

Leader Turnover and the Implementation of Preferential Trade Agreements

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IPES 2014

Introduction

Research question:

Under what conditions do states implement their formal international commitments?

Introduction

- Existing work argues that IOs tie members' hands
- Formal agreements delineate the boundaries of legally permissible behavior
- This hands tying effect is thought to extend beyond current leaders into the future
- Does this assumption hold empirically?

Argument

- Start from the premise that varies as a function of domestic political conditions
- Implementation declines in the ideological turnover of the chief executive
 - ▶ Assume that executives have (at least some) control over trade policy
- Ideological turnover should result in changes from the *status quo* policy
 - ▶ Elected precisely because of different platform
 - ▶ Political incentives to distance policy from predecessor

Hypothesis

- **H₁** Domestic political turnover that results in differing ideology is associated with lower levels of PTA implementation

- Refinements:
 - ▶ Movements toward more conservative leaders
 - ▶ Effects of turnover over time

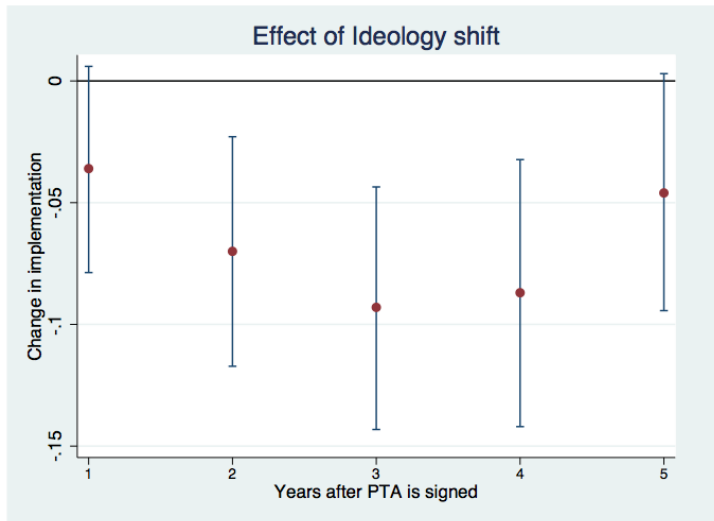
Data and Variables

- PTA member-year data
- DV: Implementation of economic agreements
 - ▶ Residuals from a standard gravity model (predicting baseline levels of trade as a function of geographic determinants and economic fundamentals, absent any economic agreement)
 - ▶ Differences in predicted vs actual trade represent *political* barriers to trade (Rose 2001)
- Main IV: Leadership turnover
 - ▶ Binary coding of whether political change resulted in new ideology
 - ▶ Database of Political Institutions (1970-2004)
- Controls/Rival explanations
 - ▶ Veto players, economic shocks, democracy, trade share, GDP share, PTA design (agreement depth)

Results

- Negative, statistically significant association between implementation and ideological shift as a result of leadership turnover
- 6-point drop in residuals with ideological turnover
- Robust to selection into turnover and alternate controls

Effects over Time



Implications and Future Research

- Domestic leadership turnover negatively associated with PTA implementation
 - ▶ Undercuts core arguments about the hand-tying function of IOs
- Need to investigate mechanisms (ratification, NTBs)
- Extending observations to 2014
- Examinations for other types of international agreements (although outcomes can be difficult to measure)