



Electoral motives, constituency systems, ideologies, and a free trade agreement: The case of Japan joining the Trans-Pacific Partnership negotiations



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ABSTRACT

This study examines the relationship between candidates and voters in the dispute over a free trade agreement. We theoretically show that candidates' electoral promises about a free trade agreement are related to the economic interests of their districts, the types of constituency systems under which they compete with one another, and their ideologies. We empirically confirm the theoretical expectations, using as a case study the 2012 general election in Japan, where whether to join the Trans-Pacific Partnership (TPP) talks was one of the biggest issues. The TPP tends to be opposed by voters working in the agricultural sector and those living in districts with a larger amount of cultivated land, whereas it tends to be supported by college-educated voters and those living in districts with more export manufacturers. Accordingly, candidates tend to oppose (support) the TPP when their districts have a larger stake in agriculture (export manufacturers) and a smaller (larger) number of college-educated voters. Further, proportional representation candidates are more supportive of the TPP; likewise, candidates and voters who prefer a small government and who emphasize the Japan–United States relationship tend to support the TPP.

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1. Introduction

The trend of regional economic integration has accelerated globally. While only 27 regional trade agreements (i.e., free trade agreements (FTAs) and customs unions) existed in 1990, their number increased to 604 by January 2015.¹ The paths to the conclusion of FTAs, however, have by no means been smooth. Even if they deliver benefits to the economy as a whole, FTAs create winners and losers, and thus they have become a hot political issue. Indeed, given that promoting FTAs has stirred internal debates and political battles in different countries, the reasons why voters and politicians support or oppose FTAs have been investigated by many studies.

One strand of these studies examines legislators voting for trade bills. [Kaempfer and Marks \(1993\)](#) and [Kahane \(1996a\)](#) explore the determinants of individual roll-call votes in U.S. Congress on

the fast-track bill, whose passage was considered to be important for agreeing the North American Free Trade Agreement (NAFTA). [Steagall and Jennings \(1996\)](#), [Kahane \(1996b\)](#), [Thorbecke \(1997\)](#), [Kang and Green \(1999\)](#), and [Magee \(2010\)](#) all examine the determinants of U.S. Congressional voting on NAFTA, while [Baldwin and Magee \(2000\)](#) assess the voting behavior of U.S. representatives on NAFTA and the GATT Uruguay Round Agreement as well as the most favored nation status for China, controlling for the endogeneity of political contributions. [Conconi et al. \(2012\)](#) theoretically examine the votes of Congress on the decision to grant fast-track authority to the president on trade agreements and empirically investigate the determinants of the voting behavior of the U.S. House and Senate on fast-track authorities since 1974.² These studies show that the voting behavior of representatives can be mainly explained by three types of variables: the socioeconomic characteristics in the districts such as industry structure and workers' skill level; the magnitude of labor and business campaign contributions; and politicians' ideology such as party affiliation and interest groups' ratings of legislators.

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¹ See [Ministry of Economy, Trade and Industry of Japan \(2015, p. 586\)](#) on this point.

² Many studies have focused on U.S. cases because of the availability of data on roll-call votes on trade bills.

In addition, several empirical studies pay attention to the role of electoral systems in shaping politicians' support for trade liberalization bills. While it is generally agreed that larger constituencies enable politicians to support free trade,³ Karol (2007) finds that constituency size is unrelated to Senators' voting patterns on trade legislation and that Senators are more likely to vote for trade liberalization bills than House members, showing that this is not due to differences in constituency size. Ehrlich (2009) also shows that constituency size does not affect U.S. Congressional voting patterns on trade policy and that inter-cameral differences disappear after controlling for the socioeconomic characteristics in each constituency and campaign contributions. Conconi et al. (2014) indicate that legislators' term length impacts on their voting for trade policy, showing that there is no difference in voting patterns on trade policy between the House members and Senators who face electoral challenges at the same time as House members. Ito (2015) examines the effect of electoral competition on candidates' attitudes toward import protection and the Trans-Pacific Partnership (TPP), showing that the impact of constituency size on candidates' attitudes toward trade policy varies depending on the share of workers in comparatively disadvantaged sectors.

The other strand of the literature on this topic examines individual preferences for trade liberalization by using individual-level survey data.⁴ Balisteri (1997) and Beaulieu (2002a) analyze voter preferences for the Canada–United States FTA. Kuno (2012b) and Naoi and Urata (2013) examine the determinants of voter preferences for the TPP in Japan. These studies show that voters' trade policy preferences can be mainly explained by voters' factor endowments such as skill level, employment sector, party affiliation, and age and gender differences.

Based on the foregoing, this study examines the extent to which the economic interests in each district, constituency systems, and candidates' ideological stances affect electoral promises about an FTA. We are concerned not with “*postelection politics*” but with “*preelection politics*,”⁵ and specifically focus on the role of constituency systems under which candidates compete with one another to shape their electoral promises about an FTA. By exploiting the institutional feature of Japan's electoral system, a parallel voting system that combines single-seat districts with proportional representation districts, we compare the impact of small single-seat districts with that of large proportional representation districts and, moreover, investigate the impacts of constituency size. To our knowledge, this is the first study to illuminate the extent to which candidates' electoral promises are related to the types of constituency systems under which they compete with one another.

We further note that existing studies have searched for the determinants of legislators' attitudes toward trade policies and those of voter preferences for trade policies separately. In democratic countries, voters are free to elect any candidate they consider to be desirable; hence, with the aim of winning elections, candidates cannot afford to ignore their constituencies. This fact

³ Roelfsema (2006) and Evans (2009) find that countries with majoritarian systems are more protectionist, and Fredriksson et al. (2011) also show the protectionist bias of majoritarian systems at the industry level. On the contrary, Mansfield and Busch (1995) find that non-tariff barriers are higher in countries with proportional representation systems, and Rogowski and Kayser (2002) show that the prices of goods and services are higher in countries with proportional representation systems.

⁴ Scheve and Slaughter (2001), O'Rourke and R. (2001), Mayda and Rodrik (2005), Blonigen (2011), and Kuno (2012a) examine the determinants of preferences for free trade, focusing on whether trade preferences depend on individuals' factor endowments or their working sectors. Tomiura et al. (2016) also find that people preferring the status quo tend to oppose trade liberalization.

⁵ Both are described by Persson and Tabellini (2000). As an example of studies of *postelection politics*, Lee et al. (2004) indicate that voters do not affect policy formation, showing that legislators' electoral strength has no impact on their congressional voting behavior.

requires us to examine the determinants of candidates' pledges about trade legislation, allowing for the determinants of voters' opinions about it. To bridge this gap, we investigate the two determinants by using the following two surveys of the 2012 general election in Japan: the UTokyo-Asahi Candidate Survey of 2012 and the UTokyo-Asahi Voter Survey of 2012/2013. These surveys were conducted by Masaki Taniguchi of the Graduate School for Law and Politics, the University of Tokyo, and the Asahi Shimbun. In particular, our analysis of voters' opinions about an FTA mainly serves two purposes. First, our theoretical model is based on the specific factors model, and we test whether this is appropriate for explaining the formation of voters' opinions about an FTA. In the literature on individual trade preferences, most studies provide strong support for the Stolper–Samuelson theorem of the Heckscher–Ohlin model, although some such as Mayda and Rodrik (2005) and Ito et al. (2015) find evidence to support the specific factors model. Second, we aim to search for factors that cannot be derived from the theoretical analysis, but that appear related to candidates' electoral promises about an FTA.

In this study, we first develop a simple probabilistic voting model to examine the relationship between candidates' electoral promises about an FTA and their constituencies, following Persson and Tabellini (2000) and Conconi et al. (2012). The important point of our model is to focus on constituency systems and ideologies as major factors affecting candidates' campaign policies. Our theoretical analysis shows that (i) candidates for the national legislators from import (export) constituencies, where a majority of the electorate may lose (benefit) from the FTA, are more likely to oppose (support) the conclusion of the FTA; (ii) unless voters' political preferences are sufficiently heterogeneous among districts, proportional representation candidates are more likely to favor the conclusion of the FTA⁶; and (iii) even candidates for the national legislators from export constituencies may oppose the FTA if they place weight on their ideals, are ideologically against pursuing an open-door policy, their ideal circumstances stray far from both the FTA and the status quo, and their districts have sufficiently heterogeneous voters.

Second, to test our theoretical predictions, we use as a case study the electoral competition in Japan's 2012 House of Representatives election, where the country joining the TPP negotiations became one of the major issues. Whether to join the TPP negotiations is arguably one of the hottest political debates over trade liberalization in the post-World War II period.

Naoto Kan, the second prime minister of the Democratic Party of Japan (DPJ), suddenly announced in his policy speech to the Diet on October 1, 2010 that Japan would “consider participating in the TPP negotiations.”⁷ This is partly because the reluctance to promote FTAs was regarded as one of the largest problems facing Japanese businesses. Such business groups as the Japan Business Federation (Keidanren) often called for early participation in the TPP talks.⁸ The TPP, however, called for trade liberalization without exceptions and agrarian countries such as New Zealand, Australia, and the United States joined the TPP talks, which raised a concern that the TPP would destroy Japanese agriculture.⁹ Such agricultural

⁶ Grossman and Helpman (2005), Roelfsema (2006), and Fredriksson et al. (2011) theoretically show that majoritarian systems have protectionist bias in the determination of tariff levels.

⁷ See “Policy Speech by Prime Minister Naoto Kan at the 176th Session of the Diet” (<http://www.kantei.go.jp/jp/kan/statement/201006/11syosin.pdf>).

⁸ See, for example, “APEC Syuno Kaigi ni muketenno Kinkyu Teigen (Emergency Proposal in Preparation for the APEC summit meeting).” See also Yoshimatsu (2005) on the role of Keidanren in Japan's FTAs.

⁹ Agricultural trade liberalization has long been a politically sensitive issue, and politicians, both among the ruling parties and the opposition, have made efforts to protect Japanese agriculture to secure farm votes. Accordingly, Japan has excluded politically sensitive agricultural products such as rice and wheat from FTAs with

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