

POPULAR SUPPORT FOR TRADE AGREEMENTS AND PARTNER COUNTRY CHARACTERISTICS: EVIDENCE FROM AN UNEXPECTED ELECTION OUTCOME

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Using quasi-experimental data from a survey that was conducted immediately before and after the November 2016 presidential election, we analyze how the election of Donald Trump affected the willingness of Europeans to sign a trade and investment agreement with the United States. We find that the election outcome led to an immediate and sizable negative effect on Europeans' image of the United States. But we do not find that, at the same time, there was a negative reaction in the willingness of Europeans to sign an agreement with the United States. (JEL F14, F55, C26, F50)

I. INTRODUCTION

There is already a substantial body of academic literature on the determinants of individuals' trade policy preferences (see Kuo and Naoi 2015 for an overview). In this paper, we contribute to this literature by using a quasi-experimental methodology to investigate how the election of Donald Trump as president of the United States affected the trade policy preferences of Europeans.

Knowing why some people are in favor of free trade with a given partner while others are against is important because public opinion can influence policy makers and hence can affect the extent of trade liberalization. Indeed, trade agreements have been a salient issue in many elections (e.g., whether or not to renegotiate NAFTA was a contentious issue during the 2016 U.S. election) and some countries even have organized referenda about trade agreements (e.g., in 2016, there were the Brexit referendum in the United Kingdom and the Dutch referendum about the association agreement between the European Union and the Ukraine). Knowledge about the reasons why people oppose or support specific trade agreements can help policy makers interested in trade

liberalization to convince those against trade liberalization to change their view, and vice versa, and help those against liberalization to find out what needs to be done to increase the share of the population that opposes a specific free trade agreement.

Initially, the literature on individuals' trade policy preferences investigated whether individuals' attitudes toward international trade were driven by economic characteristics such as industry of employment or factor endowment profile (typically measured by years of education). On the production side, research driven by testing predictions of the Heckscher–Ohlin model found that individuals with relatively more abundant resources favor free trade (Jäkel and Smolka 2017; Mayda and Rodrik 2005). Evidence on the consumer side of free trade comes, for example, from Baker (2005), who found that consumers of exported products are less supportive of free trade.

While economic factors do tend to correlate with individuals' trade policy preferences, many noneconomic factors have been found to correlate as well.¹ Mansfield and Mutz (2009)

1. Note further that these noneconomic views are often argued to be at least as important as economic factors (see e.g., Mansfield and Mutz 2009 or Spilker, Bernauer, and Umaña 2018).

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ABBREVIATIONS

EU: European Union
OLS: Ordinary Least Squares
TPP: Trans-Pacific Partnership
TTIP: Transatlantic Trade and Investment Partnership
WTO: World Trade Organization

find, for example, that there is less support for free trade among those “who believe the United States should take an isolationist stance on international affairs more generally or those who feel that members of other ethnic and racial groups are less praiseworthy than their own racial or ethnic group.”

Recently, a number of papers have focused on people’s use of “treaty partner heuristics” (Steiner 2018) when deciding whether or not to support the signing of a trade agreement with a specific partner. These papers argue that when people are asked whether they support a trade agreement with a particular partner, they rely on their general feelings toward that potential trade partner. Steiner (2018), for example, finds that European respondents in countries which have a positive attitude toward the United States are more likely to support the Transatlantic Trade and Investment Partnership (TTIP) agreement with the United States. Similarly, Jedinger and Schoen (2018) and Jungherr et al. (2018) find that Germans who are more supportive of the United States are more likely to support the TTIP agreement with that country. More generally, Spilker, Bernauer, and Umaña (2018) argue that^{2,3}:

Recent research on public support for international trade agreements (Gray and Hicks, 2014; Hearn, 2013; Spilker et al., 2016; Umaña et al. 2015) shows that not only specific characteristics of countries, in a stylized sense, matter for trade preferences, but also the general image of these countries. In view of informational constraints, individuals tend to rely on the name of specific countries as heuristics and attach positive or negative images to them. For example, due to historical animosity between the two countries, PTAs including Costa Rica are likely to be viewed less favourably by Nicaraguans than PTAs with other countries, and vice versa. Similarly, due to military and security rivalries PTAs including China could be perceived more negatively in Vietnam compared to PTAs with other large economies.

In this paper, we analyze a natural experiment in which the potential trade partner’s characteristics were unexpectedly changed.⁴ In November

2016, Donald Trump surprised most observers by winning the United States presidential election. As a consequence, most participants in the November 3–14, 2016 Eurobarometer survey who were asked about their opinions on a trade agreement with the United States just before the election had Hillary Clinton in mind as president and as the trade partner. On the other hand, those who were asked after the election considered a trade agreement with the elected President Donald Trump. In this paper, we investigate how this change in “treaty partner heuristics” affected the willingness of Europeans to have a trade and investment agreement with the United States.

An analysis of almost 200,000 Europeans from 28 European Union (EU) states reveals that Trump’s election did not immediately decrease support of Europeans for a free trade and investment treaty with the United States. This is surprising, given that most Europeans preferred Hillary Clinton over Donald Trump, which is illustrated by the fact that we also find that Trump’s election had an immediate and sizeable negative impact on the perception of the United States in Europe, increasing the share of Europeans who perceived the United States as going in the wrong direction by roughly 10 percentage points. Given the literature cited above, one would thus expect this substantial decrease in the image of the United States to lead to a noticeable decrease in support for a trade agreement with the country, but the overall analysis does not support this.

We find that the reason for the lack of a substantial decrease in support is twofold. First, we find the impact of a country’s image to be fairly limited: a person who thinks the United States is going in the right direction is only about 10–20 percentage points more likely to be supportive of a trade and investment agreement with the United States than a person who either thinks the United States is going in the wrong direction or a person who is undecided about the direction in which the country is going. Second, we find that the election of Trump mainly shifted undecided people toward a negative view rather than shifting people

2. Di Tella and Rodrik (2019) focus on the demand for protection rather than on the demand for free trade but similarly find that “changing the name of the country to which production is outsourced, from France to Cambodia, increases the demand for import protection by 6 percentage points.”

3. There is also a literature on opinion and trade (rather than trade policy preferences). Examples include Disdier and Mayer (2007), Micheals and Zhi (2010), and Rose (2019)

4. While the literature on the determinants of individuals’ trade policy preferences is large, the vast majority of the

studies in this literature had limited success in addressing possible endogeneity issues. Exceptions are a number of recent studies that provide experimental evidence. Spilker, Bernauer, and Umaña (2018), for example, use a conjoint choice experiment in which participants are shown potential trade agreements with various characteristics and are asked to express their degrees of support for these agreements. While such experiments use hypothetical scenarios, in our paper we analyze a natural experiment and real-life changes in characteristics.

with a positive view to a negative view. Given that undecided people are about as likely to support a trade agreement with the United States as people who think the country is going in the wrong direction, such a shift had little influence on the overall share of people in support of a trade agreement.

The remainder of the paper is structured as follows. We first describe the methodology and the data we use in this paper. This is followed by an analysis of how of the unexpected election of Trump affected Europeans' opinions about a trade and investment agreement with the United States. We then analyze how the election affected how the United States is perceived in Europe and check whether changes in the image of the United States can explain the effect of the election outcome. Finally, we check heterogeneity in the impact of the election outcome by analyzing data from individual EU countries.

II. DATA AND METHODOLOGY

To assess the causal impact of a country's image on the willingness to sign a trade agreement with that country, one could do an experiment in which half of the interviewees are presented with a potential partner country that had elected a president most of the respondents would support, while the other half are presented with a potential partner country that had elected a president whom few of the respondents would support. By randomizing the interviewees over the two scenarios, one could get an unbiased estimate of the impact of the difference in these two scenarios on people's trade agreement preferences. This is similar to what has been done in conjoint choice experiments (see e.g., Spilker, Bernauer, and Umaña 2018).⁵

Rather than analyzing a hypothetical situation such as the above, however, we use a natural experiment or an "unexpected event during survey design" (see Muñoz, Falcó-Gimeno, and Hernández 2020 for other examples of this approach), where an unexpected election outcome happened while a survey was conducted. As far as we know, we are the first to apply this methodology to identify the causal determinants of trade policy preferences.

5. Spilker, Bernauer, and Umaña (2018) present several scenarios to the same respondent. In our case, the scenarios are presented to different respondents, but as we will argue below, the surprise election lead to a quasi-random allocation of respondents to scenarios, making the average respondent in both scenarios similar.

The data we use comes from seven Eurobarometer surveys implemented between November 2014 and November 2017, in which about 200,000 Europeans were asked about their support for a trade and investment agreement with the United States.⁶

Importantly, the November 2016 Eurobarometer Survey, took place between November 3 and November 14, 2016. About 35.4% of the respondents were interviewed just before the election on November 8, 2016, while the remaining 64.5% were interviewed just after the election result became known.

When asked about their opinion on a trade and investment agreement with the United States, most of those interviewed before the election expected the trade agreement to be negotiated and possibly implemented under a Clinton administration. While the chance of a Trump presidency had been increasing throughout the electoral campaign, the betting odds favored a clear Clinton win. For example, the FiveThirtyEight website's polls-only model showed a decrease in Clinton's chances to win from about 90% 3 weeks before the election, to about 75% a week before the election (Guilford 2016). Paddy Power, a bookmaker, even paid off bets before the elections took place, being sure Clinton would win (Tuttle 2016). As the results of the election started to come in during the election night, the odds reversed, however. For example, during the election night, Ladbrokes' odds moved quickly from a 76% Clinton win to an 85% Trump win, while PredictIt decreased Clinton's chances from about 80% to about 5% (Tennery 2016).

Not only did most people expect Clinton to win but most Europeans were also favorably inclined toward a Clinton presidency (see Table 1). A YouGov Poll (2016) found, for example, that about three-quarters of respondents in the Nordic countries and Germany, and more than 60% in France and the United Kingdom would vote for Hillary Clinton. A Gallup survey of respondents in 15 European countries similarly found, on average, 69% supporting Clinton.

An election outcome allows people to infer two things about the potential trade partner. Not only does the election outcome provide information about who would be the next president of

6. We use the November 2014, May 2015, November 2015, May 2016, November 2016, May 2017 and November 2017 surveys. We focus on the respondents from the 28 EU countries because respondents in the candidate countries were not asked all questions used in our analysis.

TABLE 1

Share of Voters in Various European Countries Supporting a Specific Candidate for the U.S. Presidential Elections

	Gallup Poll (August/ September 2016)			YouGov Poll (October 2016)		
	Clinton	Trump	DK	Clinton	Trump	DK
Austria	78	9	13			
Finland	86	7	7	78	9	13
France	72	10	18	64	11	25
Germany	77	8	15	72	9	19
Ireland	74	12	14			
Italy	73	16	11			
Netherlands	77	8	15			
Portugal	85	5	10			
Spain	70	4	26			
Sweden	82	7	11	74	10	16
United Kingdom	64	15	21	65	11	24
Latvia	46	22	32			
Macedonia	48	20	32			
Slovenia	52	22	26			
Bulgaria	51	26	23			
Denmark				81	4	15
Average	69.0	12.7	18.2	72.3	9.0	18.7

The numbers give the share of voters supporting a given presidential candidate or being undecided. Based on Duvall (2016) and Smith (2016).

the potential trade partner country, but it also provides information about the political preferences of the trade partner country's population. Hence, in our case, many of those interviewed before the election would have assumed that the trade partner country would be led by a president whom they prefer to be the elected president of that country. In addition, they assumed that a big part of the population of the trade partner had similar political preferences and would elect that candidate too.

In contrast, those interviewed after the election expected the trade agreement to be negotiated and possibly implemented under the Trump administration. For very few Europeans, about 10%, according to the above-mentioned surveys, Trump was the preferred candidate.

Moreover, what to expect under a Trump administration was very different from what to expect under a Clinton administration. Trump's campaign platform was indeed clearly different from Clinton's campaign platform, each representing a different kind of United States. In terms of the economy, Trump focused on reducing taxes and regulations, while Clinton promised to increase taxes on the rich and spending more on job training (BBC 2016). In terms of international policy (Plett Usher 2016), while Clinton saw the United States as a provider of global order, Trump focused on "America First." As

candidate for the Democratic party, Clinton was also much more closely aligned with President Obama, while Trump aimed to repeal some of the Obama administration's policies (e.g., Obamacare [Salisbury 2016]).

As for trade, Trump's proposal was to reverse many years of trade liberalization. He planned to "rip up" existing trade agreements, renegotiate NAFTA, and impose 45% tariff on imports from China. He also suggested he might withdraw from the World Trade Organization (WTO) (Noland et al. 2016). Withdrawal from the WTO would be particularly damaging for small open economies, that rely on the WTO and its mechanism of reciprocity to protect themselves against high tariff rates set by large countries.⁷

Trump's view on trade was formed long before 2016. He had consistently advocated for protectionist policies against Japan since 1987 (Schlesinger 2018). Clinton, on the other hand, had the reputation of a cautious free trade supporter—she backed the creation of NAFTA, negotiated the Trans-Pacific Partnership (TPP) agreement as the secretary of state for President Obama and voted in favor of free trade agreements with Chile, Singapore, Australia, Morocco, Bahrain, and Oman. At the same time, during her election campaign she reversed her opinion about the TPP (Calmes 2016). It would be fair to depict Clinton as a skeptical and reluctant supporter of the status quo in trade policy and Trump as an unambiguous and sharp opponent of the status quo, pushing toward more protectionist and isolationist trade policy (Noland et al. 2016).

In short, for many of those asked after the election, the potential trade and investment agreement partner country would be led by a president whom they preferred not to be the president of that country. In addition, as the election revealed, the trade and investment partner had a large part of the population that did not share the same political preferences as those interviewed after the election.⁸

So far, we have shown that interviewees before and after the election were likely to have

7. Large economies can manipulate terms of trade and would prefer to set a positive tariff for their imports in a non-cooperative global trade equilibrium without the WTO mechanisms in place (Bagwell and Staiger 1999). Ossa (2014) has shown that for large countries in noncooperative global trade equilibrium the optimal tariffs are around 60%.

8. Note that we assume that respondents correctly anticipated the impact of a Clinton presidency and hence that a Clinton election would have no sudden impact on our variables of interest.

TABLE 2
Differences between the Control and the Treatment Group in the Means of Selected Explanatory Variables

	Average Age	% Male	% Highly Educated	% Still Studying	% Middle Class	% Retired/ unable to Work	% Skilled Manual Worker	% Rural
November 8	48.98	46.86	26.91	9.63	63.19	30.05	9.18	29.69
November 9	48.2	48.45	28.41	9.71	63.16	27.7	8.97	28.53
<i>p</i> value of <i>t</i> -test	.34	.45	.39	.95	.99	.19	.87	.55
November 3–8	49.05	48.11	28.37	9.12	62.92	29.84	8.83	29.14
November 9–14	47.94	48.25	29.33	8.47	63.26	26.74	8.99	33.54
<i>p</i> value of <i>t</i> -test	.01	.9	.3	.34	.73	0	.78	0

The numbers in the table are percentages except for the average age. *p* values are between 0 and 1. Survey weights to make the sample representative of the EU28 are used. Highly educated means more than 20 years of education. *p* values are for a *t*-test of difference in means between groups. *n* = 6,312 (November 8/9) and 27,693 (November 3–8vs November 9–14).

had substantially different images of the United States in mind. Hence, by comparing answers on questions related to the United States from those asked before the election to those asked after, we can estimate the impact of the change in the potential trade partner's characteristics.

Before presenting the results of such an analysis, it is important to notice that unlike a lab experiment in which the researcher can randomize respondents over the test and control groups, the natural experiment we analyze here does not guarantee randomization. If allocation of the respondents into the two scenarios is nonrandom, differences in the outcomes of the two scenarios can no longer be considered as unbiased estimates of the impact of these differences in the scenarios. In our case, if the background characteristics of respondents who were asked before the election are different from the characteristics of those interviewed after the election, then the difference in the responses between these two groups can no longer be considered a causal estimate of the change in the potential trade partner's characteristics.

One argument supporting the idea that the election date lead to a random allocation of respondents into the two scenarios is that self-selection is unlikely in this case: people are indeed unlikely to schedule their interviews in function of elections abroad. Moreover, given that the election of Trump was a surprise, it is even more unlikely that they scheduled their interview in function of the outcome of the election.

However, one cannot exclude the possibility that some determinants of the choice of interview date could be related to the views of the respondents about the United States. If, for example,

optimists are more likely to be later respondents, after the election one would see a decrease in the share of respondents who think that the United States is going in the wrong direction.

To provide an idea of the magnitude of the difference between the background characteristics of respondents interviewed before the election and those interviewed after the election, we first compare the means of various variables reflecting both background characteristics and opinions, variables which we will later use as control variables in a regression analysis. Table 2 shows the differences in background characteristics between respondents interviewed (just) before and after the election in terms of average age, the shares of males, of highly educated individuals, of students, of respondents having no difficulties paying bills, of retirees, of skilled manual workers, and of respondents living in rural areas or villages. Table 3 focuses on differences in opinions, more specifically on the shares of people with "left" political views, people who have trust in the legal system, people who have a positive or very positive image of free trade and people who say they are informed about European matters. For comparison, it also shows the difference in the share of respondents who support a free trade and investment agreement with the United States and the share of respondents who think the United States is going in the wrong direction. The latter two variables will be used later as dependent variables in a regression analysis.

Tables 2 and 3 show that only one of the 12 differences in control variables between November 8 and November 9 is significant at the 10% significance level. When comparing the period before and after the election, differences in control

TABLE 3

Differences Between the Control and the Treatment Group in the Means of the Explanatory and the Dependent Variables

	% Left	% Trust	% Positive About Free Trade	% Informed About EU	% Supports Agreement with United States	% United States Wrong Direction
November 8	26.36	48.39	66.52	37.55	46.94	46.51
November 9	26.31	52.33	67.63	36.53	50.3	60.44
<i>p</i> value of <i>t</i> -test	.98	.06	.57	.61	.11	0
November 3–8	26.27	51.56	67.99	37.31	50.28	48.95
November 9–14	26.96	50.92	68.12	38.35	54.93	57.8
<i>p</i> value of <i>t</i> -test	.46	.55	.89	.31	0	0

The numbers in the table are percentages. *p* values are between 0 and 1. Survey weights to make the sample representative of the EU28 are used. *p* values are for a *t*-test of difference in means between groups. *n* = 6,312 (November 8/9) and 27,693 (November 3–8 vs November 9–14).

variables remain relatively small but three out of 12 are now significant (which is not surprising given the increased size of the sample). Table 3 also shows that the differences before and after the election in the outcome variables tend to be larger than the difference in the control variables, especially so for the change in the share of respondents who think the United States is going in the wrong direction.⁹

Note that if we run a regression of a dummy variable that reflects being interviewed after the elections, on the variables of Tables 2 and 3 we obtain some significant coefficients (and joint significance of all coefficients), but an R^2 of less than 1%.

There is one variable, however, that is clearly distributed differently before and after the election. First, given that the start date of the survey varied slightly from one country to another, the share of interviews held before and after the election varies by country and hence the country compositions of the two groups differ (see Table 4).¹⁰ We control for this difference by including country dummies in our regression analysis.

If we run a regression of a dummy, which reflects being interviewed after the elections, on the variables of Tables 2 and b and country dummies, we get an R^2 of about 7%.

9. The statistics in this and other tables are weighted sample statistics, where weights are used to make the sample representative of the population of EU. In the Appendix S1, we have tables with unweighted statistics where each country has approximately the same number of observations. Overall, the results are similar to those presented in the text.

10. The Eurobarometer survey has separate surveys for East and West Germany and for Northern Ireland. Hence, while there are 28 member states, there are 30 different entities identified as “countries” in the dataset. In this paper, we aggregate the data to 28 countries.

TABLE 4

Distribution of Observations over Countries Before and After the November 8 Elections

	Before Elections	After Elections
France	4.77	2.97
Belgium	3.77	3.64
Netherlands	4.19	3.34
Germany	8.35	3.96
Italy	4.39	3.29
Luxembourg	2.26	1.57
Denmark	3.96	3.45
Ireland	1.78	4.65
Great Britain	3.15	5.78
Greece	4.38	3.23
Spain	2.78	4.13
Portugal	2.99	4.02
Finland	3.95	3.59
Sweden	3.42	3.87
Austria	4.06	3.5
Cyprus	2.55	1.39
Czech Republic	3.16	3.88
Estonia	4.44	3.19
Hungary	2.61	4.16
Latvia	3.19	3.87
Lithuania	3.9	3.5
Malta	2.29	1.62
Poland	3.84	3.58
Slovakia	1.56	4.78
Slovenia	3.43	3.73
Bulgaria	6.43	2.13
Romania	1.07	5.04
Croatia	3.33	4.1

The numbers in this table are the shares of various countries in the sample of respondents interviewed before the elections and in the sample of respondents interviewed after the elections.

As a final note of caution, our results could be influenced by other events that happened in the period under consideration. For this reason, we present the results when comparing respondents who were interviewed the day before the election

TABLE 5

Evolution of the Views of EU Respondents on a Free Trade and Investment Agreement with the United States

	November 2014	May 2015	November 2015	May 2016	November, 3–8, 2016	November 8, 2016	November 9, 2016	November, 9–14, 2016	May 2017	November 2017
For	58.3	56.33	52.94	50.94	50.28	46.94	50.3	54.93	54.26	56.42
Against	25.18	28.15	31.67	34.29	35.77	38.89	35.09	32.15	31.79	30.76
Don't know	16.53	15.52	15.4	14.77	13.95	14.16	14.61	12.92	13.95	12.82

The numbers in the table are percentages. Survey weights to make the sample representative of the EU28 are used.

(November 8, 2016) to respondents who were interviewed the day after the election (November 9, 2016), in addition to the results of a comparison of respondents who were interviewed between November 3 and November 8 to those interviewed between November 9 and November 14. Given the shortness of the time interval and the importance of the event, the relative influence of other events should be small.

III. THE TRUMP ELECTION AND THE OPINION OF EUROPEANS ON A TRADE AND INVESTMENT AGREEMENT WITH THE UNITED STATES

We now turn to the impact of the Trump election on the trade policy preferences of Europeans. We measure trade policy preferences of the Europeans using the following question from the Eurobarometer survey: “Are you in favour of or against a free trade and investment agreement between the EU and the USA?” The possible answers were “for”, “against” and “don't know.” This question was first asked in November 2014 and has been asked every 6 months since. Table 5 gives the evolution over time of the opinion on this question.

As one can see from Table 5, the share of respondents against the agreement increased from November 2014 onwards to reach a peak just before the election followed by a decrease which started immediately after the election. Similarly, the share of people in favor of an agreement increased immediately after the election. More specifically, the share of people who are in favor of a free trade and investment agreement with the United States increased by about 3 percentage points between November 8, and November 9, 2016. An even somewhat bigger increase is obtained if we compare the period November 9, 2016 to the period November 9–14, 2016.

This obviously is a surprising result: as explained earlier, European respondents were much more supportive of Hillary Clinton than of Donald Trump. Hence, consistent with the “trade partner heuristic” literature, one would expect a lower share of people to support a trade and investment agreement with the United States after the election, rather than a higher share.

We therefore first check whether differences in background variables (those described in Tables 2, 3 and 4) between respondents before and after the election can explain this apparent positive effect of the Trump election on the share of respondents in favor of a trade agreement with the United States. Column I of Table 6 presents the results of an ordinary least squares (OLS) regression with a dummy as dependent variable that is one for respondents in favor of a trade and investment agreement with the United States, and zero otherwise. As our main explanatory variable of interest, we use a dummy variable that is one for respondents who were interviewed after the election and zero otherwise. We use two sets of control variables. The first set (columns I, III, V, and VI) only includes variables that are available in every wave between November 2014 and November 2017 and that are clearly exogenous because to find the total impact of the election, we should avoid including variables that could be affected by the election outcome itself. This first set includes age in years, country dummies, educational level (reflected by dummies for seven educational categories that depend on the age when one finished formal education), profession (reflected by dummies for various jobs), financial situation (dummies reflecting how often the respondent had difficulties paying bills last year), dummies for the type of community (rural/urban) and the gender of the respondent (a full list of variables and their descriptions can be found in the Appendix S1 (Supporting

TABLE 6
The Impact of the Election Outcome on Support for a Trade and Investment Agreement with the United States

	(I) November 8/9	(II) November 8/9	(III) November 3–8/9–14	(IV) November 3–8/9–14	(V) 2014–2017	(VI) 2014–2017
After	0.024 (0.020)	0.022 (0.019)	–0.007 (0.010)	–0.005 (0.010)	–0.003 (0.010)	0.004 (0.011)
Survey November 2014					0.051*** (0.010)	0.055*** (0.010)
Survey May 2015					0.031** (0.010)	NA
Survey November 2015					–0.002 (0.009)	0.002 (0.010)
Survey May 2016					–0.024** (0.009)	NA
Survey May 2017					0.011 (0.008)	0.009 (0.008)
Survey November 2017					0.032*** (0.008)	0.029*** (0.008)
Placebo after						–0.006 (0.005)
Control variables	Basic	Extended	Basic controls	Extended	Basic controls	Basic controls
Observations	6,312	6,312	27,693	27,693	194,830	139,280
R ²	0.1	0.196	0.084	0.166	0.08	0.076

The full table can be found in the Appendix S1. Coefficient estimates based on ordinary least squares (OLS) regressions, with robust standard errors in parentheses. Survey weights to make the sample representative of the EU28 are used. The dependent variable is a dummy that is 1 if the respondent is in favor of a trade and investment agreement with the United States. “After,” is a dummy that is 1 for those interviewed after the elections (so after November 8, 2016). The basic set of controls includes age, country dummies, educational level dummies, dummies for different professions, dummies reflecting how often the respondent had difficulties paying bills last year, dummies for rural/urban and the gender of the respondent. The extended specification adds dummies reflecting the respondents’ image of free trade, whether the respondent considers herself informed about EU matters, whether the respondent considers herself politically left, center or right oriented, and whether the respondent has trust in the legal system. The omitted base category represents female French respondents with less than 16 years of education, not working, having difficulties paying bills most of the time, live in rural areas, tend to trust the legal system, feel well informed about European matters, have a left wing political orientation and have a very positive view of free trade. Columns I and II only use responses from 8 and 9 November, 2016. Columns III and IV use all respondents from November 2016. Column V uses all respondents interviewed between November 2014 and November 2017. Column VI uses the same data as column V but excludes the data from May 2015 and May 2016 as no date of interview is available and the placebo variable cannot be constructed for those surveys. The placebo variable is 1 for a wave’s respondents who were interviewed after about 35% of respondents had been interviewed.

* $p < .10$, ** $p < .05$; *** $p < .01$.

Information).¹¹ The second set of control variables (columns II and IV) adds variables that are more subjective, and could themselves be potentially affected by the elections: dummies reflecting the respondents’ image of free trade in general, a dummy reflecting whether the respondent considers him/herself informed about EU policies, dummies reflecting whether the respondent considers him/herself politically left, center or right oriented, and a dummy reflecting

11. We show the results of OLS (with robust standard errors) here as they are more straightforward to interpret. We discuss logit and ordered probit results later in the robustness checks section.

whether the respondent has trust in the legal system.¹²

We also consider three periods: columns I and II use only the data from November 8 and

12. The control variables in the first set are standard control variables in the literature on trade policy preferences. The second set of variables are all potentially relevant to the decision regarding whether or not to support the agreement. Respondents with a positive stance towards free trade in general, with a right wing political orientation and with trust in the legal system are likely to be more supportive of a formal free trade agreement. Informed respondents are less likely to be undecided. In the Appendix S1 (section A16), we found the respondents’ views on free trade in general were not significantly affected by the election outcome. The set of subjective variables is not available in all survey years.

November 9, 2016; column III to VI use data for the period November 3 to November 14, 2016, while column V and VI use data from all seven Eurobarometer surveys between November 2014 and November 2017.

Focusing on the regressions which only use the clearly exogenous control variables (columns I and III), we find that once we control for background characteristics, we get an insignificant impact of the election outcome: when we compare November 8 to November 9 (column I), we get a positive effect of about 2 percentage points of extra support after the Trump election, but when we compare the days before the election to the days after the election (column III), we get a negative effect of about 0.7 percentage points less support after the election. Importantly, neither effects are statistically significant at the 10% level.

Moreover, even a two percentage point positive effect on the probability of being in favor of a trade and investment agreement with the United States is small compared to some of the other, significant, effects we found. For example, it is somewhat smaller than the effect of being male rather than female (+ about 5 percentage points) and much smaller than the effect of never having difficulties paying bills rather than most of the time having such difficulties (+ about 10–12 percentage points).¹³ Noteworthy also are the large differences in country fixed effects: for example, compared to respondents in France (the base category), respondents in Belgium and the Netherlands are, everything else equal, more than 10% likelier to be in favor of a trade and investment agreement with the United States, and respondents in Scandinavia even more than 18% likelier to be in favor. At the same time, respondents in Austria (– about 20 percentage points) and Germany (– about 10 percentage points) are much less likely to be in favor of trade and investment agreement with the United States.

Adding the more subjective variables, including respondents' overall view on free trade (columns II and IV) leads to qualitatively similar results and confirms the insignificant effect of the election outcome. The subjective variables all have expected signs and are quantitatively important as they almost double the adjusted R^2 of the regression. Respondents who have a very positive image of free trade are more than 45 percentage points likelier to support a free trade

and investment agreement with the United States than those having a very negative image of free trade. Politically left-oriented respondents are about 5 percentage points less likely to support the agreement than right-oriented respondents; those well informed about EU matters are about 6 percentage points more likely to support the agreement than those not very well informed; and those who trust the legal system are about 6 percentage points more likely to support the agreement than those who do not trust the legal system.

Columns V and VI include data not just from November 2016 but from all Eurobarometer surveys run between November 2014 and November 2017 which allows us to give an idea of how the change in November 2016 compares to other changes in support for the agreement with the United States that have been observed over time.

In column V, we not only include our main variable of interest—a dummy for all respondents who answered the survey after the election (those interviewed after November 8 in the November 2016 survey but also those interviewed in May and November 2017) and the set of clearly exogenous control variables (such as columns I and III), but also include separate dummies for each survey wave except for the November 2016 survey.¹⁴ This allows us to compare the (lack of) change in support for the agreement just before and after the election, which we found in column III, to the change between just before the election in November 2016 (the base category) and the other surveys. Column V thus reveals that in November 2014, there were about 5 percentage points more support for the agreement than in the pre-election period in November 2016, that by May 2015, the difference had decreased to 3 percentage points, and that by November 2015, there was no longer a difference. However, the fall in support continued and 6 months before the election (May 2016), there were 2 percentage points less support for the agreement than in the days before the November 2016 election. Confirming our earlier results, nothing much changed in November 2016 and only by November 2017 the share of Europeans that support the agreement with the United States is significantly bigger, about 3 percentage points, than the level of support just before the elections.

13. The table with all coefficient estimates is very long and hence made available in the Appendix S1.

14. Since we include a dummy for each survey wave other than November 2016 and we have a dummy for after the election, the base category becomes the pre-election period of the November 2016 survey.

Hence, while support for an agreement with the United States increased in Europe after Trump's election, this increase had already started before the election. Moreover, the level of support did not change immediately after the election. Instead the additional increase in support mainly took place between May 2017 and November 2017. As a consequence, it is not clear whether Trump's election had a causal positive effect on support for the agreement as many things unrelated to Trump's election also changed between November 2016 and November 2017.¹⁵

Finally, column VI presents a placebo test. So far, we have identified the election effect by comparing the answers of 35% of the respondents who were interviewed before the elections in November 2016 to the 65% who were interviewed after the elections. To separate a possible election effect from the effect of being interviewed later in a survey round, we created a placebo dummy, including for the other surveys implemented in the November 2014—November 2017 period, that takes the value of 1 for respondents who were interviewed after about 35% of the respondents of that round's survey had been interviewed. Column VI adds this placebo dummy to the regression and shows the estimated coefficients are basically zero and insignificant, supporting our interpretation that nothing special happened to support for the agreement in November 2016.^{16,17}

Summarizing, once we control for other factors, we find not much evidence that the election of Donald Trump had a meaningful and immediate negative effect on support of Europeans for the trade and investment treaty with the United States.¹⁸

15. For example, many European countries had national elections in 2017.

16. We have fewer observations in column VI because not all surveys included information about the date when the interview took place and hence, we could not distinguish between those interviewed early or late.

17. In the Appendix S1 (Section A 14) we also present an analysis where we use ordered probit to regress a categorical dependent variable (the ordered categories being "not supporting the agreement", "do not know, and "support the agreement") on the same variables as in Table 6. This leads to similar conclusions as the OLS regressions.

18. This suggests that the positive evolution in support we found in the descriptive statistics of Table 5 was mainly due to differences in sample composition. In section VI, we show there is considerable heterogeneity across countries in the level of support for the agreement and in the evolution of the support for the agreement, which is consistent with this.

So far, we have assumed that the Trump election would negatively affect support for an agreement with the United States because, given that Europeans supported Clinton rather than Trump, we assumed the image of the United States in Europe had deteriorated. In the next section, we check whether this assumption could actually be incorrect.

IV. THE IMPACT OF THE ELECTIONS ON EUROPEANS' VIEWS ABOUT THE UNITED STATES

There is many evidence that suggests the election of Trump affected how people outside the United States view the United States. First, many observers believe that the election of Trump has been bad for the country's image abroad. The title of a recent column in *Foreign Policy* by Lagon and McKeon (2017), for example, reads "Donald Trump Is Tarnishing America's Brand."

Second, there are several polls that point in this direction. Pew Surveys, for example, indicate that the approval rate of the US president outside the United States dropped substantially between 2016 (when Obama was president) and 2017 (when Trump was president), as illustrated in Table 7, columns I and III.

At the same time, the share of people who had a favorable view of the United States decreased a lot too (columns V and VII). Note moreover, that the drop in the positive image of the United States could be linked to the drop in popularity of the president. Pew Research Center (2017) indeed notes: "In countries where confidence in the U.S. president fell most, America's overall image has also tended to suffer more. In the closing years of the Obama presidency, a median of 64 percent had a positive view of the U.S. Today, just 49 percent are favorably inclined toward America."

In this paper, we can measure how Europeans perceive the United States by using the following question from the November Eurobarometer survey: "At the present time, would you say that, in general, things are going in the right direction or in the wrong direction, in the United States?" The possible answers were: "right direction," "wrong direction," "neither wrong nor right," and "don't know."¹⁹ The share of respondents indicating that the United States was heading in a certain direction is shown in Table 8.

For the United States, when comparing November 8 with November 9, we see a

19. The November 2016 survey was the first Eurobarometer survey that included this question.

TABLE 7
Approval Ratings of U.S. President and Views on the United States in Various Countries

	Confidence Obama 2016		Confidence Trump 2017		Favorable View of the United States 2016 (Obama)		Favorable View of the United States 2017 (Trump)	
	Yes	Don't Know	Yes	Don't Know	Yes	Don't Know	Yes	Don't Know
Hungary	58	11	29	14	62	6	63	10
Poland	58	17	23	20	74	10	73	12
Italy	68	6	25	9	72	5	61	8
France	84	2	14	0	63	6	46	2
Sweden	93	0	10	0	69	3	46	3
Netherlands	92	1	17	2	63	8	37	4
Germany	86	1	11	2	57	5	35	3
United Kingdom	79	1	22	3	61	13	50	10
Greece	41	1	19	5	38	4	43	4
Spain	75	2	7	1	59	15	31	9

Based on <http://www.pewglobal.org/database/indicator/6/> and Pew Research Center (2017).

TABLE 8
Evolution of the Percentage of Respondents Who Think that the United States Is Heading in the Right/Wrong Direction around the Election Date

	November, 3–8, 2016	November 8, 2016	November 9, 2016	November 9–14, 2016	May 2017	November 2017
Right	17.69	18.29	13.14	16.51	15.34	16.28
Wrong	48.95	46.51	60.44	57.8	62.44	61.88
Neither right nor wrong	11.63	12.72	9.47	8.05	6.92	7.89
Don't know	21.73	22.48	16.95	17.64	15.3	13.94

The numbers in the table are percentages. Survey weights to make the sample representative of the EU28 are used.

substantial increase of about 14 percentage points in the share of respondents who think the United States is heading in the wrong direction. This increase comes from all the other categories: there are about 5 percentage points fewer people who think that the United States is moving in the right direction, about 3 percentage points fewer people who think that the United States is moving neither in the wrong nor in the right direction, and about 5 percentage points fewer people who answered “don't know.”

Rather than looking at the immediate reaction, when we compare the days before the election to the days after the election, we obtain a smaller increase of about 9 percentage points in the share of people who answered “going in the wrong direction”, with the share of people who answered “going in the right direction” only dropped slightly (by about 1 percentage point), but the share of people who stated “don't know” or neither direction dropped considerably, by about 4 percentage points each.

The above table provides clear evidence that the news about the Trump election had a negative

effect on how the United States was perceived in Europe. The effect is sizeable (+9 to +14 percentage points) but not enormous (about a 20%–30% increase relative to the 46% of respondents who thought that the United States was heading in the wrong direction just before the election).

To make sure this substantial negative shock is not caused by the differences in the characteristics of the respondents before and after the elections, which we discussed in Tables 2, 3 and 4. Table 9 presents the results of a regression analysis that is similar to Table 6 but in which we use as dependent variable a dummy that is 1 if the respondent thinks that the United States is heading in the wrong direction and zero otherwise.

The regressions suggest that, even after controlling for other factors, the share of respondents who think that the United States is going in the wrong direction in the days immediately after the election is substantially larger than the share immediately before the election, with point estimates varying between +10 and +14 percentage points. In addition, columns V and VI of Table 9 suggest that the increase in the share

TABLE 9

The Impact of the Election Outcome on Respondents' Opinion on the Direction the United States Is Going

	(I) November 8/9	(II) November 8/9	(III) November 3–8/9–14	(IV) November 3–8/9–14	(V) 2014–2017	(VI) 2014–2017
After	0.134*** (0.020)	0.137*** (0.019)	0.103*** (0.010)	0.101*** (0.010)	0.118*** (0.010)	0.124*** (0.012)
Survey May 2017					0.034*** (0.007)	0.031*** (0.008)
Survey November 2017					0.029*** (0.007)	0.026*** (0.008)
Placebo after						–0.007 (0.006)
Control variables	Basic	Extended	Basic controls	Extended	Basic controls	Basic controls
Observations	6,312	6,312	27,693	27,693	83,728	83,728
R ²	0.099	0.135	0.075	0.118	0.118	0.118

The full table can be found in the Appendix S1. Coefficient estimates based on ordinary least squares (OLS) regressions, with robust standard errors in parentheses. Survey weights to make the sample representative of the EU28 are used. The dependent variable is a dummy that is one if the respondent thinks the United States is going in the right direction. 'After', is a dummy that is 1 for those interviewed after the elections (November 8, 2016). The basic set of controls includes age, country dummies, educational level dummies, dummies for different professions, dummies reflecting how often the respondent had difficulties paying bills last year, dummies for rural/urban and the gender of the respondent. The extended specification adds dummies reflecting the respondents' image of free trade, whether the respondent considers herself informed about EU matters, whether the respondent considers herself politically left, center or right oriented, and whether the respondent has trust in the legal system. The omitted base category represents female French respondents with less than 16 years of education, not working, having most of the time difficulties paying bills, live in rural areas, tend to trust the legal system, feel well informed about European matters, have a left wing political orientation and have a very positive view on free trade. Column I and II only use responses from November 8 and 9, 2016. Column III and IV use all respondents from November 2016. Columns V and VI uses all respondents interviewed between November 2016 and November 2017 (earlier surveys do not have the question on the direction the United States is going). The placebo variable is 1 for a wave's respondents who were interviewed after about 35% of respondents had been interviewed.

* $p < .10$, ** $p < .05$; *** $p < .01$.

of respondents, who thought the United States is going in the wrong direction, continued to increase by about 3% in 2017.

In summary, we find clear evidence that the election of Trump had a considerable negative impact on how Europeans perceived the United States. Hence, our assumption that the Trump election was bad for the perception of the United States in Europe seems reasonable and we cannot argue that we do not find a decrease in support for the trade agreement because the election of Trump just had no negative effect on the image of the United States in Europe.²⁰

20. A recent paper by Minkus, Deutschmann, and Delhey (2018), using a subset of the same Eurobarometer survey and a similar methodology to the one in column II, suggests the Trump election had a small positive effect on the view of Europeans on Europe, which they measure by a composite of various statements about the EU. In the Appendix S1 (section A15), we show that including the respondents' view on the direction the EU is going, does not change our main conclusions.

V. COUNTRY IMAGE AND TRADE PREFERENCES

To see the impact of country image, as proxied by the perception EU respondents have of the United States, and to investigate further to what extent changes in country image can explain changes in support for a trade and investment agreement with the United States, we next include the respondents' answers regarding the direction the United States is going as an additional explanatory variable to the regressions that try to explain the share of European respondents who are in favor of a trade and investment agreement with the United States of Table 6.

Table 10 demonstrates that after including a variable that proxies the reputation of the United States, the estimates of the impact of the election outcome increases slightly, by a couple of tenths of a percentage points, but also that they generally remain insignificant.²¹ Since Table 6 estimates

21. The exception is the regression in column I which uses data from 8 and 9 November and only includes basic controls. There we get a significant and positive effect.

TABLE 10

The Impact of the Election Outcome on Support for a Trade and Investment Agreement with United States

	(I) November 8/9	(II) November 8/9	(III) November 3–8/9–14	(IV) November 3–8/9–14	(V) 2014–2017	(VI) 2014–2017
After	0.036* (0.020)	0.029 (0.019)	–0.000 (0.010)	–0.001 (0.010)	0.003 (0.010)	0.007 (0.012)
United States: wrong direction	–0.204*** (0.028)	–0.126*** (0.027)	–0.176*** (0.013)	–0.114*** (0.013)	–0.172*** (0.008)	–0.172*** (0.008)
United States: Neither the one nor the other	–0.128*** (0.040)	–0.067* (0.037)	–0.146*** (0.020)	–0.105*** (0.019)	–0.143*** (0.012)	–0.143*** (0.012)
United States: Don't know	–0.227*** (0.033)	–0.147*** (0.032)	–0.166*** (0.016)	–0.104*** (0.016)	–0.206*** (0.009)	–0.206*** (0.009)
Survey May 2017					0.012 (0.008)	0.010 (0.008)
Survey November 2017					0.029*** (0.008)	0.027*** (0.008)
Placebo After						–0.004 (0.007)
Control Variables	Basic Controls	Extended Controls	Basic Controls	Extended Controls	Basic Controls	Basic Controls
Observations	6,312	6,312	27,693	27,693	83,728	83,728
R ²	0.122	0.205	0.1	0.172	0.091	0.091

The full table can be found in the Appendix S1. Estimates based on ordinary least squares (OLS) regressions, with robust standard errors in parentheses. Survey weights to make the sample representative of EU28 are used. The dependent variable is one if the respondent is in favor of a trade and investment agreement with the United States. ‘After’, is 1 for those interviewed after the elections (November 8, 2016). The basic set of controls is age, country dummies, educational level dummies, dummies for different professions, dummies reflecting financial situation, dummies for rural/urban and the gender of the respondent. The extended specification adds dummies reflecting the respondents’ image of free trade, whether she considers herself informed about EU matters, whether she considers herself politically left, center or right oriented, and whether she has trust in the legal system. The omitted category is female and French, with less than 16 years of education, not working, having most of the time difficulties paying bills, lives in rural areas, tends to trust the legal system, feels informed about European matters, has a left wing political orientation and has a very positive view on free trade. Column I and II only use responses from November 8 and 9, 2016. Column III and IV uses all responses from November 2016. Columns V and VI uses all respondents interviewed between November 2016 and November 2017 (earlier surveys do not have the question on the direction the United States is going). The placebo variable is 1 for a wave’s respondents who were interviewed after about 35% of respondents had been interviewed. Including image, weighted.

* $p < .10$, ** $p < .05$, *** $p < .01$.

give the overall effect, and Table 10 give the overall effect without the image effect, the fact that the later are slightly higher than the former suggest the overall image effect could have been slightly negative. Table 10 also suggests why this was the case: thinking the United States is going in the wrong direction is associated with a drop in the chance a respondent would support the agreement by about 10–20 percentage points, as compared to a respondent who thinks the United States is going in the right direction. Hence, a 10 percentage point switch in people thinking the United States is going in the right direction to thinking it is going in the wrong direction would be associated with a decrease in support for the agreement by about 1–2 percentage points. In the case of the Trump election, however, Table 8 suggests that the biggest part of the increase in the share of respondents who think that the United States is going in the wrong direction does not come from people switching from the “right

direction” category, but rather comes from people switching from the “don’t know” category and the “Neither right or wrong” category. Table 10 illustrates that the negative impact of these categories, compared to thinking the United States is going in the right direction, is similar to the negative impact of thinking the United States is going in the wrong direction. Combined, these two effects explain why the reputational cost in terms of support in Europe for a trade and investment agreement was so limited.

VI. HETEROGENEOUS EFFECTS OF THE ELECTION OUTCOME

In our analysis so far, we used weighted data. That is, our descriptive statistics and regressions used survey weights to make the sample representative of the population of the European Union. We also interpreted our results in terms of

how the election outcome changed public opinion in Europe.

The Eurobarometer survey interviews about 1,000 people in each of the 28 member states. Simply pooling these data into a sample of about 28,000 respondents does not lead to a sample representative of the population of the European Union. For example, while both France and Belgium have about the same number of observations in the sample, France's population is about six times bigger than Belgium's population (66 vs. 11 million). Hence to get a sample that is representative for the EU, each French observation is given the weight of (on average) 3.4 observations, which is about 6 times bigger than the weight of (on average) 0.6 given to a Belgian observation.²²

When using weighted data, we found that the election outcome did not have an immediate effect on support for the agreement with the United States in the European Union. However, when we simply pool the data for the 28 different countries, do not apply weights, and then run the regressions of Table 6 (which explain the share of respondents who support the agreement) we consistently get a significant positive estimate.²³ Those unweighted regressions suggest that, immediately after the election, there was an increase of about 2 percentage points in support for the trade and investment agreement with the United States. This difference between the weighted and unweighted estimates suggests the impact of the election outcome could be heterogeneous, in which case neither the weighted nor the unweighted estimates are necessarily the correct estimates of the population average effect (see Solon, Haider, and Wooldridge 2015).

That the weighted regressions have a smaller estimated impact of the election outcome than the unweighted regressions suggest that the impact of the election outcome is smaller for bigger countries (which have a relatively big weight in the weighted regressions) than it is for smaller

countries (which have a relatively bigger weight in the unweighted regressions). To check this, we analyze the data for each country separately.²⁴

Country level regressions in Table 11 (using the specification of column V of Tables 6 and 10) confirm there is indeed substantial heterogeneity in the estimated impact of the election on support for the treaty: column I shows that 13 countries have an immediate negative impact, but only three of these are significantly negative (column II gives the t values). Fifteen countries have a positive impact, five of which are significant and, on average, the positive estimates are indeed bigger in absolute value than the negative estimates.²⁵

When also taking into account columns III and V which show the changes by May 2017 and November 2017, we can see that even more countries (18) see an increase in support between November 2016 and May 2017. Especially in the bigger countries does the increase in support start later than November 2016: only Spain increased support immediately after the day of the election. Germany and Poland increased their support only by May 2017, France and Italy changed little over the whole period and the United Kingdom decreased support initially but later recovered. Smaller countries were likelier to increase support immediately after the day of the election, but this initial increase was often followed by a decrease in support between November 2016 and May 2017. Portugal and Bulgaria, two of the five countries with an immediate significant positive impact, return to their pre-election level of support by the May 2017 survey.²⁶ Hence, while there is some evidence of an immediate (and thus causal) positive Trump effect for some smaller European countries, it is unclear whether the more general gradual increase in support for the agreement with the United States which we observe in Europe between 2016 and 2017

22. The weights we use (w_{23} in the survey) combine both the population size weighting and the in-country post stratification weighting (w_1 in the survey), the latter making country data representative in terms of certain socio-demographic characteristics of the country (see <https://www.gesis.org/eurobarometer-data-service/survey-series/standard-special-cb/weighting-overview> for details). Using only the post-stratification weights gives results similar to the unweighted data which suggests it is the population size weighting that drives the difference.

23. A table, like Table 6, but with unweighted regression results and a table with country level descriptive statistics (like Table 5) can be found in the Appendix S1 (sections A2, A4 and A5).

24. Given we have about 1,000 observations for each country, we do not have enough observations to do a country-level analysis that only uses data for November 8 and November 9, and hence focus on the comparison of the days before (November 3–8) and after (November 9–14) the election.

25. Columns VII to XII mimics Table 10 and includes dummies for respondents' views on the direction the United States is going in. Results are similar to those discussed in the text.

26. Nine of the 15 countries that increased support immediately after the election, decreased support between November 2016 and May 2017. The correlation between the initial change (from before the election to after the election in November 2016) and the subsequent change (between after the election in November 2016 and May 2017) is -0.7 .

TABLE 11

Evolution of the Percentage of Respondents Who Support the Agreement with the United States—By Country

	Nov 2016		May 2017		November 2017		November 2016		May 2017		November 2017	
	Basic	<i>t</i> -Statics	Basic	<i>t</i> -Statics	Basic	<i>t</i> -Statics	Extension	<i>t</i> -Statics	Extension	<i>t</i> -Statics	Extension	<i>t</i> -Statics
France	-.009	-.26	-.0142	-.5	-.02	-.6	-.004	-.13	-.0102	-.36	-.02	-.55
Belgium	.043	1.13	.0527	1.93	.07	2.47	.046	1.24	.0507	1.86	.07	2.58
Netherlands	.085	2.42	-.0354	-1.26	-.03	-.94	.095	2.75	-.028	-1	-.02	-6
Germany	-.027	-.95	.0711	2.8	.1	4.08	-.016	-.56	.077	3.03	.11	4.27
Italy	.007	.2	.0043	.16	.01	.19	.016	.48	.0038	.14	0	.1
Luxembourg	-.003	-.06	.0694	1.66	0	.1	.007	.14	.0689	1.64	.01	.19
Denmark	.077	2.01	-.0092	-.33	-.05	-1.68	.071	1.86	-.0063	-.23	-.05	-1.61
Ireland	-.015	-.41	.0018	.09	.01	.64	-.013	-.36	0	0	.01	.37
Great Britain	-.059	-1.8	.0004	.02	.04	1.74	-.071	-2.15	-.0049	-.22	.04	1.57
Greece	-.044	-1.34	.0517	1.91	.1	3.6	-.031	-.94	.0427	1.57	.09	3.21
Spain	.063	1.52	-.0358	-1.38	-.04	1.59	.076	1.86	-.0298	-1.17	.03	1.32
Portugal	.093	2.86	-.1051	-4.75	-.13	-5.99	.104	3.27	-.0975	-4.31	-.12	-5.4
Finland	.047	1.32	-.0522	-1.91	-.08	-2.85	.049	1.39	-.0476	-1.73	-.07	-2.62
Sweden	.065	1.5	-.0186	-.62	-.04	-1.29	.046	1.06	-.0214	-7.1	-.04	-1.36
Austria	-.069	-2.34	.0547	2.38	.07	3.04	-.063	-2.15	.0627	2.75	.08	3.42
Cyprus	.034	.73	.0153	.38	-.04	-.9	.04	.88	.0239	.6	-.03	-.81
Czech Republic	.015	.41	-.0513	-2	-.01	-.55	.007	.19	-.044	-1.74	-.01	-.6
Estonia	.059	1.68	.0257	.96	-.02	-.71	.051	1.46	.0316	1.19	-.01	-.29
Hungary	-.003	-.08	.0228	.92	.07	2.9	-.012	-.32	.0114	.48	.05	2.05
Latvia	-.039	-1.14	.0512	2.07	0	.03	-.033	-.98	.0564	2.28	.01	.28
Lithuania	-.014	-.48	.0283	1.21	.02	.77	-.005	-.18	.014	.6	0	.01
Malta	.066	1.47	-.0694	-1.9	-.08	-2.2	.069	1.58	-.0723	-1.98	-.09	-2.62
Poland	-.043	-1.29	.0565	2.18	.09	3.71	-.042	-1.25	.0537	2.09	.08	3.34
Slovakia	-.047	-1.03	.0572	2.32	0	.01	-.026	-.6	.062	2.58	0	.1
Slovenia	.025	.7	.0246	.93	.04	1.6	.003	.09	.0486	1.85	.07	2.65
Bulgaria	.144	4.73	-.1115	-4.03	-.04	-1.55	.152	4.98	-.1075	-3.85	-.05	-1.73
Romania	-.127	-2.79	.0337	1.54	.01	.52	-.09	-1.98	.0262	1.21	.01	.58
Croatia	.04	1.14	.0374	1.5	-.09	-3.73	.033	.94	.0345	1.41	-.1	-4.13

Country regressions with specifications like column V in Table 6 for columns I–VI and column V in Table 11 (columns VII–XII). Bold is significant at 10%.

in Europe is causally related to Trump's presidency.²⁷

That some people increased their support for the agreement after their image of United States (president) decreased, seems counterintuitive, though a number of possible explanations can be offered. A first possible explanation comes from the literature on formal and informal institutions. Informal institutions often act as a substitute for formal institutions. There is evidence of such substitutability in the trade literature. In the eleventh century, for example, Mediterranean trade was facilitated by a coalition of traders who conducted their trade with other coalition members who had good reputations, while avoiding traders with bad reputations (see Greif 1993). Even today, countries with poor formal institutions use reputation as a mechanism of contract enforcement similar to the early traders (see, e.g.,

Bigsten et al. 2000 or Yu, Beugelsdijk, and de Haan 2015). Hence, the increased support for the agreement is consistent with some EU respondents being happy with an informal agreement on trade with an Obama-like administration; but this is no longer the case for a Trump-led administration. This could be especially relevant for the smaller countries which have more to fear and lose because of Trump's lack of interest in free trade institutions like the WTO.

An alternative explanation could be that those not liking Trump decided to support the agreement with the United States because Trump had expressed his opposition to this agreement.

Note that a country level regression analysis of respondent's opinion about whether the United States is going in the wrong direction (Table 12, like column V in Table 9), however, shows a much clearer picture, with 24 (out of 28) countries showing an immediate increase in the share of respondents who think the United States is going in the wrong direction in November 2016 (16 of which are significantly positive) and then for many, the image of the United States continues to decline throughout 2017.

27. While the main change between November 3–8, 2016 and November 9–14, 2016 is the election outcome, many things that can affect trade policy preferences have changed between November 2016 and November 2017. Hence, for this longer period, we have much less support for a causal interpretation.

TABLE 12
Evolution of the Percentage of Respondents Who Think the United States Is Going in the Wrong Direction—By Country

	November 2016 Basic	<i>t</i> -Statics	May 2017 Basic	<i>t</i> -Statics	November 2017 Basic	<i>t</i> -Statics
France	.13	4.06	.0348	1.36	.1	3.88
Belgium	.029	.87	.0673	2.87	.1	4.41
Netherlands	.109	3.21	.111	4.55	.12	4.77
Germany	.14	4.83	.146	6.35	.15	6.75
Italy	.01	.3	.0137	.49	0	-.13
Luxembourg	.136	2.78	.02	.51	.08	2.12
Denmark	.046	1.31	.0478	1.82	.12	4.48
Ireland	.005	.12	.0987	4.22	.04	1.63
Great Britain	.086	2.39	.0279	1.25	0	.18
Greece	.092	2.83	-.1046	-3.93	-.09	-3.34
Spain	.21	5.3	.0224	.84	-.02	-.69
Portugal	.088	2.82	.2387	10.35	.23	9.9
Finland	.062	1.76	.0916	3.49	.11	4.21
Sweden	.182	4.18	.0435	1.66	.1	3.84
Austria	.078	2.33	.0418	1.62	.04	1.47
Cyprus	.036	.77	.0951	2.25	.11	2.72
Czech Republic	-.052	-1.42	.004	.15	-.05	-1.83
Estonia	.039	1.11	.0094	.33	.05	1.58
Hungary	-.111	-2.95	-.0081	-.34	-.06	-2.38
Latvia	.029	.9	-.0066	-.27	.05	1.92
Lithuania	.162	4.61	-.0854	-2.97	-.13	-4.36
Malta	-.02	-.4	.0286	.69	.12	2.83
Poland	.141	4.44	-.0767	-2.93	-.12	-4.55
Slovakia	.104	2.31	.0174	.7	.03	1.34
Slovenia	-.101	-2.84	.1261	4.81	.16	6.28
Bulgaria	.047	1.66	.0435	1.61	0	-.02
Romania	.198	4.54	-.0566	-2.44	-.06	-2.55
Croatia	.006	.17	-.0514	-2.05	-.09	-3.46

Country regressions with specifications like column V in Table 10. Column I gives the difference between November 3–8, 2016 and November 9–14, 2016. Column III gives the difference between November 9–14, 2016 and May 2017. Column V gives the difference between November 9–14, 2016 and November 2017.

Summarizing, we get sizeable and immediate reputation effects when we analyze countries separately and when we weigh observations so as to represent the European Union. When we analyze support for the trade and investment agreement, however, we find little evidence of a decrease in support, both at the country level and when weighing the sample so as to represent the European Union. Instead, we find support for an immediate increase in support for the agreement in some smaller European countries, followed by a gradual increase in a bigger number of countries.

VII. CONCLUSION

Using quasi-experimental data, a survey that was conducted immediately before and after the 2016 United States election, we analyze the impact of the unexpected victory of Donald Trump on trade partner preferences of the

Europeans. We showed that this unexpected election outcome did not decrease the probability that a survey respondent in Europe would support a free trade and investment agreement with the United States.

This is surprising given that most Europeans did prefer not to have Trump as president, which is confirmed by the data also revealing a sizeable negative effect of the election on the image of the United States in Europe, as measured by the expectation of EU citizens about the direction in which the United States was going. Immediately after the election, the probability that a European respondent would view the United States as going in the wrong direction increased by about 10 percentage points.

We do find that country image matters, but that in the case of the Trump election the size of this effect was very limited because the election mainly caused undecided people to adjust their image of the United States in a negative way, rather than turn people with a positive image

into people with a negative image of the United States. Given people with a positive image are most likely to support the trade agreement, little changed overall.

Our results thus provide mixed support for the literature on “treaty partner heuristics” which argues that when people are asked whether they support a trade agreement with a particular partner, they rely on their general feelings toward that potential trade partner. On the one hand, we find that the election of Donald Trump, which led to a sizeable increase in negative feelings toward the United States, did not lead to a sizeable decrease in support for a trade and investment agreement with the United States. On the other hand, we do find evidence that image matters, but that the election shock mainly worsened the perception of those who had not been convinced about the agreement yet.

The results also provide insights for those wanting to increase public support for a trade agreement with a specific country by improving the image of that country. First, the impact of image is fairly limited. Second, people who are indifferent about a potential trade partner country will not be supportive of the agreement. Hence, to get a meaningful increase in support, one needs to be able to convince a large part of the population to have a positive view about the potential trade partner country.

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SUPPORTING INFORMATION

Additional supporting information may be found online in the Supporting Information section at the end of the article.
Appendix S1. Supporting Information.