Trade, Conflict, and Cooperation:
How IOs affect Domestic Support for International Agreements

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Overview

- Domestic constraints in international bargaining
  - Public opinion
- Negotiation process impacts domestic support
  - Proposal power of leader and IOs
- Who is moved?
  - Well informed, fairness focused, etc.
Theory

• Role of domestic constraints in int’l bargaining
  (Putnam 1988, Milner 1997, etc.)

• Enhance leverage

• Limit win-set and ratification potential
Theory

• Role of domestic constraints in int’l bargaining
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• Enhance leverage

• Limit win-set and ratification potential

• Public takes cues from leaders and process
  • Leader’s proposal power enhances support
  • IO’s proposal power (may) enhance support
Theory - IO’s proposal power

• Procedural Fairness Hypothesis
  • IO enhances legitimacy by working through institution
  • IO may be perceived as less biased (than domestic leader)
Theory - IO’s proposal power

- Procedural Fairness Hypothesis
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- Information Hypothesis
  - IO signals quality of the agreement
  (Endorsement by experts)
Theory - IO’s proposal power

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  • IO enhances legitimacy by working through institution
  • IO may be perceived as less biased

• Information Hypothesis
  • IO signals quality of the agreement
    (Endorsement by experts)

• Cheap Talk Hypothesis
  • IO proposals should have no effect
Methods

• Difficult to measure proposal power, since proposals change the proposer and the policies

• Survey Experiment (913 respondents – mTurk Oct. 2015):
  • Real news report about TPP negotiations
  • Three treatments of interest
    • U.S. Proposes
    • Foreign (Japan) Proposes
    • IO (WTO) Proposes
  • Also varied substantive focus – no effect
Methods

• The experiment - US Proposes

Everything you need to know about the Trans Pacific Partnership

1. What is the Trans-Pacific Partnership?
It's a free trade deal proposed by the U.S. and involving Japan, Canada, Korea, Australia, Brunei, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. It's expected to eliminate tariffs on goods and services, tear down a host of non-tariff barriers and harmonize all sorts of regulations when it's finished. The countries are some of the U.S.' biggest and fastest-growing commercial partners...
Methods

• The experiment – U.S. Proposes

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• Main DV:
To summarize:
The Trans-Pacific Partnership is an international trade deal proposed by the U.S. that is expected to reduce tariffs and improve intellectual property rights.
Do you approve, disapprove, or neither approve nor disapprove of the trade deal?
Results

- The experiment – U.S. Proposes

7.9% increase from Foreign to WTO Proposing (p = 0.05)
Results

• Procedural fairness hypothesis:
  • Expect heterogeneous effects
  • Fairness & honesty scale – high/low personal value
Results

- Procedural fairness hypothesis:
  - Expect heterogeneous effects
  - Fairness & honesty scale – high/low personal value

- High value fairness:
  - 12.4 percentage points higher support for WTO vs. Foreign \( (p=0.04) \)
  - 9.6 percentage points higher support for WTO vs. U.S. \( (p=0.09) \)
  - Diff-in-diff between high/low respondents WTO vs. U.S. 17.1 percentage points \( (p=0.07) \)
Results

• Information transmission hypothesis:
  • Expect IO proposal to enhance beliefs about value

  “How good for the U.S. is the trade agreement?”

  “How good for you is the trade agreement?”
Results

- Information transmission hypothesis:
  - Expect IO proposal to increase beliefs about value
    “How good for the U.S. is the trade agreement?”
    “How good for you is the trade agreement?”
  - No support for hypothesis
    No main or mediating effect of treatments
Conclusion

- IO proposal power impacts domestic support
  - Shift from ~50% support, to ~60% when IO proposes
- Support for procedural fairness hypothesis
  - Further analysis of mechanisms is needed
- Some support for leader’s proposal power
- IO’s influence domestic win-set and likelihood of cooperation
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