of previous studies have examined the relationship between state-level characteristics and public support for trade.²⁶ For example, Carnegie and Gaikwad show that the public prefers trade with allies.²⁷ Spilker, Bernauer, and Umaña find that citizens prefer trade agreements with culturally similar countries, democracies, and countries that maintain high environmental and labor standards.²⁸ While these important studies have laid the groundwork for

²⁵ We treat the EU as a non-ally because (1) not every EU country is an ally of the U.S. and (2) the institution as a whole is not an ally of the U.S. Nonetheless, treating the EU as an ally of the U.S. would not change the overall interpretation of the relationship between the partner’s alliance status and public support for trade.

²⁶ See Carnegie and Gaikwad 2022; Herrmann, Tetlock, and Diascro 2001; Spilker, Bernauer, and Umaña 2016. See also Brutger and Li 2022 who show that information about particular member-states of a trade agreement shapes public opinion.

²⁷ Carnegie and Gaikwad 2022.

²⁸ Spilker, Bernauer, and Umaña 2016.

our current investigation, none of them explores the attitudes of economic policy elites, and they suffer from several important drawbacks.

First, both Carnegie and Gaikwad and Herrmann, Tetlock, and Diascro investigate the impact of geopolitics on trade attitudes,²⁹ but overlook other potential determinants, including the economic implications of trade, cultural similarity, and partners' cooperative reputation. These concerns are likely to be causally related to both geopolitical considerations and trade attitudes and, therefore, could represent a source of post-treatment confounding.³⁰ Furthermore, we know little about the importance of geopolitical considerations relative to other concerns like the economic implications of trade. Likewise, while Spilker, Bernauer, and Umaña observe that regime type affects trade preferences,³¹ they do not manipulate wage levels, which are correlated with regime type and are a key determinant of the economic implications of trade between countries. Second, while past studies find an effect on regime type, they do not evaluate potential causal mechanisms through which regime type matters for trade preferences. We still know relatively little about why individuals may prefer trade with those countries.

Thus, our study makes progress by testing for the effect of regime type among policy elites and the public, by more sharply identifying the independent effect of regime type on trade attitudes, by evaluating a number of potential causal mechanisms drawn from theories of the political economy of international cooperation, and by offering new tests of arguments about the role that domestic political institutions play in shaping expectations of cooperative behavior directly (by making commitments more credible) and indirectly (by making the past behavior of states a more informative signal of their future behavior).

²⁹ Carnegie and Gaikwad 2022; Herrmann, Tetlock, and Diascro 2001.

³⁰ Dafoe, Zhang, and Caughey 2018.

³¹ Spilker, Bernauer, and Umaña 2016.

The Political Economy of Regime Type and Trade Cooperation

A host of studies show that democratic institutions allow for deeper cooperation³² and suggest several mechanisms that support why the public would prefer trade with democracies. We contend that a key mechanism is a democracy's ability to make credible commitments, including commitments to the rule of law. Further, domestic institutions make the potential cooperative partner's past behavior a more informative signal of its type and, consequently, its likely future behavior. We do not suggest that this is an exhaustive set of mechanisms linking democracy and trade preferences (and our empirical analysis below also shows this is not the case), but these mechanisms are among the most central to understanding the institutional underpinnings of international cooperation.

Regime type and the credibility of international commitments

Democratic institutions make cooperative commitments more credible because leaders in democracies wishing to make new commitments must satisfy multiple veto players with potentially disparate interests in order to do so. The presence of institutionalized domestic veto players, thus, increases policy stability and reduces concerns about arbitrary treatment among observers abroad.³³ The ability of voters in democracies to hold their leaders accountable for the country's economic performance makes commitments to economic openness more likely to be self-enforcing.³⁴ Electoral accountability also gives leaders incentives to make binding commitments to openness in public and transparent ways in order to convince electorates that

³² See Mansfield, Milner, and Rosendorff 2002; Milner and Kubota 2005.

³³ Martin 2000; Morrow, Siverson, and Tabares 1998.

³⁴ Frye and Mansfield 2004.

they are not trying to capture rents through protectionist policy.³⁵ The open and transparent nature of policy debates in democracies, where opposition parties have incentives to highlight misdeeds, also makes it harder for democracies to mislead observers abroad and gives them a “contracting advantage” relative to non-democracies.³⁶

A related body of literature argues that promises of cooperation from democracies are more credible and, therefore, more appealing because they raise the costs of cheating for leaders and come with lower risk of predation. Numerous studies find that corruption is lower in democratic states.³⁷ Several scholars also suggest that, compared to non-democracies, democracies are less likely to exhibit rent-seeking behavior³⁸ and are viewed as maintaining stronger internal norms of fair procedures.³⁹ Therefore, for individuals concerned about opportunistic behavior of their trading partners, democracies may be more appealing because they provide more reliable access to markets with less arbitrary treatment.⁴⁰

The constraints imposed on policymakers by democratic institutions and the bundle of good behavior that accountability to voters implies combine to raise expectations that commitments to this broad class of policies related to international trade are more likely to be fulfilled by democracies. The bundle of good behavior includes honoring typical trade-related

³⁵ Hollyer, Rosendorff, and Vreeland 2011; Kono 2006; Mansfield, Milner, and Rosendorff 2002.

³⁶ Lipson 2003.

³⁷ Treisman 2007.

³⁸ Lake 1992; Mansfield, Milner, and Rosendorff 2002.

³⁹ Risse-Kappen 1995.

⁴⁰ We do not contend that democratic states always adhere to international commitments. Some recent notable exceptions include Brexit as well as U.S. trade policies under the Trump Administration. However, drawing on the vast literature on the political economy of regime type and international cooperation, we emphasize that democracies are generally expected to be more reliable cooperation partners compared with nondemocracies in the minds of the public.

policy commitments (e.g., on the use of tariffs or quotas), but also likely includes honor commitments with respect to other trade-relevant provisions. These provisions include but are not limited to provisions regulating which kinds of pricing and subsidy strategies are considered fair (e.g., prohibitions on dumping and export subsidies),⁴¹ provisions on what kinds of legal treatment firms can expect in foreign countries (e.g., national treatment and intellectual property protections),⁴² and provisions covering obligations related to worker and consumer health and safety (e.g., sanitary and phytosanitary measures and labor rights provisions). Indeed, modern preferential trade agreements commonly include many of these provisions.⁴³ In each case, commitments to “good behavior” are more credible on average among democracies because of the domestic constraints imposed on opportunistic behavior in these policy areas.⁴⁴ Based on this logic, we generate the following hypotheses:

Hypothesis 1a: Trade with democracies, on average, is more popular than trade with non-democracies.

Hypothesis 1b: Relative to nondemocracies, democracies are viewed as more likely to make credible commitments to trade cooperation and fair play.

⁴¹ Brutger and Rathbun 2021.

⁴² Chen and Xu 2022.

⁴³ Dür, Baccini, and Elsig 2014.

⁴⁴ Li 2009.

Regime type, past behavior, and beliefs about type

States' reputations play an important role in public attitudes about international economic cooperation.⁴⁵ We argue that democratic institutions shape expectations about the possibility that the state will honor its commitments by making the state's past behavior a more informative signal of its cooperative type and, therefore, its future behavior. Because a state's level of willingness to abide by their commitments is never fully known *ex ante*, observers must guess a state's type using available information.⁴⁶ Thus, states come to have good or bad cooperative reputations based on observers' beliefs about their type. Potential trading partners will be less likely to believe that commitments to cooperate will be honored *ex post* by states with bad reputations, making proposals of cooperation from states with bad reputations less appealing to potential trading partners *ex ante*.⁴⁷

We argue that democratic institutions moderate how observers update their expectations about future behavior in the face of noncompliant behavior. When a democracy's deviations from cooperative agreements are observed, those deviations will reveal more information about the state's type relative to similar deviations observed among autocracies. This is because democratic leaders pay higher costs domestically for inconsistency between their commitments and their policies unless those policies reflect the underlying preferences of the populace,⁴⁸ making such behavior a credible (costly) signal of their true preferences. In addition, because of

⁴⁵ Reputations are not directly measurable. Among factors that contribute to reputations, a state's past behavior (e.g., records of honoring commitments) is important information for observers to evaluate its reputation. See also Crescenzi 2018; Tomz 2007.

⁴⁶ Gray and Hicks 2014 show how a state's reputations, in the eyes of the public, may benefit from joining institutions populated by states with good reputations.

⁴⁷ LeVeck and Narang 2017; Tomz 2007.

⁴⁸ Chaudoin 2014; Kertzer and Brutger 2016.

the institutionalized nature of policy change in democracies, any policy shift brought through democratic institutions is a stronger signal of the state's collective preferences.⁴⁹ While democratic leadership turnover may harm the durability of international trade commitments,⁵⁰ foreign policy change is most likely when the new leader relies on different societal groups for support than their predecessor.⁵¹ Therefore, in equilibrium, when democratic leaders are willing to publicly violate existing trade agreements, they must either have had approval from other domestic veto players *ex ante* or do not anticipate sanctions from their domestic audience *ex post*.

Democracies with a record as steadfast and reliable trading partners will, therefore, enjoy higher levels of support for trade cooperation relative to non-democracies with a similar record, since observers will have stronger expectations about the durability of commitments made by those democratic regimes. At the same time, because democracies' defection from cooperative behavior is more likely to be evidence of true non-cooperative preferences, they will pay higher costs for abrogating commitments relative to non-democracies. Intuitively, if a democratic leader is more likely (than a similarly situated autocracy) to be punished by their domestic audience for violating the state's international commitments, then such behavior will be observed only when the underlying preferences of the state have shifted enough that the leader either secured permission from potential domestic veto players *ex ante* or does not, in fact, anticipate punishment *ex post*.

⁴⁹ Martin 2000; Renshon, Dafoe, and Huth 2018.

⁵⁰ Gray and Kucik 2017.

⁵¹ Mattes, Leeds, and Carroll 2015. Mattes, Leeds, and Carroll 2015 also argue that, because democracies generally have larger society groups for support compared with nondemocracies, leadership turnover in democracies is less likely to lead to foreign policy changes.

As such, if the public and policymakers anticipate that democratic institutions will induce good behavior on the part of trading partners (H1a and H1b), then frustrating those expectations and raising doubts about the reliability of the state's commitments should erode the support premium otherwise offered to democratic states. In short, individuals give democracies the benefit of the doubt concerning good behavior, but violations of that faith bring harsher consequences. This logic generates our second set of hypotheses:

Hypothesis 2a: Relative to a state with a reputation for bad cooperative behavior, a state with a reputation for good cooperative behavior will enjoy higher support for new trade cooperation.

Hypothesis 2b: The difference in support for new trade cooperation between states with a bad cooperation reputation and a good cooperation reputation will be larger among democracies than among non-democracies.

Alternative explanations for country-level trade attitudes

While we argue that institutional features of democracy affect trade attitudes through a credible commitment mechanism, an alternative set of mechanisms in the cooperation literature could be at work. For instance, the democratic peace theory argues that individuals perceive democracies to be less threatening, compared with non-democracies.⁵² Since trade generates security externalities,⁵³ the public may prefer trade with democracies because of security concerns.

A similar prediction arises from the trade-follows-the-flag literature: democracies are seen as generally peaceful, making trade with democracies more appealing because it is less

⁵² Farnham 2003; Tomz and Weeks 2013.

⁵³ Gowa and Mansfield 1993.

likely to be disrupted by political hostilities.⁵⁴ To account for this, we measure the effect of regime type and security concerns on levels of support for trade.

However, the trade-and-conflict literature yields a competing hypothesis. If trade leads to peace,⁵⁵ respondents may favor trade as a mechanism to bring about more harmonious relations with trading partners. Thus, the public may prefer trade with non-democracies in the hope of fostering peace.⁵⁶

Three other state-level features could function as possible confounders: alliance status, wage levels, and economic size may be related to both democracy and trade attitudes. First, trade with alliances may be more attractive than trade with adversaries because states can utilize the gains from trade to develop and enhance their potential military power.⁵⁷ Existing studies provide evidence that democracies are more likely to ally with one another,⁵⁸ and recent work shows that alliance status has direct effects on country-level trade attitudes.⁵⁹

Second, while the public may not have well-defined expectations about the distributional effects of trade openness,⁶⁰ the political discourse surrounding trade often focuses on concerns about low-wage competition from abroad. Broad sociotropic concerns about how low-wage competition affects import-competing sectors could lower support for trade with countries with low average wage levels.⁶¹

⁵⁴ Morrow, Siverson and Tabares 1998; Pollins 1989.

⁵⁵ Chen 2021; Mansfield and Pollins 2001.

⁵⁶ Carnegie and Gaikwad 2022.

⁵⁷ Gowa and Mansfield 1993.

⁵⁸ Lai and Reiter 2000.

⁵⁹ Carnegie and Gaikwad 2022.

⁶⁰ Rho and Tomz 2017.

⁶¹ Mansfield and Mutz 2009.

Third, the overall economic size of a potential trading partner may also affect support for trade. A trading partner with a large economy may enjoy higher support for trade since it would represent more export opportunities.⁶² On the other hand, a large economy that is home to low-wage workers may represent a greater threat to particular kinds of low-skill jobs and thereby may reduce support for trade. Given the well-known correlations between regime type and both wealth and economic growth,⁶³ wage levels and economic size could easily function as confounders. Because alliance status, wage levels, and economic size are all correlated with support for trade and with regime type, it is important that we account for them in our experiments.

Additionally, studies have also suggested that ethnocentrism and perceptions of cultural similarity influence trade attitudes.⁶⁴ Individuals may see other democracies as culturally similar⁶⁵ and, thus, prefer trade with democracies. For some populations, cultural similarity and ethnocentrism may drive country-specific trade attitudes.⁶⁶ To control for this possibility, we also manipulate the cultural similarity of the proposed trading partner in our experiments fielded on our general population samples.

It is important to note that our argument, as it relates to the public, is not that the average voter has a detailed, fully-fledged understanding of precisely why democracies behave in systematically different ways than autocracies. Nor do we argue that the public is knowledgeable about theories of international cooperation any more than studies of economic-based theories

⁶² Shadlen 2008; Spilker, Bernauer, and Umaña 2016.

⁶³ Doucouliagos and Ulubaşoğlu 2008; Madsen, Raschky, and Skali 2015.

⁶⁴ Guisinger 2017; Mansfield and Mutz 2009.

⁶⁵ Geva and Hanson 1999.

⁶⁶ Spilker, Bernauer, and Umaña 2016.

presuming respondents know the ins and outs of theories such as the Stolper-Samuelson theorem. However, we maintain only that the public has come to appreciate the fact of this difference in behavior and this appreciation leads them to have a taste for trade with democracies.

Evidence from Experiments

We test our hypotheses using survey experiments. We fielded our first set of experiments on three different samples: (1) a sample of 209 senior trade and development policy practitioners currently or formerly employed by the U.S. government and recruited in Fall 2017, (2) a sample of about 3,000 Americans recruited by Lucid in November 2018, and (3) a sample of about 750 Americans recruited on Amazon Mechanical Turk (mTurk) in February 2019.

The Teaching, Research, and International Policy (TRIP) project embedded our experiment in a larger survey of policy elites (Avey et al. 2022). Our policy elite sample consists of 209 individuals who voluntarily responded to a survey sent to all individuals who worked for the U.S. government offices, whose primary responsibility was trade or development issues between 1992 and 2016, and for whom the TRIP project could secure contact information.⁶⁷

Neither the mTurk nor Lucid samples are probability-based representative samples of the U.S. population, but recent work replicating well-known survey experiments on these populations demonstrates that estimated treatment effects returned by these populations are similar in direction and magnitude to those based on samples of the public constructed using more traditional methods.⁶⁸ In the case of Lucid, the sample was recruited using census-based

⁶⁷ Full details on the sample construction and recruitment are in the online appendix.

⁶⁸ Coppock and McClellan 2019 show that “demographic and experimental findings on Lucid track well with national benchmarks.” See also Berinsky, Huber, and Lenz 2012 on mTurk.

quotas on age, gender, ethnicity, and region to ensure that we had access to a broad and diverse cross-section of the public.

The experiment was designed to estimate the effect of regime type on support for a new reciprocal trade agreement with a particular country. To ensure that we identified the independent effect of democracy on trade policy preferences, we also randomized other key features of the country correlated with both support for trade and regime type. All respondents read a common introduction where we would ask for their opinion about a “situation related to international trade policy that the U.S. could face in the future.” We then asked respondents to consider a scenario in which the U.S. government was considering a new reciprocal trade agreement with a particular country, defining the implications of this policy change in straightforward terms. Respondents read the following:

The U.S. government is considering a set of trade policies that would encourage international trade in goods and services between the U.S. and another country. By “encourage trade,” we mean that the policies would make it easier for U.S. goods and services to be sold in the other country as well as for that country’s goods and services to be sold in the U.S.

We then provided respondents with information about the political and economic profile of the country in question. Regime type is our central feature of interest, yet the definition of democracy may be ambiguous to the mass public. Therefore, we mentioned specifically whether the potential trading partner holds “free and fair elections on a regular basis” because rule by the people is arguably the most essential feature of democracy. The treatments read (randomized

features in brackets).⁶⁹

The country at which these policies would be targeted has the following features:

- The country is [*a democracy, which means it holds* OR *not a democracy, which means it does not hold*] free and fair elections on a regular basis.
- The country [*is* OR *is not*] an ally of the U.S.
- The country's workers earn incomes that are among the [*lowest* OR *highest*] in the world.⁷⁰
- The country's economy is among the [*largest* OR *smallest*] in the world.
- The country [*is* OR *is not*] culturally similar to the U.S.

The order of these features varied randomly by respondent. Following these treatments, we measured each respondent's support for trade with the country in question, and then asked a number of questions about the political and economic consequences of trade with that country.⁷¹

⁶⁹ In our elite survey, we did not include the cultural similarity treatment and instead randomized the size of the country's military.

⁷⁰ We anticipate that respondents view "income" and "wages" interchangeably, but it is possible that some respondents do not. If that is the case, the effect of income on willingness to trade may be biased downward somewhat. We thank an anonymous reviewer for pointing this out.

⁷¹ Note that an alternative research design here might be that of a single-profile conjoint experiment across randomly generated country profiles. One could implement a conjoint design that included both a measure of our dependent variable and a series of follow-up questions to study causal mechanisms after each rating task. Of particular concern is whether a detailed series of follow-up questions might induce carryover effects by probing the respondent's reactions to each profile too deeply (on carryover, see Hainmueller, Hopkins, and Yamamoto 2014). Another approach might be to embed the causal mechanisms in the conjoint treatments directly. We avoid doing so here because our goal is to investigate not whether respondents prefer to trade with states that honor their commitments but whether expectations that a state will honor their commitments are conditional on regime type in the minds of respondents. Our design allows for direct tests of whether the expectations arise endogenously when

The main outcome question read, “Do you support or oppose the U.S. adopting policies that would encourage trade with the country described above?” Respondents could choose one of “support,” “oppose,” or “neither support nor oppose.” To measure the strength of preferences, we asked those who said either “support” or “oppose” whether they did so “a great deal” or only “a little bit”.⁷² To capture learners, we asked those who selected “neither support nor oppose” if they “lean towards supporting” or “lean towards opposing.” To ease interpretation and discussion below, we dichotomize our measure of support for trade, giving a value of 100 if the respondent reported supporting trade to any degree (i.e., “lean toward supporting,” “support a little bit,” or “support a great deal”) and 0 if the respondent reported opposing trade to any degree (i.e., “lean toward opposing,” “oppose a little bit,” or “oppose a great deal”).⁷³ This allows for more straightforward interpretations of the coefficients as percentage point changes as a result of each treatment in linear probability models.

confronted with the opportunity to trade with a democracy. We note in the appendix that respondent engagement, measured by attention levels, was high in our experiment.

⁷² The third option was “not sure” rather than “neither support nor oppose” in our elite survey. We do not include a “don’t know” option in the public or elite survey. Some scholars argue that doing so is important, especially when studying information effects. See Guisinger 2017. Our purpose is not to understand how individuals process information to form opinions, but instead to measure how cues affect the willingness to endorse increased trade cooperation. As we discuss in the appendix, to the extent that the middle option on our scale represented a non-attitude response, the vast majority of respondents in all three samples chose something other than this category.

⁷³ We present results based on the dependent variable’s original scale in the appendix.

Effect of democracy on support for trade

We use ordinary least squares (OLS) regressions to estimate the average treatment effect on support for trade (Figure 2).⁷⁴ We find that regime type has a substantively large and statistically significant effect on support for trade. This result holds both in the sample of foreign economic policy elites and in the samples of the general population. Independent of other features of the country in question, support for trade is 13.53 (95% CI: 4.93, 22.12) percentage points higher among our sample of policy elites when the partner was identified as a democracy. The effect in our Lucid sample is nearly identical in magnitude at 14.09 (95% CI: 10.90, 17.29) percentage points. We observe the largest effect in our mTurk sample at 19.21 (95% CI: 13.16, 25.27) percentage points. These results are similar if we include a standard battery of demographic covariates in our models.⁷⁵ Therefore, we find unambiguous support for the contention that regime type plays a key and independent role in shaping partner-specific trade attitudes among both the public and policy elites (H1a).

⁷⁴ Approximately 76% of our respondents correctly recalled a randomly selected feature of the country in the Lucid sample and 88% in the mTurk sample. See online appendix.

⁷⁵ Results are nearly identical if we drop those respondents who reported that the manipulation caused them to think of China. See online appendix.

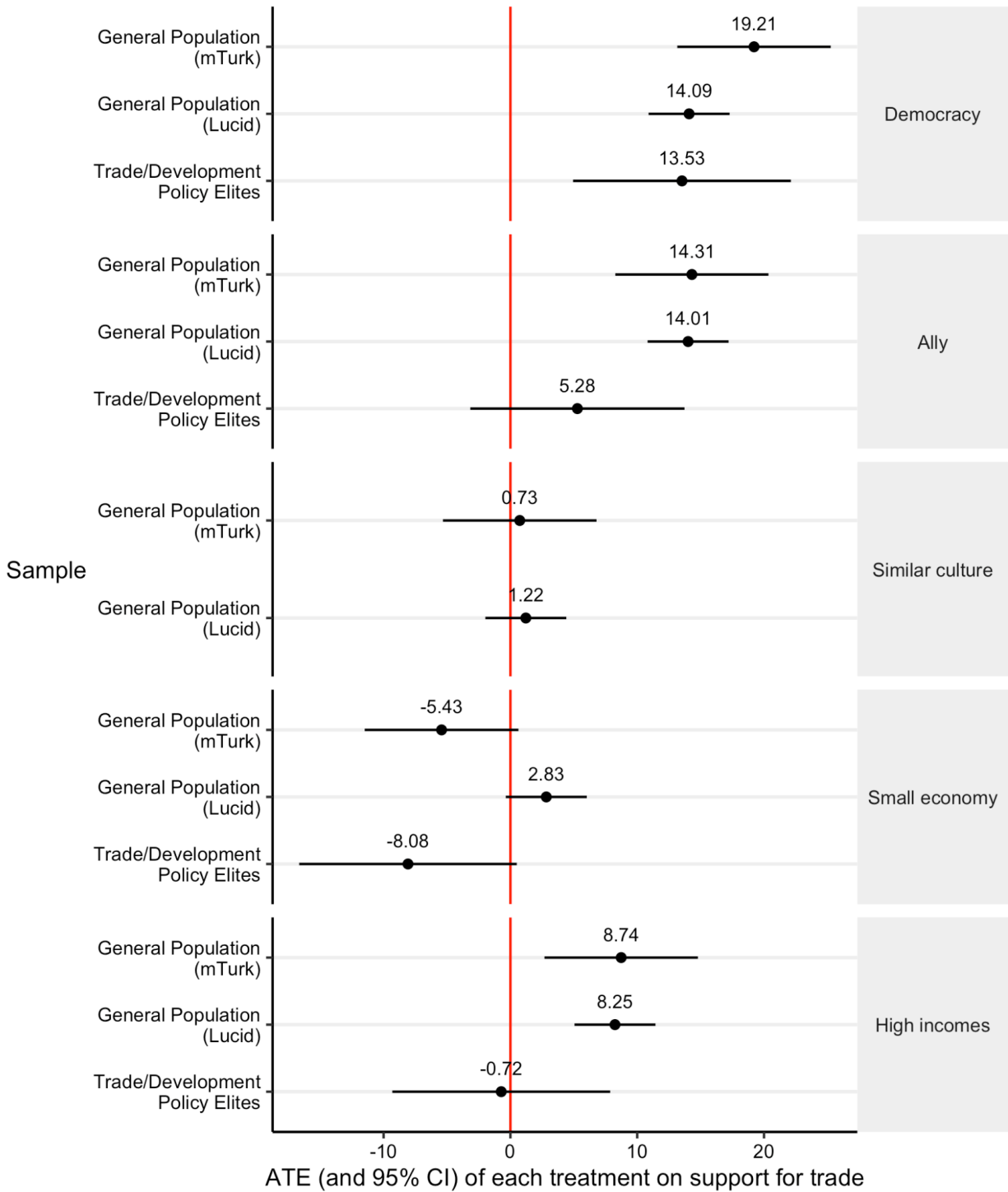


Figure 2. *Effect of treatments on support for trade by sample (%)*

The effect of democracy is large not only in absolute terms, but also when compared to the effect of the other treatments. Among economic policy elites, the democracy treatment is the only treatment that has a substantively large and statistically significant effect on support for trade. Among our two general population samples, only the effect of alliance status approaches the magnitude of democracy. Labeling the country as an ally increases support for trade by about 14 percentage points among those in our Lucid and mTurk samples.⁷⁶ The effects of wage levels and economic size are relatively modest. Cultural similarity does not yield a statistically significant effect on support for trade. Given recent work on the nativist backlash to international trade,⁷⁷ this overall result is surprising. Nonetheless, as we show in the online appendix, those reporting ethnocentric attitudes are about 8 percentage points more willing to support trade with culturally similar countries, suggesting that the cultural similarity treatment was meaningful to those who care about this factor.

Why is support for trade conditional on regime type?

Above we suggested several mechanisms that may cause individuals to prefer trade with democracies. Some of those mechanisms rely on the institutional practices of democracies,

⁷⁶ This differs from the results of Carnegie and Gaikwad 2022 who find that alliance status matters *more* than regime type. We believe this difference emerges from variation in our respective operationalizations of alliance status. While we focus on the contrast between an “ally” and “not an ally,” they focus on the contrast between an “ally” and an “adversary.” Furthermore, their adversary treatment also informs respondents that the country in question is “hostile to” the United States. We read their results as being more informative of domestic responses to trade with potentially hostile countries (e.g., Iran, North Korea, Russia, etc.), while we view our results as more informative of domestic responses to trade with the broader population of states that are not generally described as allies of the US (i.e., formal or otherwise).

⁷⁷ Walter 2021.

others on the security implications of trading with democracies. While we directly manipulate economic factors (i.e., the wage level and economic size) that could confound the link between regime type and trade preferences, economic consequences could still loom large in the minds of respondents. Thus, our survey experiments fielded on the general population samples were specifically designed to measure the relative importance of these concerns, which we bundle into three broad categories.⁷⁸

To measure factors stemming from the institutional features of democracies, we asked about the likelihood that the country in question would honor their trade commitments, that businesses in the country would compete fairly with U.S. firms, that the country's legal system would treat U.S. firms fairly, and the effect that trade with the country would have on the safety of consumer goods sold in the U.S.⁷⁹ While this may be a broad grouping, these concerns reflect the fact that most modern trade agreements commit signatories not only to lowering tariffs but also to implementing consumer safety and health regulations, to limiting the kinds of pricing and subsidy strategies that are considered "unfair" (e.g., prohibitions on dumping or state subsidies), and to treating foreign firms fairly in the legal system (e.g., national treatment).⁸⁰ Still, we present individual results of these questions such that the influence of each factor can be examined.

⁷⁸ Our survey of policymakers, unfortunately, did not include questions about the institutional mechanisms. The results for the other mechanisms are reported in the appendix, but we lack the statistical power to draw any firm conclusions from those results.

⁷⁹ In both samples, we asked about honoring commitments and fair competition. We asked about consumer safety in the Lucid sample, but not in the mTurk sample. In the mTurk sample, we asked about the rule of law in the potential trading partner. While these concerns do tap into distinct concepts, they are each enabled and strengthened by democratic institutions.

⁸⁰ Dür, Baccini, and Elsig 2014.

To measure expectations about how trade with particular kinds of countries may affect national security and conflict propensity, we asked how trade with the country in question would increase or decrease U.S. national security as well as the probability of diplomatic tensions and military conflict between the two countries. Finally, to measure expectations about the economic implications of trade, we asked respondents how trade with the country in question would affect the overall economic situation of the U.S., the respondent's personal economic situation, the number of jobs in the U.S., and the price levels in the U.S.

We estimate the average treatment effect (ATE) of democracy on each of the mechanisms using OLS regressions. We plot the results in Figure 3. To simplify interpretations, we dichotomize these measures and, where appropriate, reverse code them so that higher values represent more favorable outcomes for the United States. Consequently, positive treatment effects represent the benefits that the public believes accrue to the U.S. from trading with democracies. Broadly, the public expects the effect of trade on the U.S. to depend on the regime type of its trading partners. As the top panel of Figure 3 shows, the public anticipates that democracies will be more likely to honor their trade agreements and treat U.S. firms fairly in their legal system. The public also expects that firms in democracies will be more likely to compete fairly with U.S. firms. Thus, we find robust support for our argument that the institutional features of democracies make them particularly attractive as trading partners (H1b).

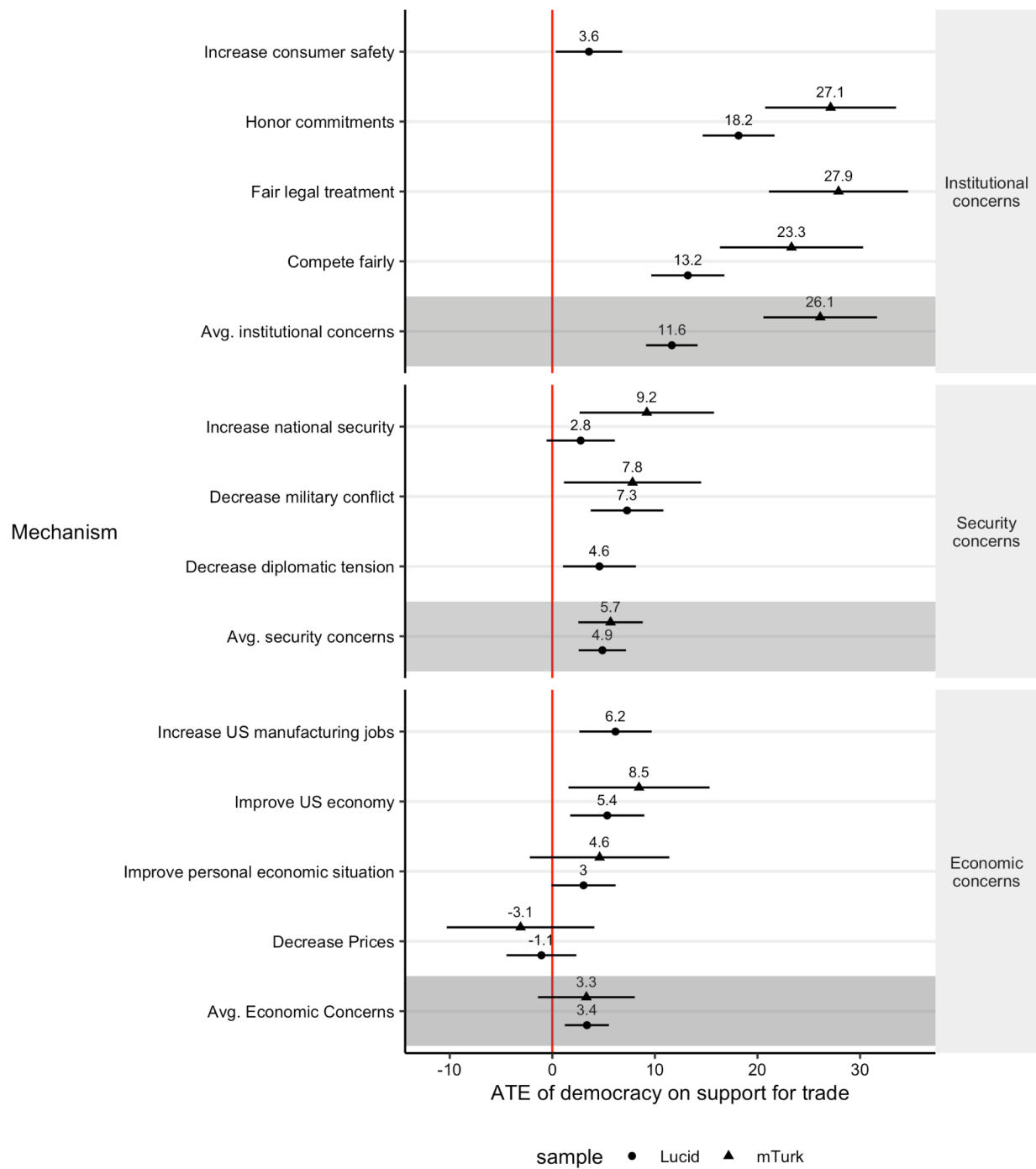


Figure 3. *Effect of democracy on expected effects of trade with the potential trading partner (%)*

Notably, the largest effects we observe in the Lucid sample relate to concerns stemming from the institutional effects of democracy on the trading partner's behavior. Among our Lucid sample, those respondents in the democracy treatment viewed the trading partner as approximately 18 percentage points more likely to honor their trade commitments and 13 percentage points more likely to host firms that compete fairly in the marketplace. Our Lucid respondents also viewed trade with democracies as about 4 percentage points more likely to increase consumer safety in the United States. Among our mTurk sample, the impact of democracy on institutional factors was generally larger. Here, respondents viewed democracies as approximately 27 percentage points more likely to honor their commitments and 23 percentage points more likely to host firms that compete fairly with U.S. firms. While we did not ask about consumer safety in the mTurk sample, we did ask about the rule of law. In our mTurk sample, the respondents viewed democracies as about 28 percentage points more likely to treat U.S. firms fairly in their domestic legal systems.

In contrast, we find more modest effects of democracy on both security concerns and economic concerns. Among security concerns, respondents view democracies as improving the overall national security with respondents being more likely to say that trade with democracies increases U.S. national security, decreases the probability of military conflict, and decreases diplomatic tensions. Respondents also viewed trade with democracies as having modest implications for economic outcomes. In our Lucid sample, respondents were approximately 6 percentage points more likely to say that trade with democracies would increase U.S. jobs, 5 percentage points more likely to improve the U.S. economy, and 3 percentage points more likely to improve their own economic situation. Regime type, however, had no discernible effect on expectations about consumer prices. The results from our mTurk sample are similar.

It is worth noting here that our experiment shows that democracy may not be *uniquely* capable of reassuring the public that the trading partner will be a good cooperative trade partner. As we show in the appendix and consistent with existing work,⁸¹ we find that alliances can have similar effects, raising expectations that a trading partner will honor their commitments, give U.S. firms fair legal treatment, and host firms that compete fairly with U.S. firms. Nonetheless, the effect of alliances is smaller than that of democracy. For example, relative to non-allies, respondents in our general population Lucid sample were about 17 percentage points more likely to say that the partner will honor their commitments. The democracy treatment, meanwhile, raised expectations that the state would honor its commitments by about 26 percentage points. Still, these results suggest that pre-existing international institutions may serve as partial substitutes for domestic political institutions by signaling history of generally productive cooperative interactions and are consistent with past studies showing that institutionalized international commitments have important reputational implications for observers.⁸²

Thus far, we have shown that democracy has strong and independent effects on support for trade as well as a number of important potential causal mechanisms. Nonetheless, we have not shown that the effect of democracy is mediated through any particular mechanism. To do this, we use causal mediation techniques.⁸³ We generate summary measures of each bundle of

⁸¹ Carnegie and Gaikwad 2022.

⁸² Fang 2008; Gray 2009; and Gray and Hicks 2014.

⁸³ Baron and Kenny 1986. See Tomz and Weeks 2020 for a recent application to survey experiments in international relations. Our analysis relies on the sequential ignorability assumption: after conditioning on pretreatment characteristics (e.g., gender, age, education, income, and party), the values of the mediators are as-if randomly assigned and, therefore, the mechanisms are assumed to be independent of unobserved pre-treatment covariates and one another. Because we use linear models, the results match what would be produced by the Imai et al. 2011 approach.

concerns (i.e., institutional, economic, and security) by averaging responses to each set of questions. We then estimate how much of the total effect of democracy is mediated through each of these proposed mechanisms while controlling for a standard battery of pre-treatment demographic covariates, treatment status, and the other measured mediators. The outcome variable in these analyses is again the dichotomized operationalization of support for trade. We estimate how much of the treatment effect is generated through each mechanism by multiplying the total effect of democracy on each mechanism (Figure 3) by the effect of the mechanism on support for liberalization (Tables 13 and 14 in the online appendix). We then divide this quantity by our estimate of the total effect of democracy on support for trade liberalization (Figure 2). We estimate standard errors via bootstrapping and present the results of these analyses in Figure 4.

We find robust support for our argument that the institutional features of democracies make them particularly attractive trading partners to the public: institutional concerns mediate about 28 (95% CI: 21.2, 38.4) percent of the treatment effect of democracy in the Lucid sample. We find even stronger results in our more attentive mTurk sample where institutional concerns mediate about 67 (95% CI: 48.8, 91.9) percent of the treatment effect.⁸⁴ One possible reason for the differences in these results is that those in the mTurk sample correctly recalled the country's regime type at relatively higher rates than those in the Lucid sample.⁸⁵

⁸⁴ The difference in proportion mediated by institutional concerns across samples does not appear to be the result of differences in how we measured institutional concerns across the two samples. We include all measured mechanisms in the results that we report above. If we instead limit our institutional mechanisms to only those that we asked about in both samples (honor commitments and compete fairly), then the difference in the estimated proportion mediated by institutional concerns across samples remains essentially unchanged.

⁸⁵ Approximately 93 percent of mTurk respondents correctly recalled the state's regime type. The same figure was about 75 percent in the Lucid Sample. This difference is similar to that found by

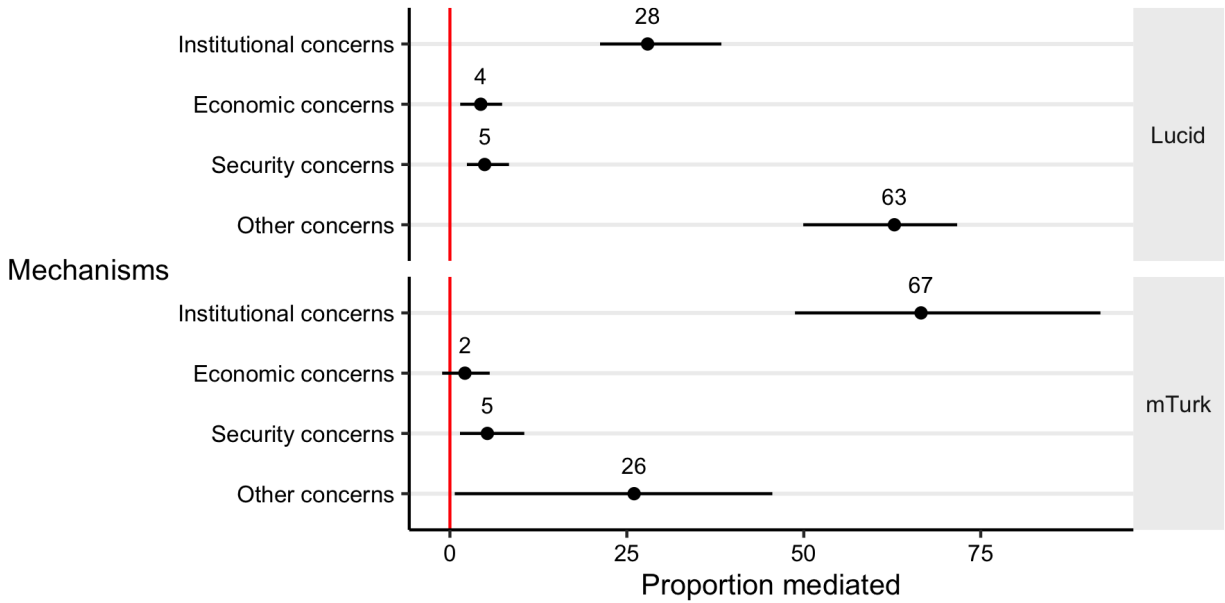


Figure 4. *Estimated proportion of the total effect of democracy that flows through the proposed causal mechanisms (%)*

In contrast, economic concerns mediate only approximately 4 (95% CI: 1.5, 7.4) percent and 2 (95% CI: -1.1, 5.6) percent of the effect of democracy in the Lucid and mTurk samples, respectively. In the meantime, security concerns mediate approximately 5 (95% CI: 2.4, 8.3) and 5 (95% CI: 1.4, 10.5) percent of the treatment effect of democracy in the Lucid and mTurk samples, respectively. The results indicate that the domestic institutions of the potential trading partner are an important determinant of trade preferences. Nonetheless, these estimates also suggest that the mechanisms we identified do not explain the entirety of the effect of democracy on support for trade liberalization. We leave exploring these additional mechanisms to future research.

Berinsky, Huber, and Lenz 2012 in their comparison of an mTurk sample to a quota-based sample recruited by Survey Sampling International (SSI).

Regime type and past behavior of trading partners

We have found support for the first part of our argument: democratic institutions raise expectations that a trading partner will honor their commitments, especially to the rule of law. We now turn to further investigating the second part of our theory: democratic institutions make the past behavior of states a more informative signal of their future behavior.

In a follow-up study, respondents again learned that the U.S. is considering liberalizing trade with a foreign country. We recruited a sample of approximately 1,700 Americans on Lucid using the same quotas as before. Again, we randomized the country's regime type. This time, however, we held the country's geopolitical, economic, and cultural profile constant. All respondents learned that the country in question has a large economy, has low per capita income, is culturally different from the U.S., and is not an ally of the U.S. Moreover, we provided two additional pieces of information about the past behavior of the state (randomized portions in brackets). First, we described the state as having a "history [*of OR of not*] honoring trade policy agreements it has made with other countries." Second, we explained that "U.S. businesses [*have OR have not*] been treated fairly by the country's legal system in the past."

With this design, we can test whether a state's past behavior affects support for trade while also testing whether the effect of providing cues designed to shape these expectations is conditional on the state's regime type.⁸⁶ We measure support for trade in the same way as we did

⁸⁶ We view this as a mechanism suppression design: by exogenously manipulating information about past behavior rather than allowing the respondent to fill in this information on their own, we can isolate how this mechanism affects outcomes independent of the direct effect of labeling the state as a democracy.

in the previous set of studies. Again, we dichotomize this measure by assigning those who express any support for trade the value of 100 and those who express any opposition to trade with the country as 0. We estimate a linear probability model where each of the treatments (i.e., regime type, honor commitments, and treat firms fairly) are interacted, allowing for the effect of past behavior to vary across regime type.

The results are illustrated in Figure 5, where we plot the effect of revealing a state to have either a good or bad reputation, conditional on regime type. Comparing well-behaved democracies and non-democracies to their poorly behaved counterparts in Figure 5 indicates support for H2a and our broader contention that the expectation of good cooperative behavior is among the most important drivers of support for new trade cooperation with particular countries. In fact, the effect of past behavior is about three times that of regime type alone. As such, well-behaved autocracies do significantly better than poorly behaved democracies.

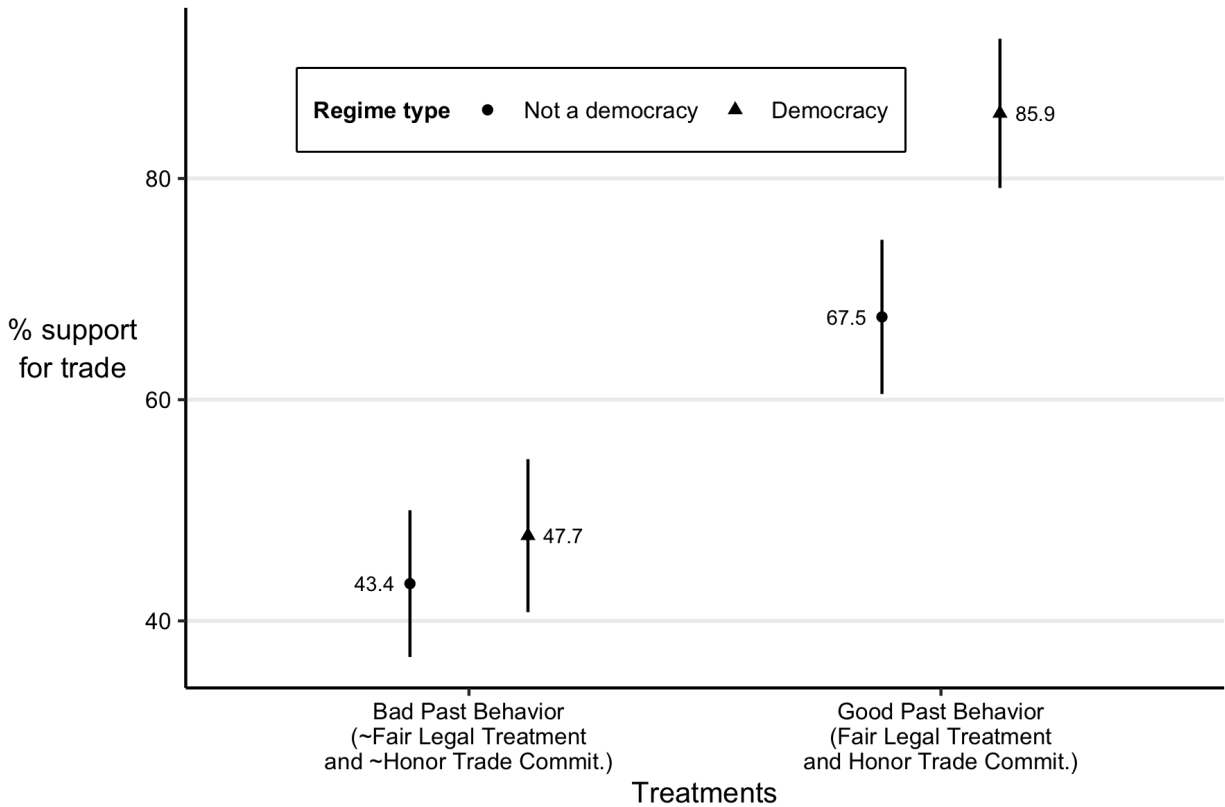


Figure 5. *Predicted support for trade by regime type and reputation*

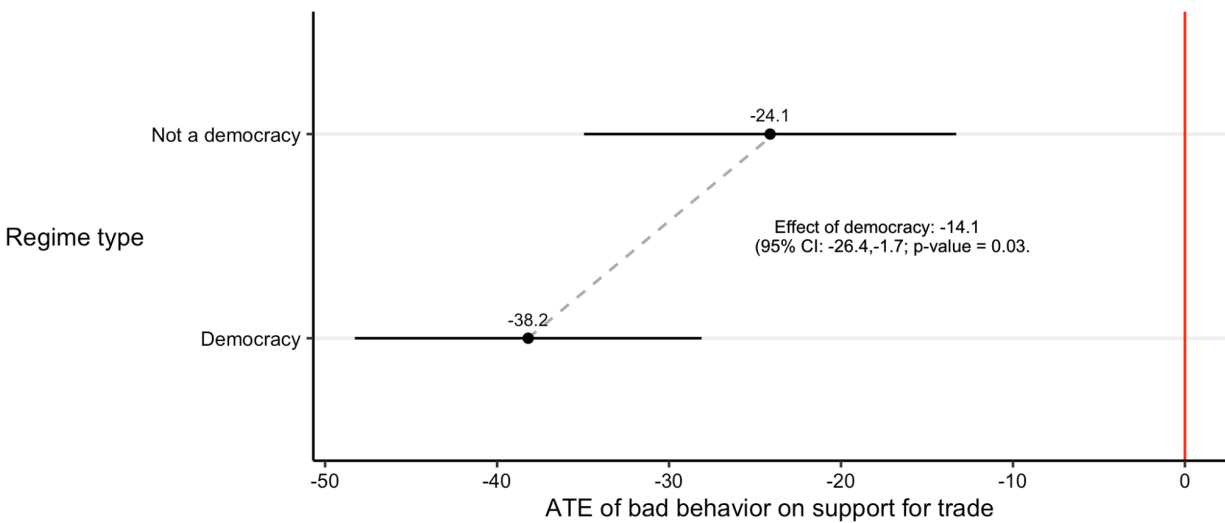


Figure 6. *Effect of bad behavior on support for trade by regime type (%)*

Moreover, providing respondents with direct information about the state's cooperative

type also appears to moderate the democratic advantage as the democratic advantage is driven by expectations of democratic trading partners' good behavior. We find support for the idea that democratic institutions make the past behavior of states a more informative signal of their type (H2b). Figure 6 shows that, among non-democracies, a good reputation increases support for trade by about 24 percentage points. The effect of securing a good reputation is even larger for democracies: approximately 38 percentage points.⁸⁷ The difference is approximately 14 percentage points and is statistically significant at conventional levels.⁸⁸

These results show that respondents place more weight on learning that a state has honored its legal commitments when the state is labeled as a democracy. We should note that our conclusions on the conditional effect of regime type and past behavior (H2b) are more tentative than those drawn from our analysis of the independent effect of behavior and regime type (H2a). If we use a continuous measure, instead of the binary measure, of support for new trade cooperation, then the coefficients on the interaction term between democracy and past behavior are correctly signed, but no longer statistically significant at conventional levels.⁸⁹ In sum, the results of this follow-up experiment provide additional evidence that the public cares a lot about the expected behavior of potential trading partners and offer suggestive evidence that the past behavior of democracies is a more informative signal of their future behavior compared to that of non-democracies.

⁸⁷ In the online appendix, we present the full results tables.

⁸⁸ See appendix for full results. To ease interpretation, we estimate a set of models that re-codes the treatments into either “good”, “bad”, or “mixed” behavior. We then estimate a model interacting these new treatment categories with regime type. The coefficient on the interaction between regime type and bad behavior is substantively and statistically significant.

⁸⁹ See online appendix for full results tables which show these results.

External validity

Given the stylized nature of our manipulation, one may be skeptical of the external validity of our findings. The abstract way in which we described each of the potential trading partners may have led respondents to evaluate the potential consequences of trade differently than if we had provided them with more detailed descriptions of trading partners or named actual U.S. trading partners in the real world. To investigate this possibility, we benchmark our results against real-world levels of support for trade with different types of countries using the most recent data gathered by the Pew Research Center in 2014.⁹⁰ While the Pew Survey covers only a small number of trading partners of the U.S., the comparison between experimental results and observational data is helpful for understanding the external validity of our study.

⁹⁰ The ideal reference points would be levels of support for trade in a year closer to our survey experiments. Nonetheless, the 2014 Pew survey is the latest available survey with questions about dyadic trade attitudes.

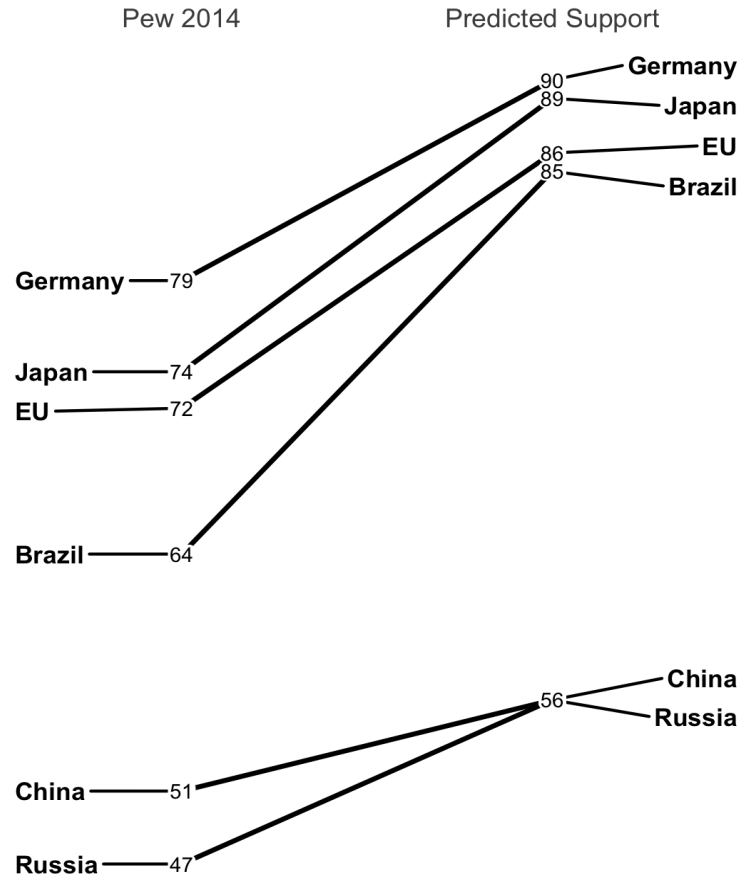


Figure 7. *Predicted support for trade with particular countries (%)*

To generate predicted levels of support for real-world trading partners, we set the values of our treatments to each of the countries' actual profiles in the Pew survey. We then use our treatment effect model from the initial Lucid general population study to generate predicted levels of support for trade with each country.⁹¹ We plot the results in Figure 7 where we compare our predicted results to those available from the Pew 2014 survey. Although our model's predicted levels of support are higher than those observed in the Pew data, the relative ordering

⁹¹ For example, we code Germany as a democratic ally with high wages, a large economy, and similar culture. This approach obviously is limited because of its observational nature.

that our model generates is strikingly similar to that in the observed data. Notably, we see a substantial gap in support between non-democracies and democracies. We regard the results of this analysis as suggestive evidence that our stylized descriptions of potential U.S. trading partners do tap into the mental models employed by the American public as they make decisions about their support for trade policies.

Conclusion

Why do individuals prefer trade with some countries than trade with others? In this article, we began by highlighting a disjuncture between the now-vast literature on trade attitudes and a large body of research on the political economy of international cooperation. While past studies of trade attitudes have largely focused on the role of individual-level attributes, the literature on cooperation has emphasized state-level attributes. In this study, we use the latter literature to inform the former.

We argue that the public tends to associate particular sets of behavior with democracies and that cooperative behavior makes democracies more appealing trading partners than non-democracies. To generate possible mechanisms accounting for this appeal, we turn to the political economy literature on trade cooperation. That literature has argued that democracies prefer trade cooperation with one another for reasons of enhancing national security, promoting rule of law, honoring commitments, and creating economic growth. We also argue that democratic institutions make the past behavior of states a more informative signal of their future cooperative behavior. Drawing on theories of reputation formation, we suggest that democracies pay a higher price for reneging on their commitments. Thus, while some recent scholarship provides evidence that the public prefers trade with democracies, we bring new arguments to

bear on *why* this is the case and how attitudes change when democracies “go bad.”

We subjected our argument to multiple experimental tests, including on a unique sample of policy elites. Our findings suggest that there is a large democratic advantage in trade attitudes among both elites and the mass public. While several mechanisms undergird this finding, the most important one empirically involves beliefs about how institutional constraints in democracies shape their cooperative behavior.

To further probe our initial findings, we fielded a follow-up survey experiment in which we manipulated regime type and whether the country has honored its commitments in the past. We find that, when respondents are informed that democracies have not honored their international or domestic commitments, respondents are no more likely to prefer opening trade with these types of country than with non-democracies. At the same time, democracies benefit far more from honoring their constraints than do non-democracies, suggesting that domestic political institutions condition the way in which past behavior informs the public’s expectations about potential partners’ future behavior.

Our findings are important to not only academic inquiries into the political economy of trade but also contemporary political debates. First, we offer micro-foundational support for a benchmark theory in the literature on the international political economy of cooperation. Using original survey experiments, we show that democratic institutions promote trade cooperation by increasing the perceived credibility of a state’s policy commitments. While we focus on public opinion in the U.S., future research can benefit from exploring whether (and why) individuals in authoritarian regimes also prefer trade with democracies⁹² and whether our theory is dependent upon the similarity of domestic institutions.

⁹² Spilker, Bernauer, and Umaña 2016.

Second, our results shed new light upon the structure of trade attitudes among elites and the public. Past work has overwhelmingly focused on how individual-level characteristics shape support for international trade on average. We highlight the fact that trade attitudes vary not only across individuals but also systematically across trading partners with different political and economic profiles. We show that this variation depends on expectations about how the trading partner will behave and that these concerns are central to the public's willingness to endorse trade liberalization with particular countries. Further, we provide evidence that a state's regime type determines the extent to which these expectations are informed by its past behavior. Additionally, our findings help explain why current political narratives around the politics and economics of trade have focused so centrally on "unfair" trade practices: notably that the public is very sensitive to allegations of cheating or unfair trade practices, regardless of regime type.

Third, our results offer important insights into the role that foreign audiences can play in incentivizing cooperative behavior. We argued above that democratic institutions generate more credible commitments because the threat of sanctions from domestic audiences disciplines not only the policy choices of leaders in the presence of existing commitments but also the commitments that leaders select into in the first place. At the same time, we showed that evidence of failing to honor commitments entails sharp drops in support for cooperation among foreign audiences—Americans are much less willing to cooperate on trade with states who have failed to uphold their commitments in the past. This dynamic gives both democracies and non-democracies alike strong incentives to honor their commitments even if domestic audiences are unable or unwilling to punish defections. Indeed, as our experiments show, the public will support cooperation with non-democracies with a track record of honoring their commitments.

Our results also point to the need for more research on how the governing ideology of a

state conditions cooperative expectations among foreign audiences. Trade cooperation that is sustained by the threat of domestic and international audience costs may be uniquely vulnerable to populist appeals, since these appeals often pair substantive arguments about the costs of trade openness with ideological arguments that systematically downplay concerns about the state's international obligations. While such appeals may help shield leaders from domestic audience costs,⁹³ they are likely to do little to moderate international audience costs. Our study buttresses the existing finding that, while democracies may violate their WTO commitments to gain domestic electoral benefits, they suffer reputational costs for doing so.⁹⁴ Our research suggests that these costs can be particularly steep.

The international reactions to the trade war launched by the Trump Administration in 2018 are an example. In a 2019 Pew Survey of 32 countries where respondents were asked to evaluate Trump's international policies, a median of 68% of respondents in those countries disapproved of the U.S. increasing tariffs — more opposition than even American withdrawal from the Paris Accords.⁹⁵ Moreover, as predicted by our theory, this opposition to American defection was sticky: even after the election of President Biden, majorities in most European countries were concerned about cooperation with the United States.⁹⁶ This opposition also suggests that our results, based on a survey of Americans, is likely to travel well to other democratic states. The furor in Europe, Canada, and South Korea over American trade policy during the Trump administration indicates that citizens in other democracies are equally disposed to lose trust in countries that they believe should keep their commitments but do not.

⁹³ Morse and Pratt 2022.

⁹⁴ Rickard 2010.

⁹⁵ Pew Research Center 2020.

⁹⁶ Galston 2021.

Our results also make clear that the dreary forecast for international cooperation in this new era of populism is likely to be driven just as much or more by foreign countries (i.e., states being less willing to cooperate with states led by populists who have failed to honor their state's existing commitments) than states with populist leaders (i.e., populist leaders initiating fewer cooperative endeavors or ending existing ones). Given the magnitude of the reputation effects we observe, the effect on the foreign country's side is likely to be quite large and have important effects on both the intensive and extensive margin of cooperation.

Finally, we need to point out that the arguments we make in this article are not particular to the issue area of trade. The logic of our arguments on the role that democratic institutions play in shaping expectations about the willingness of states to honor their commitments and the extent to which past behavior shapes expectations about future behavior is general enough to extend to other issue areas beyond trade. We anticipate that future research on important issues like nuclear arms control, climate change mitigation, and investor-state dispute settlement would similarly find that public support for cooperation is driven by expectations that states will honor their cooperative commitments and that this expectation is conditional on regime type. Our research, therefore, has implications for the literature on the legitimacy of multilateral institutions. As those institutions have become more universal by opening their doors to democracies and autocracies alike, they may pay a significant toll in terms of the legitimacy that they enjoy among the public of their member states if those members do not live up to their cooperative bargains.

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