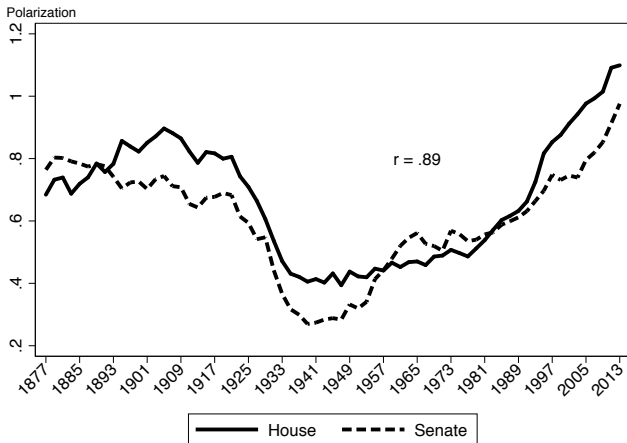


Importing Polarization
Autor, Dorn, Hanson, and Majlesi

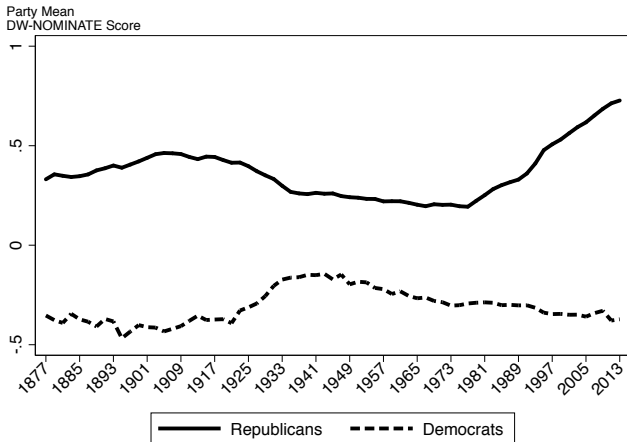
Nolan McCarty

September 12, 2016

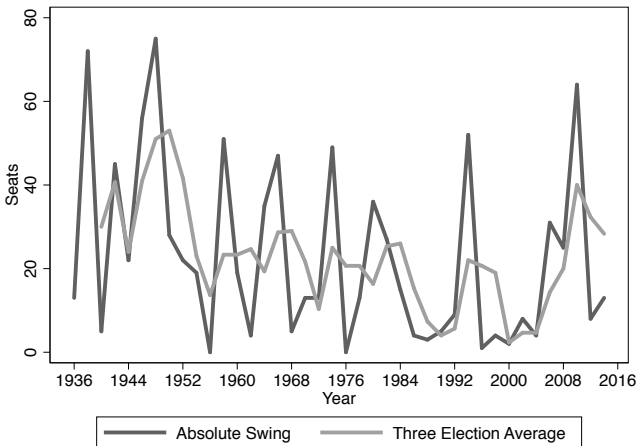
Polarization in Congress



Party Positions

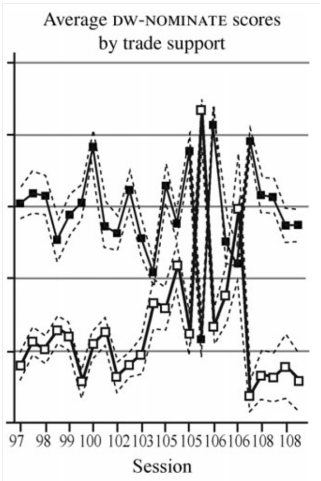


Partisan Swings



- Employment shocks associated with increased imports from China had a polarizing effect on congressional representation
- Small leftward shift for 2002 Democratic districts
- Large rightward shift for 2002 Republican districts
- Effect concentrated on Republican seats that turned over during decade, but returned to Republican control
- Other economic shocks have much smaller effects

DW-NOMINATE and All Trade Votes



DW-NOMINATE and Key Trade Votes

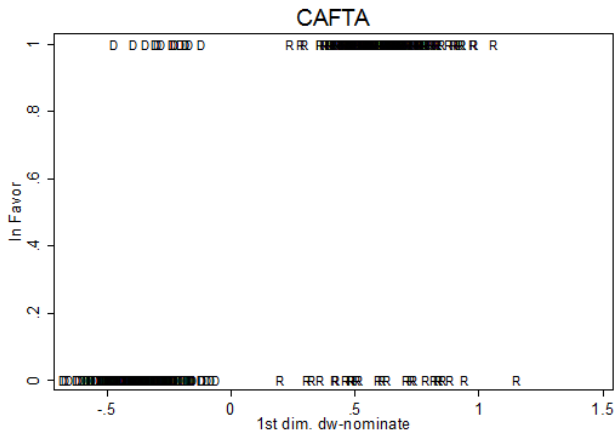
TABLE 1. Panel probit with population average effects and vote fixed effects (omitted)

<i>Variables</i>	<i>AID1</i> <i>(Model 1)</i>	<i>TRADE1</i> <i>(Model 2)</i>	<i>AID2</i> <i>(Model 3)</i>	<i>TRADE2</i> <i>(Model 4)</i>	<i>AID3</i> <i>(Model 5)</i>	<i>TRADE3</i> <i>(Model 6)</i>
%HIGHSKILL	5.033** (0.568)	2.608** (0.537)	3.747** (0.910)	3.290** (0.642)	5.207** (1.003)	3.768** (0.878)
DWNOMINATE	-2.803** (0.106)	1.273** (0.0720)	-2.801** (0.160)	0.758** (0.105)	-2.764** (0.158)	0.756** (0.104)
PREZSUPPORT	-0.00186 (0.0786)	0.656** (0.0401)	0.0153 (0.0780)	0.670** (0.0406)	0.0288 (0.0782)	0.668** (0.0405)

DW-NOMINATE and Key Trade Votes

CAFTA (2005)	Coefficient	Standard error
All	.777	.029
Dems	.515	.144
Reps	-.029	.137

Korea- Colombia- Panama (2011)	Coefficient	Standard error
All	.634	.027
Dems	.515	.144
Reps	.093	.025



The Red State Strategy

- As head of DNCC in 2006, Raum Emanuel devised a plan to retake House
- Contest districts in Red States with candidates that were
 - Pro-gun
 - Anti-Marriage equality
 - But pro-union and anti-trade

"Democrats had a history of appeasing party constituencies. Emanuel tore up the old litmus tests on abortion and other issues. With techniques that would make a Big Ten football coach blush, he recruited candidates who could mount tough challenges in some of the reddest patches of America."

Putting a Face On It



The Fair Trade Sweep

In 2004, the celebrated author Thomas Frank asked: "What's the Matter With Kansas?" The question sought to get to the root of why Democrats lose in districts and states where low-income and working class people ought to be in open revolt against Republican economic policies.

In 2006, we got the answer to Frank's question. There's nothing the matter with Kansas, or the rest of "red state" America, when Democrats are willing to run on an economic platform that emphasizes their opposition to corporate-sponsored trade deals and support for policies that address middle- and working- class needs. In the midterm elections, a net sum of 7 Senate and 30 House seats flipped from the anti-fair trade to the fair trade column. Moreover, as our research shows, most of those Democratic candidates that made a strong fair trade message a campaign priority won, while most of those that did not— including many high-profile candidates supported by the national party—lost.

Table 5: Import Exposure and Congressional Election Outcomes 2002-20
(Dependent Variables: $100 \times$ Dummy for Change in Party, Change in Representative with Same Party, or No Change in Representative)

	Change in Party	No Change in Party	
	(1)	Different Rep (2)	Same Rep (3)
<u>A. All Districts</u>			
Δ CZ Import Penetration	8.16 (8.15)	14.27 (11.12)	-22.43 (10.29) *
Mean Outcome	12.4	35.1	52.4
<u>B. Initially Democratic District</u>			
Δ CZ Import Penetration	29.82 (17.81)	~ -6.36 (18.26)	-23.46 (17.97)
Mean Outcome	15.4	21.6	63.1
<u>C. Initially Republican District</u>			
Δ CZ Import Penetration	-13.23 (7.32)	~ 38.66 (15.38) *	-25.43 (13.34) ~
Mean Outcome	9.9	47.2	43.0

Notes: N=3,504 County*District cells in Panel A, N=1,233 in Panel B, N=2,271 in Panel C. All regressions include the full set of control variables from Table 1. Observations are weighted by a cell's share of total district population in 2000, and standard errors are two-way clustered on CZs and Congressional Districts. ~ $p \leq 0.10$, * $p \leq 0.05$, ** $p \leq 0.01$.

Summary

- Autor, Dorn, Hanson, and Majlesi provide very strong evidence that in districts held by Republicans in 2002 and impacted by the China shock had much more conservative representation by 2010
- While Polarization describes the outcome, I am less sure that it describes the mechanism
- An alternative interpretation is that the China shock - combined with other political shocks and strategy - induced political turnover which accelerated the Republican march to the right