# Bureaucratic Constraints on Embedded Liberalism: Evidence from the Trade Adjustment Assistance
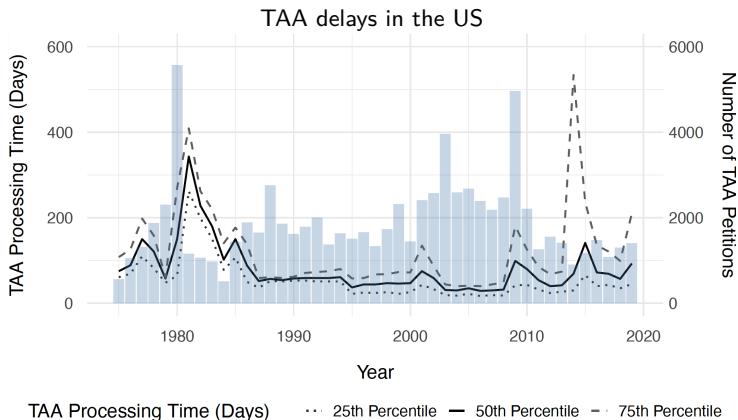
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Yale University
MacMillan Center

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November, 2024

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TAA delays in the US

TAA Processing Time (Days)     ···· 25th Percentile     — 50th Percentile     –· 75th Percentile

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**(H2)** ⇓ taxation + ⇓ internationalism... for union members!

**(H3)** ⇑ economic nationalism in elections.

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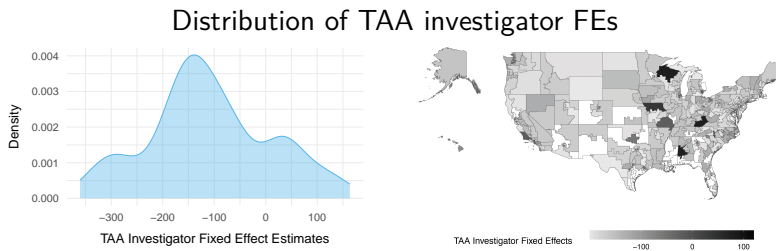
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- TAA investigators' fixed effects as measure of idiosyncrasies.

$$\text{Delays}_{ijkcdsrt} = \theta_j + X'_{jcsrt}\delta + \gamma_k + \omega_s + \psi_t + \rho_d + \phi_r + \epsilon_{ijkcdsrt}$$
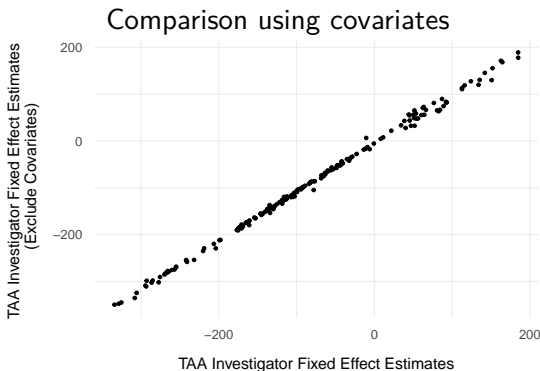
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## Diagnostics on idiosyncratic delays

Distribution of TAA investigator FEs



Note: Delays are measured in days.

- Idiosyncrasies are not driven by the china shock.

- Robust to sociodemographic and economic characteristics.

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# Diagnostics on idiosyncratic delays



Comparison using covariates

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## Empirical strategy

2-stage TWFE design (1996 - 2016):

$$\text{outcome}_{ict} = \beta_1 \overline{\widehat{\text{IFE}}}_{ct} + \overline{\widehat{\text{IFE}}}_{ct} \times U_{ict}\beta_2$$
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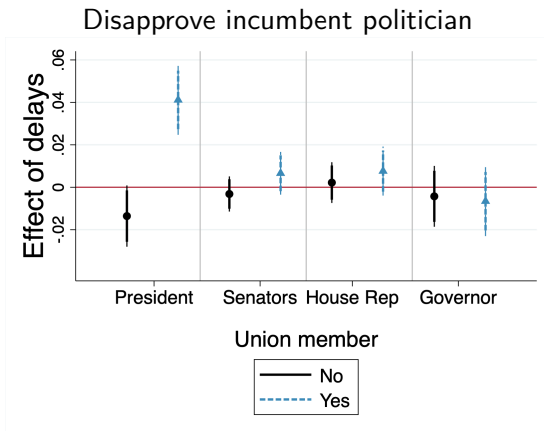5. **SD**: house representative.

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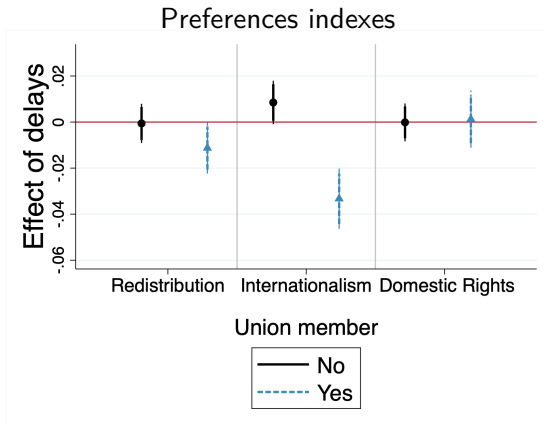$$\beta_1 + U'_{ict}\beta_2: \textbf{Effect of delays.}$$

# Delays increase President disapproval



Disapprove incumbent politician

Note: 1SD delays is 70 days; 95/99% clustered confidence intervals.

- Rational blame attribution by union members.

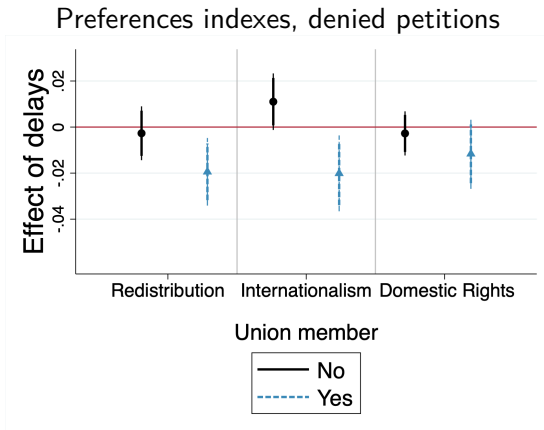# Lower support for redist. taxation and internationalism



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Preferences indexes, denied petitions

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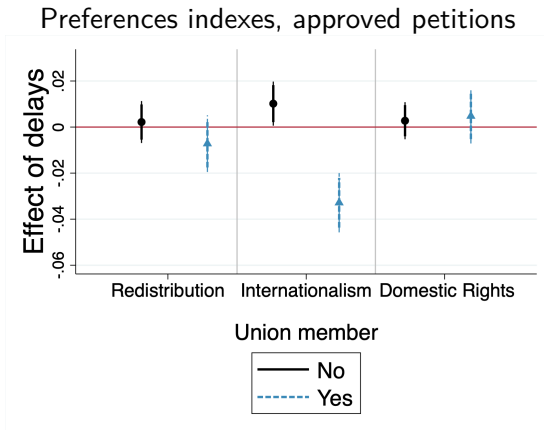# Lower support for redist. taxation and internationalism



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## Increased support for economic nationalism

|  | Dependent Variable: Republican Vote Share (0-100) | |
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|  | Sample: 2008, 2016 | Sample: 2012, 2016 |
|  | (1) | (2) |
| TAA Bureaucratic Delays | 0.42** | 0.42** |
|  | (0.19) | (0.20) |
| Mean Outcome | 0.54 | 0.55 |
| N | 3164 | 3375 |

*Notes:* Standard errors clustered by county. $^{*}$ $p<0.10$, $^{**}$ $p<0.05$, $^{***}$ $p<0.01$. 1SD delays is 30 days.

- ⇑ 30 days in delays ⇒ ⇑ 0.4% PP vote share for Donald Trump.

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- **Selection/monitoring of bureaucrats matter for int' integration.**

# Thank you!

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