

Title: Boon or Bust? Explaining the Motivations Behind US Free Trade Agreements

Applicant and PI: Ellen A. Cutrone
Assistant Professor
Political Science

A & S Division: Social Sciences

Signature: 

Signature of Chair: See email (at end of this document and attached separately)

Abstract:

The proliferation of free trade agreements (FTAs) is a well documented trend in the current era of globalization. President Obama announced in his 2013 State of the Union address that he will pursue the negotiation of FTAs with partners in Asia as well as the EU. The latter would be the largest bilateral trade agreement ever concluded and has already generated vigorous debate. These agreements are inherently intertwined with the multilateral trade regime, domestic politics and international relations in complex ways. As such they routinely raise economically and politically salient issues that are publicly debated. An important component in understanding the deep impact that FTAs have had and will continue to have is to develop a fuller understanding of why they are formed. This study explains the motivations driving the formation of US free trade agreements. Using speeches in the Congressional Record, the expressed positions of Congressman will be coded into variables indicating specific categories of political and economic concerns. Arguments concerning the characteristics of partner states as well as the different preferences of representatives will be used in regression analysis to explain the variation in Congressmen's positive and negative remarks about pending agreements. This will contribute to the literature on FTA formation by providing a systematic, large-N study of the specific motivations behind these contentious agreements.

Proposal: On February 12th President Obama announced in his State of the Union address that he will pursue the negotiation of free trade agreements¹ such as the Trans-Pacific Partnership and the EU-US Transatlantic Trade and Investment Partnership. The latter is poised to become the largest free trade agreement every negotiated and has already generated vigorous domestic and international debate. The profound contentiousness and impact of agreements such as these is magnified by their rapid proliferation. There were 354 free trade agreements in force as of January, 2013.²ⁱ The WTO has received notifications of over 200 more in negotiation.

Free trade agreements (FTAs) change the face of trade patterns and domestic production as some industries gain while others lose competitiveness. Internationally, these agreements can cement good relations with partner states³ by granting preferential market access and ensuring a stable trading environment. At the same time this spurs competition with other states that are boxed out of the preferential market and generates resentment that the agreements undermine multilateral WTO trade negotiations. In addition, many FTAs incorporate deeper forms of integration by stipulating environmental and labor provisions that dictate domestic policies. Informal provisions can involve cooperation concerning joint or individual foreign policy goals.

The rapid increase in the number and scope of these agreements has raised many theoretical questions with practical applications. Are these agreements motivated by political or economic concerns? Do policy makers view these agreements as a substitute for stalled global trade negotiations? Do states form these agreements to compete with other states that are forming their own agreements? Which of these motivations are present, and which are more important in explaining the FTAs that are formed is ultimately an empirical question. It is an important area

¹ Also known as: preferential trade agreements, bilateral trade agreements or regional trade agreements. Agreements with deeper levels of integration such as common markets and customs unions are often also included.

² Counting goods and services separately

³ The term states refers to other countries (not US states)

of research to capture these motivations in order to explain the existing agreements as well as to shed light on which agreements will be forged in the future. The literature consists largely of theoretical arguments and case studies related to these issues. While certainly informative, there are few large-N quantitative studies that systematically assess varying motivations. The value added of the research proposed here is to capture a broad realm of political and economic arguments in specific and nuanced ways. This takes into account features of the partner state, the international arena, and domestic politics. The data generated will also advance the field as others may find this data useful in their own research to answer a broad range of questions.

Research Design: This study seeks to explain why policymakers take the positions they do concerning the passage of an FTA.⁴ I focus on the passage of FTAs in the US Congress by utilizing speeches in the Congressional Record.⁵ The dependent variable(s) in the regression analysis will be created by coding the content of these speeches. To capture economic motivations, coding will reflect broad economic arguments as well as more specific mentions of subcategories such as impact on jobs, fair trade issues, labor rights, and status of WTO negotiations. For political motivations, coding will capture mentions of the other states' human rights and democracy status, existing or future base rights, alliances and general mentions of national relations. These mentions can then be aggregated into positive and negative economic and political indices for each representative for each FTA. The independent variables will reflect international and state level features that vary over time and agreement as well as varying characteristics of Congressmen that suggest they might view these features differently. As an example of the latter, if the partner has different factor endowments a representative from an import competing district may be more likely to speak about the potential negative impact on

⁴ I will examine what specific motivations are in play for FTAs that have already been negotiated but not ratified

⁵ The US has currently ratified free trade agreements with 20 countries.

jobs while a representative from an export oriented district may view the same exact agreement as job creating. The indices created from aggregate positive and negative mentions can then be used in a second regression to predict Congressmen's votes on each FTA.⁶ This is a systematic way of determining whether the signing of agreements is dominated by political or economic concerns. In order to utilize this research design, it is necessary to code the data from Congressional speeches on FTAs- a daunting task.⁷ With funds from this grant I will complete a PILOT study by hiring two students to code the data from at least two Congresses.

Outcomes/ Success: Success will be measured by three main achievements. First, a PILOT study is necessary to demonstrate the feasibility of the project as well as present interesting preliminary findings. This is instrumental in applying for external funding to complete the larger coding project. I am currently a fellow in the Bauer grant writing workshop. In conjunction with this workshop, I plan to apply for external funding for this project within the next year. Second, the data will be used to publish at least two scholarly articles and provide the opportunity to present exciting new material at academic conferences. This research will also provide a stepping stone towards writing other papers connected to my broader research agenda explaining FTA formation across a variety of developed and less developed countries. External funding, journal publications, a prominent dataset, conference presentations and networking with other scholars in the field will enhance the visibility of my research agenda, the Department, and the University. Finally, this project gives students the opportunity to learn analytical and data related skills helpful for many careers as well as their own research. I plan to involve them fully by explaining the arguments to be tested here and training them in data coding procedures.

⁶ Every FTA that has been presented to Congress has eventually been ratified. Note that I will be explaining which motivations drive individual votes, not which agreements passed.

⁷ Speeches are identified by searching the key words "free trade agreement" Debates span 15 Congresses (99th-113th) Over 5,000 speeches must ultimately be coded in

Budget Justification and Timeline

Task	Date
Selecting two research assistants; filing paperwork for hire	Spring 2013
Perfecting coding rules; inter-coder reliability check	May 2013
Coding speeches	June- July 2013
Analysis of preliminary results	August 2013
Application for external funding; conference presentations	Fall 2013- Spring 2014

I am requesting funding for two student assistants to code the speeches in the Congressional Record pertaining to US free trade agreements. The coding process will begin in late May and last throughout the summer. Both students will assist in strengthening coding rules as well as actually coding the speech data. Having two assistants allows for inter-coder reliability checks as both coders can enter data for the same selected speeches in each Congress. The graduate student will also be expected to perform searches of the literature as needed and assist in conducting preliminary analysis of the data. The experience that the students will gain from this opportunity will be invaluable in helping them to independently conduct their own research, understand scholarly articles in the field, and sharpen analytical skills for a wide variety of careers.

Personnel	Hours/week	Weeks	Pay rate	Total Salary Requested	Fringe	Total
GRA assistant	20	8	14	2240	172.48	2412.48
UG assistant	20	8	12	1920	NA	1920.00
Total Requested						4332.48

I am requesting funding for two conference trips to both disseminate findings and meet with prominent scholars on free trade agreements.

Airfare	Travel to and from Airport	Hotel	Meals	Total Requested
400	50	150	50	650

Total requested: \$4982.48

References

- ¹ World Trade Organization. 2013. “Regional Trade Agreement”
http://www.wto.org/english/tratop_e/region_e/region_e.htm

Curriculum Vitae

Ellen A Cutrone

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eacutrone@as.ua.edu

ACADEMIC POSITION

University of Alabama

Assistant Professor Fall 2012- present

Full time temporary instructor Fall 2011 –Spring 2012

EDUCATION

Binghamton University, Department of Political Science

Ph.D. August 2012

Major Field: International Relations, Minor Field: Comparative Politics

Dissertation Title: Donor Competition and Cooperation in Foreign Aid Allocation

Advisor: Benjamin O. Fordham

M. A. 2008

West Chester University, Department of Political Science

M.S.A. Individualized Concentration in Public Policy Research and Methodology, 2005

Advisor: R. Lorraine Bernotsky

BA Political Science, Concentration in International Relations, Minor in History, 2003

PUBLICATION

Cutrone, Ellen A. and Benjamin O. Fordham. (2010) “Commerce and Imagination: The Sources of Concern about International Human Rights in the United States Congress.”
International Studies Quarterly 54: 633-655.

CONFERENCE PRESENTATIONS

“Donor Competition and Cooperation in Foreign Aid Allocation.” Paper presented to the 2010 annual meeting of the International Studies Association, New Orleans LA.

“Donor Competition and Cooperation in Foreign Aid Allocation.” Paper presented to the 2009 annual meeting of the Peace Science Society (International), Chapel Hill NC.

“How Does Foreign Aid Buy Influence?” Paper presented to the 2009 Journeys in World Politics Workshop, Iowa City, October 15-17, 2009.

“Structural Adjustment Programs, Economic Liberalization, and Respect for Human Rights.” Poster presented to the 2009 annual meeting of the International Studies Association, New York. (with Paola Fajardo).

“Commerce and Imagination: The Sources of Concern about International Human Rights in the United States Congress.” Paper presented to the 2007 annual meeting of the Peace Science Society (International), Columbia SC. (With Benjamin Fordham).

“Anticipating or Reacting? US Foreign Aid Allocation and Civil War Onset.” Paper presented to the 2007 annual meeting of the Midwest Political Science Association, Chicago, Illinois.

“Rational Expectations: USAID Allocation and Civil War Onset.” Paper presented to the 2006 annual meeting of the Rocky Mountain Interdisciplinary History Conference, Boulder, Colorado.

WORKING PAPERS

“United States Foreign Aid and Repression: Does Military Aid Mitigate the Opportunity Costs of Lost Economic Aid?” (With Douglas Gibling).

“Unpacking Foreign Aid Data and Reassessing Conclusions.”

“Do “Cooperating Aid Donors” Actually Cooperate?”

“Foreign Direct Investment, Sector Specific Risk, and Foreign Aid Allocation.”

“Multilateralism, Political Party and US Foreign Aid Allocation.”

RESEARCH EXPERIENCE

Research Assistant, Binghamton University

Fall 2010, Spring 2011: Dr. Ben Fordham, coding Congressional Record data for Naval Appropriation Bills

Spring 2010: Dr. Ben Fordham, collecting US trade data for 1890

Summer 2009- 2010: Dr. David Cingranelli, identifying and coding groups participating in civil wars

Summer 2008: Dr. David Cingranelli and Dr. Pat Regan, identifying and coding groups participating in civil wars

Fall 2007, Dr. Gregory Robinson, coding data on Oregon legislature

Summer 2007: Dr. Benjamin Fordham, coding Congressional speeches on human rights

Project Manager and Assistant Director, West Chester University’s Center for Social and Economic Research (CSER), 2000-2005

METHODOLOGY

PLSC 500: Research Methods and Statistics I

PLSC 501: Research Methods and Statistics II

PLSC 502: Extensions of Linear Models

PLSC 679: Formal Theory

PLSC 606: Maximum Likelihood Estimation

Signature of Chair: see email correspondence below (actual email forwarded as well)

Dear Rich,

Attached is my proposal for the CARSCA grant. I need your approval/signature in order to submit.

Thanks,

 **CARSCA Cutrone 2.docx**
44K [View](#) [Download](#)



Ellen,

Thanks for sending the proposal. It looks very interesting. You absolutely have my approval and “signature” – or at least the spirit of it. -Rich

Richard Fording

Professor and Chair

University of Alabama

Department of Political Science

303 ten Hoor Bldg (UPS)/PO Box 870213 (USPS) Tuscaloosa, AL 35487

Voice: [\(205\) 348-5981](tel:2053485981)

Email: rcfording@ua.edu

From: ecutrone@gmail.com [mailto:ecutrone@gmail.com] **On Behalf Of** Ellen Cutrone

Sent: Monday, February 25, 2013 5:53 PM

To: Fording, Richard

Subject: Approval for CARSCA application