Leader Turnover and the Implementation of Preferential Trade Agreements

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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

- $H_1$ 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

- 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)