Congressional Preferences and the Structure of Delegation: Reassessing the Effect of Divided Government on U.S. Trade Policy

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Abstract

We propose a new theory of how preferences and political institutions interact to determine US trade policy outcomes. First, we argue that congressional representatives cater to distinct subconstituencies on trade - this explains why Democrats and Republicans switched their positions on trade around the 1960s despite facing an increasingly similar composition of industry constituents. Second, we demonstrate that this finding has important implications for how divided government affects trade policy. We show that divided government will impede trade liberalization only when Congress is controlled by a political party drawing disproportionate support from import-competing interests. Our hypotheses find broad support in congressional voting data.
Since the establishment of the Reciprocal Trade Agreements Act (RTAA) in 1934, external tariff policy in the United States has been largely determined through congressional delegation to the executive branch.\footnote{Congressional delegation to the executive existed earlier, starting as early as 1799 and more notably in the McKinley Tariff of 1890. However, delegation prior to the RTAA was generally limited in scope. We will discuss this issue in detail in subsequent sections.} Scholars have applied insights from the principal-agent literature to this relationship, positing that delegation will be forthcoming in proportion to the preference convergence of the congressional median and the president (Lohmann and O’Halloran, 1994; Milner and Rosendorff, 1997). The dichotomy between unified and divided government has received particular attention.\footnote{In this context, divided government occurs when one party is a majority in both the House and the Senate, and the president is of the other party. Unified government occurs when a party is a majority in both the House and the Senate, and the president is of the same party. For a discussion of the broader implications of divided government, among others, see Mayhew (1991); Cox and Kornell (1991); Fiorina (1992); Alesina and Rosenthal (1995); Epstein and O’Halloran (1996); Milner (1997); Krehbiel (1998); Trubowitz (1998); Shoch (2001); Burden and Kimball (2004).} According to these accounts, delegation will be less likely under divided government, as members of Congress will not trust a president of the opposing party to conduct trade policy according to their interests. Since presidents are accountable to a broader constituency and, consequently, tend to be free-trade oriented, it follows that divided government has a tendency to raise tariffs. This paper presents an alternative to existing theories of the effect of divided government on trade delegation.

We will first argue that the sources of partisan trade policy preferences need to be assessed more carefully. Existing analyses of historical data show that the composition of export and import-competing constituents of Democrats and Republicans has increasingly converged (Hiscox, 1999, 2002b). It thus appears that industry-based cleavages are not a good predictor of partisan orientations on trade, which
have dramatically shifted during the same time frame. We demonstrate that this ob-
ervation is incorrect. Although Republicans and Democrats are elected from states
with similar compositions of trade interests, they have very different subconstituenc-
ies. Based on empirical analysis of congressional voting data, we show that before
the 1960s, Democratic legislators catered primarily to exporters, while Republicans
catered primarily to import-competing interests. Since the 1960s, this pattern has
largely reversed. Therefore, despite a convergence in the distribution of constituents
between parties, each party remains strongly attached to one or the other industry
group.

Second, using these findings, we develop a revised theory of the effect of divided
government on U.S. trade policy. We argue that the effect of divided government
is contingent on trade preferences of legislators in Congress. The RTAA and sub-
sequent reciprocal trade legislation delegates authority to lower, but not to raise,
tariffs. This feature acts as an ex ante constraint on the executive – pro-trade mem-
bers of Congress can delegate authority without fear of adverse outcomes. Conse-
quently, a pro-trade party supported by export interests will tend to find delegation
attractive regardless of the president’s partisan affiliation. In contrast, members of
a protectionist party supported by import-competing interests will face a significant
principal-agent problem when delegating to an other-party president. Thus, we pre-
dict that divided government will impact delegation only if a protectionist party
controls Congress.

Our theory addresses some existing problems associated with the divided gov-
ernment literature. Much empirical evidence has called into question the claims of a
direct relationship between divided government and trade outcomes. Most notably,
major trade legislation has been enacted under conditions of both unified and di-
government is “much ado about nothing” – data on congressional voting contradicts the notion that legislators consistently vote against delegation to an other-party president.\(^3\) We will demonstrate that although the direct positive relationship between divided government and protectionism is tenuous, a conditional link appears to be supported by the data. Focusing on tariff data, another examination suggests that since World War II, congressional Democrats and Republican presidents have been protectionist, while congressional Republicans and Democratic presidents have supported free trade, producing the greatest level of preference convergence and therefore delegation under divided government (Sherman, 2002). However, as we will demonstrate in subsequent sections, the tariff data is highly problematic as a means to evaluate institutional determinants of trade policy. We will also show that the congressional voting record is inconsistent with the theory that more delegation tends to occur under divided government.

To support our propositions, we analyze congressional voting on trade legislation in the post-RTAA period. We find that only members of the protectionist party have a systematic tendency to vote against delegation in the presence of an opposing party president. Controlling for other factors, in the post-RTAA period, a free-trade party senator was equally likely to vote for delegation to the president of the same or other party. A protectionist party senator was much more likely to vote against delegation to the president of the other party (the presence of an opposing party president increases the probability of voting against delegation by 32 percentage points, or 23–41 percentage points with 95% confidence).

\(^3\)Keech and Pak (1995) make a similar claim, although they largely agree with Lohmann and O’Halloran’s conclusions with the minor refinement that unified government under a protectionist party president will be especially liberal.
Constituency Composition and Congressional Trade Preferences

During much of United States history, the Democratic party was pro-free trade, drawing support from export-oriented agricultural constituents. Republicans, on the other hand, drawing support from industrial interests in the Northeast, had been anti-free trade since the inception of their party in the mid-19th century. This gradually changed beginning around the 1940s for Republicans and the 1950s for Democrats (Bailey, Goldstein and Weingast, 1997; Karol, 2000). By the late 1960s, it became increasingly clear that partisan preferences on the trade issue had reversed. Democrats voted against liberal trade bills with increasing frequency, while Republicans became oriented towards free trade (Keech and Pak, 1995; Sherman, 2002).

Class conflict based on the Stolper-Samuelson theorem (Rogowski, 1989a,b) provides one possible explanation for this shift. In the 1960s, labor unions gradually shifted towards protectionism as imports surged in heavily unionized manufacturing sectors such as textiles, automobiles, steel, and electronics (Mucciaroni, 1995). Labor unions, such as the AFL-CIO, have been a key Democratic constituency since the 1930s. Although Democrats had attempted to placate union concerns through trade adjustment assistance in the 1962 Trade Adjustment Act, trade adjustment claims were rarely accepted and the policy was perceived as a failure by the late-1960s (Shoch, 2001). Hence, for the purpose of coalition maintenance, Democratic legislators may have shifted to a more protectionist stance to accommodate labor interests (Karol, 2009). Meanwhile, in the capital-abundant United States, open trade benefited owners of capital, who pushed the Republican party to increasingly embrace free trade (Gourevitch, 2002).
Although there is undoubtedly some truth to this account, there are some problems with a class-based explanation for the partisan switch. Despite Democratic legislative majorities in the 1960s and 1970s, organized labor had very little impact on the actual outcome of trade legislation. As Destler (2005, 187) notes, “After two decades, [labor] had virtually nothing in statute to show for its major trade stands: for the Burke-Hartke quota bill of 1971, against the Nixon-Ford trade bill in 1973-74, for domestic-content legislation for autos in 1981-84, and against extension of trade preferences to advanced developing countries in 1974 and 1984.” In addition, the rise of protectionism from the 1960s on in United States was not limited to labor unions – protectionist sentiment has been expressed vociferously by capital-owners in a range of industries including high-tech firms such as Hewlett-Packard and Motorola (Destler, 2005, 185-186).

An alternative explanation for the partisan reversal builds on the “specific factors” or Ricardo-Viner framework of the distributional effects of trade (Jones, 1971; Mussa, 1974). Recent work has illuminated the role of export and import-competing interests on U.S. trade policy. In particular, scholars have focused on exporter interests as a primary source of the Republican conversion to free trade after the RTAA (Bailey, Goldstein and Weingast, 1997; Irwin and Kroszner, 1999). There is controversy over which theoretical framework better captures empirical variation in trade policy cleavages. Scholars can point to considerable statistical evidence supporting the specific factors model of trade (Magee, 1980; Irwin, 1994). Survey evidence generally finds stronger support for class-based preferences (Scheve and Slaughter, 2001). However, this may be due to imperfect measures of industry-based preferences for survey respondents (Hainmueller and Hiscox, 2006). We will control for class cleavages in all subsequent analyses by including variables that proxy for capital, labor, and agricultural interests in the regression models.
Theoretically, the principal determinant of cleavage patterns is factor mobility. Historically, factor mobility has varied across nations as a function of, among other things, regulation and the stage of industrialization (Hiscox, 2001). In the United States, empirical evidence indicates that factor mobility has declined in recent years, elevating the importance of industry (export-import) over class (capital-labor-land) divisions (Hiscox, 2002a). This suggests that partisan divisions on trade should be driven primarily by conflict between export and import-competing interests.

However, existing accounts based on the Ricardo-Viner framework also provide an unsatisfactory explanation for the partisan reversal on trade. Prior to the 1930s, Democrats came from states with a much larger share of exporters compared to Republicans, whereas import-competing interests tended to be slightly over-represented among Republican constituents. Such differences narrowed, however, and “by the 1930s, the distinction between the industry composition of the party constituencies had all but disappeared (Hiscox, 2002b, 139).” This convergence is peculiar in light of the reversal in trade orientation between the two parties. Rather than voting similarly on trade, Republicans have increasingly become the party of free trade as the Democrats became protectionist. If industry divisions are the primary source of trade conflict, and the major political parties are elected from constituencies with similar industry interests, why does trade remain a partisan issue?

**Theory: Constituency Convergence**

We argue that while the geographical distribution of export and import-competing constituents has become more uniform over time, legislators of each party have selectively targeted (or been targeted by) their constituents. Therefore, constituency

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4The problems associated with inferring the political influence of interest groups from size alone is widely recognized in the broader literature on legislative voting and subconstituencies. e.g.,
convergence between the parties has been far more limited than implied by the existing literature. A state that has large export and import-competing industries does not necessarily produce Democrats and Republicans that cater to both interests in equal measure. Instead, a Democrat might derive support from one subconstituency and a Republican from the other. In light of the stylized facts regarding the partisan switch on trade, we predict that sensitivity to export and import-competing constituents has reversed for Republicans and Democrats over the course of history. In particular, we predict greater Democratic sensitivity to exporters and Republican sensitivity to import-competers early on. The opposite should be true in the more recent period. In addition, because the geographic concentration of economic activity in the United States has declined over time (Rogowski, 2002), the effect should be greater as more states now contain a mix of export and import-competing interests. This leads to the following hypotheses:

- **H0\textsubscript{ConstituencyConvergence}:** The null hypothesis predicts that legislators will respond similarly to the presence of export and import-competing constituents regardless of their partisan affiliation.

- **H1\textsubscript{ConstituencyConvergence}:** Our alternative hypothesis predicts that legislators will respond asymmetrically to the presence of export and import-competing interests according to their party identification. In particular, Democrats (Republicans) should be more responsive to export (import-competing) interests prior to the partisan switch on trade, and Republicans (Democrats) should be more responsive to export (import-competing) interests thereafter.

In order to test our theory, we will utilize data from Hiscox (1999, 2002a,b) to evaluate the effect of the size of a senator’s export and import-competing constituents, see Jackson and Kingdon (1992), Shapiro et al. (1990), Bailey and Brady (1998), Bishin (2000, 2009), Clinton (2006), Grimmer (2010).
stituency on the probability of casting a vote for free trade. This is the same data Hiscox uses to observe that constituency composition has converged over time.

**Operationalization: The Partisan Switch**

In order to test our central hypotheses, it is necessary to consider the timing of the “partisan switch” on trade. Pinpointing an exact moment for the partisan reversal is impractical. Although there were some signs of protectionist sentiment among Democratic ranks as early as the 1950s (Bauer, de Sola Pool and Dexter, 1972; Sherman, 2002), most scholars point to the late 1960s as the key turning point (Mucciaroni, 1995; Destler, 2005; Karol, 2009). Inferring the trade orientation of Democrats in the 1960s is particularly confounded by the fact that much of the era was characterized by unified Democratic control of government – it is difficult to determine whether unified government or preferences account for the relatively pro-trade voting record during this period.\(^5\) By 1968, there were significant indications of Democratic protectionism. Under pressure from import-competing industries and their unions, particularly in steel and textiles, Democratic legislators increasingly adopted positions critical towards free trade. President Lyndon B. Johnson encountered fierce resistance from Senate Finance Committee Chairman Russell Long and other prominent Democratic congressmen over Kennedy Round non-tariff agreements. In addition, despite sizable Democratic majorities in both chambers of Congress, Johnson was unable to secure extension of trade negotiation authority.\(^6\) Subsequently, authority lapsed until 1974 (Mayhew, 1991, 137).

In our empirical analyses of constituency convergence and divided government,

\(^5\)e.g., see Destler (2005),171.

we will conduct sensitivity tests in recognition of the inherent underlying ambiguity about the timing of the partisan switch. Our empirical results are highly robust as we do not need to make firm assumptions about the specific year of the switch—the switch can fall anywhere in between 1956 and 1973. In other words, our results hold regardless of whether one assumes the partisan switch occurred during some arbitrary year between 1956 and 1973 or as a gradual process sometime between these years.

**Empirical Test: Constituency Convergence**

Our data covers congressional voting on a total of twenty-nine trade bills between 1824 to 2002 and contains state-level surrogates for various factor and industry groups, which are predicted to have a strong effect on the trade policy orientation of legislators (Hiscox, 2002a; Irwin and Kroszner, 1999; Bailey, Goldstein and Weingast, 1997). The state-level factor variables are proxies for the strength of export, import, farm, labor, and capital interests within a legislator’s constituency. They are generally measured as the income or size of each group as a proportion of aggregate state income or state population. The binary dependent variable is a legislator’s vote for protection on a trade bill (1 for voting for protection or against liberalization, 0 for voting against protection or for liberalization). We coded a party variable which takes on the value of 1 for Democrats and -1 for Republicans. For this analysis, we divide the data into two periods based on the conventional wisdom that partisan

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7 This range simply represents the years between two bills in the data set, RTAA Extension (1955) and the Trade Reform Act (1974).

8 Details about data sources and coding are included in Hiscox (2002b), 146–148. For the export and import groups, total production in the ten leading export and import-competing industries is calculated as a proportion of state income. The farming constituency is measured similarly as the value of agricultural production as a fraction of state income. Labor is measured as the total level of employment as a proportion of state population. Finally, the size of the capital constituency is operationalized as the profits earned by capital in manufacturing as a fraction of state income.
trade orientations reversed around the 1960s. “Pre-1960s” runs from 1875 to 1955. This is the segment of trade bills in the data set that occur after the Civil War when the current two party system stabilized but prior to the 1960s. “Post-1960s” contains trade bills from 1974 to 2002. We utilize the following specification:

\[ Pr(Voted_i = 1 \mid \mu) = \Phi(\beta_0 + \beta_1 Export_i + \beta_2 Import_i + \beta_3 Farm_i + \beta_4 Employment_i + \beta_5 Profits_i + \beta_6 Export_i \times Party_i + \beta_7 Import_i \times Party_i). \] (1)

After obtaining the results from this probit specification for the periods of interest, we draw the relevant hypotheticals for party and export or import interactions by holding other variables to their mean values. The farm, employment, and profit variables represent controls for class cleavages.

Our results are presented in Table 1. The numbers in the table represent the hypothetical probability of a protectionist vote for senators in each era given a particular level of constituency size within his or her state. In this analysis, “small” and “large” refer to hypothetical levels of export (import-competing) constituents one quintile below and one quintile above the mean respectively. As an illustration, holding other things equal, our model predicts that in the pre-1960s, a Democratic senator with a small export constituency would be expected to vote for trade protection about 11.4% of the time. A similar Democratic senator with a large export constituency would cast a protectionist vote only about 2.1% of the time. The “Difference” column subtracts the value in the “Large” column from the value in the “Small” column and represents the expected percentage point change in the probability for a protectionist vote given a two quintile increase in the export (or

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9 We omit one bill in 1962 from this analysis, as there is some ambiguity as to when the partisan switch took place. Classifying this bill in either era does not substantively alter our results.

10 For more detail on this procedure, see King, Tomz and Wittenberg (2000).
Table 1: The Impact of Export and Import Constituencies on Senate Voting by Party Before and After the Partisan “Switch”: The Predicted Probabilities of a Protectionist Vote by Senators under Varying Levels of Constituency Size.

<table>
<thead>
<tr>
<th></th>
<th>Export Constituency Size</th>
<th>Import-Competing Size</th>
<th>Predicted Prob. of Protectionist Vote (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Smalla</td>
<td>Large</td>
<td>Difference</td>
</tr>
<tr>
<td>Pre-1960’s</td>
<td>11.4</td>
<td>2.1</td>
<td>-9.2*</td>
</tr>
<tr>
<td></td>
<td>(-13.8, -4.9)b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Democrats</td>
<td>Small</td>
<td>Large</td>
<td>Difference</td>
</tr>
<tr>
<td></td>
<td>3.7</td>
<td>4.3</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>(-0.9, 2.1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-1960’s</td>
<td>48.8</td>
<td>45.2</td>
<td>-3.6</td>
</tr>
<tr>
<td></td>
<td>(36.7, 51.2)</td>
<td></td>
<td>14.5*</td>
</tr>
<tr>
<td></td>
<td>(-11.1, 3.8)</td>
<td></td>
<td>(7.2, 21.6)</td>
</tr>
<tr>
<td>Republicans</td>
<td>Pre-1960’s</td>
<td>82.9</td>
<td>81.9</td>
</tr>
<tr>
<td></td>
<td>82.9</td>
<td>81.9</td>
<td>-0.9</td>
</tr>
<tr>
<td></td>
<td>(78.7, 82.9)</td>
<td></td>
<td>4.3*</td>
</tr>
<tr>
<td></td>
<td>(-4.8, 3.1)</td>
<td></td>
<td>(1.2, 7.3)</td>
</tr>
<tr>
<td></td>
<td>Post-1960’s</td>
<td>27.0</td>
<td>11.8</td>
</tr>
<tr>
<td></td>
<td>27.0</td>
<td>11.8</td>
<td>-15.1*</td>
</tr>
<tr>
<td></td>
<td>(14.8, 20.9)</td>
<td></td>
<td>6.0*</td>
</tr>
<tr>
<td></td>
<td>(-22.4, -7.8)</td>
<td></td>
<td>(1.3, 10.7)</td>
</tr>
</tbody>
</table>

aN“Small” and “large” refer to hypothetical levels of export (import-competing) constituents one quintile below and one quintile above the mean respectively.

bValues in parentheses represent 95% confidence levels. Star denotes a difference at least two standard errors removed from zero.

Several findings emerge from this analysis. First, we find that, consistent with H1-ConstituencyConvergence, the “partisan switch” between Republicans and Democrats has been accompanied by a reversal in sensitivity to export interests. The voting behavior of Republicans in the pre-1960s and Democrats in the post-1960s does not change significantly in response to varying levels of exporters within their state. In contrast, a two quintile increase in exporters decreases the probability of a protectionist vote for pre-60s Democrats by almost 10 percentage points, and post-60s Republicans by about 15 percentage points. Our findings for Republicans are consistent with previous studies that analyzed the Republican conversion to free trade in reference to their increasing sensitivity to exporters after the RTAA (Bailey, Goldstein and Weingast, 1997; Irwin and Kroszner, 1999).\textsuperscript{11} However, during the same

\textsuperscript{11}Irwin and Kroszner (1999) analyzed a slightly earlier period in the 1940s and 1950s in regards
time period, we find that Democrats have become increasingly *insensitive* to the size of their export constituents. This suggests that if the RTAA had a liberalizing effect, it was restricted to Republicans or inversely directed towards Democrats.\(^\text{12}\)

Second, sensitivity to import-competing constituents follows a comparable trend with some important differences. Democrats have become more sensitive to their import-competing constituents over time. In the pre-60s, Democrats did not alter their voting in response to the size of import-competers, but in the post-60s, a two quintile increase in import-competers is associated with a 15 percentage point jump in the probability of casting a protectionist vote. In comparison, Republicans have been sensitive to their import-competing constituents in both time periods.

The Republican sensitivity to import-competing constituents in the post-1960s is somewhat puzzling. This appears to be due to the relative absence of export interests in some states. To elaborate, figures 1, 2, and 3 provide a more detailed look at post-1960s sensitivity to constituency groups. Figure 1 plots the predicted mean probability of a protectionist vote simulated from our model at various levels of export and import-competing constituency size for Republicans. The plotted surface provides information similar to the numbers in Table 1, but gives us a greater sense of how the propensity to cast a protectionist vote varies along a continuum. Figure 2 does the same for Democrats.\(^\text{13}\) The most striking feature of these plots is the divergence of voting propensities between Democrats and Republicans towards the region char-

\(^\text{12}\)We also evaluated bills from 1875-1930 and 1934-1955 separately to see if Democratic sensitivity temporarily increased as a response to enactment of the RTAA. We found no evidence that Democrats became more sensitive to their export constituents after the RTAA came into place.

\(^\text{13}\)We chose to vary the value for import-competing constituents to the maximum empirical value but constrained the value for export constituents to the range between zero and 0.2. This was done to make our hypotheticals realistic. Plotting export constituency to the maximum value would leave the region farthest from the origin (high export and high import-competing) largely devoid of empirical data points. Extending the plots into the additional area merely reinforces our findings.
Figure 1: Post-1960s Republicans: This plot contains the simulated probabilities that a Republican senator casts a protectionist vote under various levels of export and import-competing constituency size. We find that Republicans vote much less protectionist in the presence of exporters, even in the presence of import-competing interests. However, if the size of exporters is very low, Republicans appear quite responsive to their import-competing constituents.

A diagonal outward movement from the origin, indicating a simultaneous increase in both types of constituents, has a markedly different effect depending on the legislator’s party affiliation. The propensity for Republicans to vote protectionist declines, while a similar movement is associated with a dramatic increase in the likelihood that a Democrat will cast a protectionist vote. This reinforces our conjecture that there continues to
Figure 2: Post-1960s Democrats: This plot contains the simulated probabilities that a Democratic senator casts a protectionist vote under various levels of export and import-competing constituency size. In contrast to Republicans, Democrats appear to be consistently responsive to import-competing interests and unresponsive to exporters. As the size of import-competing constituents rise, the probability of a protectionist vote increases dramatically regardless of export constituency size.

be a considerable differentiation of constituency support for each party despite convergence at the level of geographic distribution. When legislators come from states containing both types of constituents, Republicans appear to derive support from exporters, and Democrats from import-competers.

Figure 3 takes “slices” out of the three dimensional figures holding one of the dimensions constant with the addition of confidence intervals. Here, we hold ex-
Figure 3: Post-1960s Democrats (lighter lines) and Republicans (darker lines). Probability of a protectionist vote as a function of export and import-competing constituencies. In each graph, the level of export (import-competing) constituency is held to either zero or its maximum. The dashed bands around each line are 95% confidence intervals.

First, when the size of export constituents is minimal (upper-left graph) Democrats and Republicans vote virtually identically. The confidence intervals overlap heav-
ily. As the size of import-competers increases, legislators from both parties become increasingly likely to cast a protectionist vote. Second, as export constituency size increases (lower graphs), the behavior of the two parties diverges considerably. While Democrats scarcely alter their voting behavior, Republicans become much less likely to vote for protection. Third, in the presence of a very large export constituency (upper-right), Republicans are affected very little by the presence of import-competers. In contrast, Democratic voting under a very large export constituency is virtually identical to that under a very small export constituency (upper graphs), reflecting their lack of sensitivity to exporters.

These observations shed some light on the findings presented in Table 1. Republican legislators are sensitive to import-competing interests only when the size of exporters is so small as to afford no choice. As the size of export constituents increases, import-competers gradually cease to matter. The presence of export constituents effectively desensitizes Republicans to import-competers within their jurisdiction.

Our results in this section demonstrate that, despite the convergence in absolute levels of export and import-competing constituencies between parties (Hiscox, 1999), these groups continue to asymmetrically impact the behavior of congressional legislators. In each respective era, the free-trade oriented party has been significantly more sensitive to export interests compared to the protectionist party. Sensitivity to import-competers follows a similar pattern, with the caveat that pro-trade party members in the current era cater to them in the absence of large export constituency.
The Structure of Delegation and Divided Government

The previous section demonstrated that partisan trade preferences continue to be influenced by industry-based cleavages despite the apparent post-1930s convergence in constituency composition – the pro-trade party tends to receive support from exporters, while the protectionist party tends to receive support from import-competing interests. This observation has significant implications for the effect of divided government on U.S. trade policy. Delegation of trade authority is asymmetric – under the RTAA and subsequent legislation, Congress has delegated authority to lower tariffs, but not to raise them. It follows that a party primarily supported by import-competing interests will face a significant principal-agent problem when delegating authority to the executive, while a party supported by exporters should find delegation relatively unproblematic. In this section, we propose and empirically evaluate a new theory of divided government.

Theory: The Conditional Effect of Divided Government

Congressional delegation of trade authority to the executive existed as early as 1799 (O’Halloran, 1994, 77), but was generally limited in scope. For example, the McKinley Tariff of 1890 was enacted by protectionist Republicans and delegated authority for the president to enact retaliatory tariffs against a limited set of

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14 The commonly cited reason for why Congress cannot achieve Pareto optimality on its own without delegation is the “universal logroll” argument. According to this, individual legislators in Congress cannot overcome their particularistic interests due to a type of collective action problem. We believe a more crucial reason is the foreign policy authority vested in the executive, which enables the negotiation of reciprocal tariff reductions with foreign governments. Unilateral congressional action to negotiate reciprocal tariff reductions, while theoretically possible, is plagued by severe commitment problems and political uncertainty (Bailey, Goldstein and Weingast, 1997, 322-324).
goods when the president deemed the trade “reciprocally unequal or unreasonable (O’Halloran, 1994, 78).” The Dingley Tariff Act of 1897 contained similar provisions as well as authority for the president to pursue limited reductions in duties. The RTAA in 1934 represented a decisive shift, allowing the president to reduce tariffs reciprocally by executive proclamation alone, subject to periodic extension of authority (O’Halloran, 1994, 86). It is important to note that the RTAA grew out of an attempt to institutionalize free trade. Among other things, the RTAA permitted US presidents to negotiate bilateral tariff reductions with foreign countries and lowered the threshold of congressional approval to a simple majority from the former two-thirds (Bailey, Goldstein and Weingast, 1997). The RTAA did not, however, enhance the executive’s ability to pursue protectionism. Since the 1970s, delegation has continued under “fast track authority” or “trade promotion authority,” which similarly allows presidents to reach agreements to lower, but not raise, trade barriers.\textsuperscript{15} Protectionist authority is embedded in other statutes such as the anti-dumping law, countervailing duty law, Section 201, and Section 301, which are frequently renewed under procedures separate from trade authority extension votes.\textsuperscript{16}

For our analysis, we will posit the existence of a protectionist party and a free-trade party. We recognize that this assumption is a simplification. During part of the post-WWII period, there is some ambiguity as to which party should be considered protectionist – we will account for this ambiguity in our statistical analysis. Partisan

\textsuperscript{15}For presentational convenience, we will refer to “RTAA and subsequent delegation bills” in the subsequent text as simply “RTAA.”

\textsuperscript{16}In some instances, a protectionist statute was created or extended in conjunction with a trade-authority extension bill, as in 1974. However, these statutes are subject to different standards for reenactment and can be treated as fundamentally separate from RTAA delegation and fast track authority. For example, Section 301 was reenacted by presidential executive order in 1994 and again in 1999 without a congressional vote, the latter during a period when fast-track authority had lapsed due to insufficient congressional backing.
cohesion is also a potential problem – evidence indicates that legislators increasingly vote out of step with their own party (Hiscox, 1999). Nonetheless, studies have found a strong relationship between partisanship and trade orientation into the present era, even after controlling for constituency-level variables (Baldwin and Magee, 2000; Shoch, 2001). Our empirical results also control for constituency composition and indicate that parties remain useful units of analysis despite declines in cohesion.

We assume that politicians have utility functions incorporating both contributions from interests groups and the welfare of consumers within their constituencies (Grossman and Helpman, 1994). On average, free-trade party members will derive more support from exporters, whereas protectionist party members will generate more support from import-competing interests. Politicians from both parties, however, will have a concern for the general welfare of voters in their districts, who benefit from open trade through reduction in prices and greater variety of available products.

Under these assumptions, we predict that members of the pro-trade party will find it relatively unproblematic to delegate authority to the president. By definition, reciprocity under the RTAA implies that the president cannot lower domestic tariffs while foreign tariffs rise. In addition, the RTAA does not delegate authority to raise domestic tariffs. Therefore, delegation implies either maintenance of the status quo or a downward movement in both domestic and foreign tariffs. Hence, exporters have little to lose from delegation, and very likely something to gain. Legislators who receive support primarily from exporters will similarly find delegation attractive regardless of the party identification of the president – delegation is Pareto superior to autarky, both in terms of welfare to consumers and the interests of the exporter groups financing the legislators’ political campaigns. The structure of delegation under the RTAA effectively serves as an *ex ante* constraint on the president by
favoring a particular set of principals – free-trade legislators. Hence, we hypothesize that free-trade senators will find it relatively unproblematic to delegate to a president of either party.\footnote{Would a protectionist president request trade authority? Even a president primarily receiving financing from import-competing interests should prefer lowering tariffs on some domestic goods – e.g., those produced by firms lacking concentrated political organization or those that fall outside his party’s base of support. Lowering tariffs on such goods will not harm the president’s organized supporters but will improve the general welfare of voters through lower prices.}

In contrast, we predict protectionist members of Congress will find it more difficult to delegate authority to an other-party president. Delegating trade authority is Pareto superior to autarky insofar as the legislators are concerned with the welfare of consumers. However, since they derive support from import-competing interests, protectionist legislators are acutely sensitive to the potential effects of a lower tariff on their supporters. Hence, a principal-agent problem, similar to that described by Lohmann and O’Halloran (1994), looms large for protectionists. Delegation will be acceptable only to a president with similar \textit{ex ante} preferences or under significant \textit{ex post} constraints. \textit{Ceteris paribus}, presidents and legislators of the same party are more likely to be characterized by \textit{ex ante} interest convergence due to a similar mix of constituents. In addition, partisan affiliation provides its own informal \textit{ex post} sanctioning mechanisms and a longer shadow of the future associated with the likelihood of ongoing legislative cooperation. Legislators’ interests can be taken into account by the same-party president via mechanisms such as offering concessions abroad that do not directly harm the legislators’ most important constituents or by offering side payments to the legislators’ supporters. Therefore, for protectionist legislators, delegation to a same-party president is less problematic than delegation to an opposing-party president. If delegation to an opposing-party president occurs at all, it is likely to be accompanied by heavy formal restrictions such as an \textit{ex post} veto or peril point provisions.
Our theoretical propositions lead to the following hypotheses:

• **H0\textsubscript{Delegation}**: The null hypothesis predicts that legislators, regardless of their orientation on trade, will tend to cast anti-delegation votes – against delegation or for provisions restricting executive autonomy under delegation – when facing an opposing-party president.

• **H1\textsubscript{Delegation}**: Our alternative hypothesis predicts that only protectionist party legislators will tend to cast more anti-delegation votes when facing an opposing-party president. Pro-trade party legislators should tend to vote for delegation regardless of the partisan affiliation of the president.

### Problems with Using Tariffs as the Dependent Variable

Several existing analyses of the effect of divided government on trade policy have focused on tariffs rather than voting outcomes (Lohmann and O’Halloran, 1994; Sherman, 2002). However, tariffs are problematic as a measure of trade policy outcomes for several reasons.\(^{18}\) First, US tariffs have declined to a point where they are probably not a meaningful proxy for trade policy outcomes. Second, tariffs are affected by international trade agreements phased in over the course of many years. For example, tariff reductions on sugar between the US and Mexico negotiated under NAFTA, an agreement passed in 1993, did not come into effect until 2008.\(^{19}\) Hence, attempting to predict year-to-year changes in tariffs using simultaneous changes in institutional variables is highly problematic. Third, tariffs are measured as duties divided by imports, so a considerable degree of year-to-year variation is due to fluctuations in import composition unrelated to trade policy. Finally, statistical

\(^{18}\text{For a more detailed analysis, see Karol (2000).}\)

\(^{19}\text{We thank an anonymous reviewer for this example.}\)
results based on analysis of tariffs are very sensitive to minor changes in specification. In this section, we replicate the results from the seminal paper by Lohmann and O’Halloran (1994) and demonstrate that their results are highly problematic. We will then move on to an analysis of voting, which is a more direct measure of legislator behavior.

Lohmann and O’Halloran’s original analysis drew on data from 1949 to 1990. The dependent variable is the tariff rate (T), which serves as a proxy for the level of protection. Independent variables include measures of aggregate economic conditions: inflation, measured as the rate of change of the producer price index (I), and the unemployment rate (U). Political variables reflect the partisan composition of Congress and the presidency: President (P), coded 1 if the president is a Republican and 0 if a Democrat; Congress (C), coded 1 if the Republicans control both chambers, -1 if the Democrats do, and 0 if Congress is under split partisan control; and divided government (DG), coded 1 if both chambers of Congress are controlled by one party and the presidency by the other (divided government), 0 if the party of the president controls only one chamber, and -1 if the presidency and both chambers are controlled by the same party (unified government). The time series model is estimated in first differences to account for nonstationarity.

The model is specified as follows:

\[
\Delta T_t = \alpha + \beta_1 \Delta I_t + \beta_2 \Delta U_t + \beta_3 \Delta P_t + \beta_4 \Delta C_t + \beta_5 \Delta DG_t + \epsilon_t. \tag{2}
\]

The replication of the original results is presented in the first column of Table 2.\textsuperscript{21}

\textsuperscript{20}See Keech and Pak (1995) for a historical overview of U.S. tariff rates since the 1800s.
\textsuperscript{21}The precise values of the coefficients on some of the control variables could not be replicated. However, the coefficient on the quantity of interest (divided government) is roughly the same: 0.14(2.39) as reported by Lohmann and O’Halloran, and 0.17(2.02) as replicated (t-statistics in parentheses).
Table 2: Effect of Divided Government on the Tariff Rate: Replication of Lohmann and O’Halloran (1994)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Constant</td>
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<td>-0.07</td>
<td>-0.22*</td>
<td>-0.06</td>
</tr>
<tr>
<td></td>
<td>(-0.83)</td>
<td>(-1.75)</td>
<td>(-2.60)</td>
<td>(-0.94)</td>
</tr>
<tr>
<td>ΔInflation(^c)</td>
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<td>-0.04</td>
<td>-0.01</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>(-1.68)</td>
<td>(-1.63)</td>
<td>(-0.34)</td>
<td>(0.08)</td>
</tr>
<tr>
<td>ΔUnemployment</td>
<td>-0.07</td>
<td>-0.06</td>
<td>0.07</td>
<td>-0.09</td>
</tr>
<tr>
<td></td>
<td>(-1.04)</td>
<td>(-1.03)</td>
<td>(0.90)</td>
<td>(-1.23)</td>
</tr>
<tr>
<td>ΔPresident</td>
<td>-0.17</td>
<td>0.09</td>
<td>0.62</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>(-0.93)</td>
<td>(1.00)</td>
<td>(1.30)</td>
<td>(0.19)</td>
</tr>
<tr>
<td>ΔCongress</td>
<td>0.09</td>
<td>-0.03</td>
<td>-0.30</td>
<td>-0.02</td>
</tr>
<tr>
<td></td>
<td>(1.27)</td>
<td>(-0.64)</td>
<td>(-1.29)</td>
<td>(-0.24)</td>
</tr>
<tr>
<td>ΔDivided</td>
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<td>0.02</td>
<td>-0.17</td>
<td>0.05</td>
</tr>
<tr>
<td></td>
<td>(2.02)</td>
<td>(0.42)</td>
<td>(-0.72)</td>
<td>(0.57)</td>
</tr>
<tr>
<td>ΔImport Price Inflation</td>
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<td></td>
<td></td>
<td>-0.02</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(-1.78)</td>
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<tr>
<td>Number of Observations</td>
<td>42</td>
<td>60</td>
<td>55</td>
<td>42</td>
</tr>
</tbody>
</table>

\(^a\)Note: The coefficient on the substantive variable of interest – divided government – is not statistically significant when the data is extended forward or backward in time. It is also not robust to the inclusion of import price inflation in the original time period analyzed.

\(^b\)We list coefficients with \(t\)-statistics in parentheses. White’s heteroscedastic-consistent variances and standard errors are reported. A star denotes coefficients statistically significant at the 95% level.

\(^c\)We substitute CPI for 1935-1990 as PPI data is unavailable for the earlier time period.
We collected additional data for the years 1991–2008 and reran the analysis on the combined data set. The results are presented in the second column of Table 2. Lohmann and O’Halloran’s main result disappears. Before the incorporation of new data, a change from unified to divided government produced a 0.34 average percentage point increase in the tariff rate (0 to 0.65 percentage points with 95% confidence), whereas after inclusion of the new data, divided government has no effect on the dependent variable. Extending the data back into earlier years, e.g., 1935-1990, produces a similar result. The results are presented in the third column of Table 2: divided government has no effect on tariffs.\textsuperscript{22} Finally, across time periods, the key causal effect is not robust to the inclusion of import price inflation, which is an important determinant of ad valorem tariff rates (Irwin, 1998) – the final column of Table 2 demonstrates this for the time period used in the original analysis.

We found support for our theoretical predictions when substituting our variables of interest into these models – controlling for other factors, only the combination of a protectionist congress and divided government is associated with higher tariffs.\textsuperscript{23} However, our confidence in the validity of these results is low due to underlying problems with the original analysis. For example, it is virtually impossible under this setup to adequately control for multi-year phase ins that are distributed unevenly and oftentimes overlap with tariff reductions in other periods. Hence, for the remainder of this article, we turn to evidence from congressional voting, which is a more direct measure of legislator behavior and less susceptible to the problems outlined above.

\textsuperscript{22}In this analysis, we substitute consumer price inflation for PPI as PPI is not available for earlier years.

\textsuperscript{23}Results are available from authors upon request.
Empirical Test: The Conditional Effect of Divided Government

In this section, we will present an empirical test of our theory of conditional delegation. We hypothesize that the party affiliation of the president will be relevant only to protectionist members of Congress. The null hypothesis, consistent with Lohmann and O’Halloran (1994) and Milner and Rosendorff (1997), makes no distinction between the trade policy orientation of legislators and predicts that divided government will unconditionally result in less delegation and, by implication, more protectionist policy outcomes.

We will focus on congressional voting in order to evaluate our theory at the micro-level. The propositions related to divided government imply, as a first-order effect, that congressional voting on trade legislation will be impacted by the president’s identity in the post-RTAA period. The voting data is characterized by a large n compared to the tariff data. It also allows for the observation of minority party voting. This is particularly salient for analyzing partisan behavior, since Republicans were in the minority for much of the post-RTAA period.

One general problem in analyzing voting data is the possibility that strategic voting will make preference revelation problematic. We believe this does not represent a major bias for the purposes of this analysis. Strategic voting is a problem for our results only if it causes protectionist-party voting to diverge systematically as a function of the partisan affiliation of the sitting president for reasons outside our theory. One obvious problem is that presidents can buy off swing legislators in order to secure approval for legislation, making the voting record an imperfect indicator for legislative preferences. However, the legislators being bought off are likely to be the cheapest to switch, i.e., those who have the least intense prefer-
ences regarding the legislation at stake. If a protectionist legislator can be bought off by a protectionist president but not by a pro-trade president, it indicates that the protectionist legislator is more willing to delegate to the former rather than the latter, which is consistent with our theory. Thus, our theory is supported regardless of whether legislators voted for the president because of their true preferences or because they were the cheapest to bribe. Another potential problem is that once the outcome of a vote becomes obvious, legislators may use the vote as a costless signal to their constituents rather than reveal their true preferences. For example, legislators might sidestep the question of delegation to the president and simply play to the protectionist (pro-trade) leanings of their constituents. The presence of signalling in this data would actually reinforce our findings, as signalling tends to diminish rather than enhance the likelihood that we will uncover effects based on factors related to delegation.

Data

For this analysis, we selected Senate bills in the post-RTAA era that include provisions for delegating trade authority to the president.\textsuperscript{24} To the best of our knowledge, our analysis includes all of the post-RTAA Senate delegation votes with two exceptions: 1) In the 1940s and 1950s, there were RTAA extension votes on a much more frequent basis than any other time period. To maintain balance, we only included one vote from each decade;\textsuperscript{25} 2) Some votes are difficult to characterize as free-trade or protectionist and are hence excluded.\textsuperscript{26} The list of post-RTAA bills used for

\textsuperscript{24}Because the factor and industry control variables are state-level and not district-level, our analysis is better suited for Senate voting.

\textsuperscript{25}As we discuss below, including these bills produces substantively similar results.

\textsuperscript{26}e.g., this is the case with the Omnibus Trade and Competitiveness Act of 1988, which extended fast track authority but also included highly protectionist provisions. These exclusions follow prior practice as established by Hiscox (2002a).
this analysis are: RTAA (1934), RTAA Extension (1937), RTAA Extension (1945),
RTAA Extension (1955), Trade Expansion Act (1962), Trade Reform Act (1974),
(1993), Reciprocal Trade Agreements Act (1997), and U.S. Trade Promotion
Authority Act (2002). The binary dependent variable is a legislator’s vote against
delegation (1 for voting against a delegation bill or for a bill restricting delegation,
0 for voting against a bill restricting delegation or for a delegation bill). Description
of the control variables is provided in the earlier empirical section on constituency
convergence. For this analysis, we coded an indicator variable which takes on the
value of 1 when the president is a Democrat, and -1 for a Republican.

Model Specification

In order to assess the implications of the president’s party identity on congressional
voting on trade legislation, we use a probit model including constituency variables
and the interaction of congressional and presidential parties. The model is specified
as follows:

\[ Pr(Voted_i = 1 | \mu) = \Phi(\beta_0 + \beta_1 President_i + \beta_2 Party_i + \beta_3 Party_i \times President_i +
\] 
\[ \beta_4 Export_i + \beta_5 Import_i + \beta_6 Farm_i + \beta_7 Employment_i + \beta_8 Profits_i). \tag{3} \]

The interaction term takes on a value of 1 when a legislator votes in the presence
of a president from the same party and -1 for the opposing party. The divided
government literature predicts that in the post-RTAA period, legislators should
have a tendency to vote against delegation when the president is of the other party
(H_0^{Delegation}). In contrast, our theory posits that only protectionist legislators will
behave this way (H_1^{Delegation}). In order to evaluate these claims, we run the model
as specified above for various periods of substantive interest for votes taking place
in the Senate.

Substantive Findings

For each period of interest, we ran 5000 simulations to obtain counterfactual expected values of interest from our probit results, holding the control variables to their mean values. We report the substantive results in Figure 4 and Figure 5.

We first examine the entire post-RTAA era, 1934–2002. Figure 4 presents the results. In each graph, the solid curves represent the estimated probability of an anti-delegation vote under a president of the same party, while the dashed curves represent the same probability under an opposing party president. These curves are density estimates (smoothed versions of histograms) of the counterfactuals generated from our simulations. The width of the curves represent uncertainty estimates for the substantive results based on the results from the probit specifications. For example, the top graph of Figure 4 depicts the estimated probability of an anti-delegation vote by Democratic legislators under different presidents in the 1934–2002 period. The solid line represents this probability when the president is also a Democrat, whereas the dashed line represents the probability when the president is a Republican. As the curves do not overlap, we can conclude that Democrats had a greater (and statistically significant) tendency to vote against delegation to a Republican president compared to a Democratic president.

As a first cut, the results from Figure 4 appear to confirm H0_Delegation: both Democrats and Republicans have tended to vote against delegation in the presence of an opposing-party president since the passage of the RTAA in 1934. The magnitude of this effect is both substantively and statistically significant – for each party, the presence of an opposing-party president appears to raise the probability of an anti-delegation vote by about 20-30 percentage points.
Figure 4: Simulated Probabilities of an Anti-Delegation Vote under Different Party Identities of the President, Post-RTAA (1934–2002): These panels contain density estimates of the probability that a senator casts an anti-delegation vote when the president is of the same party (solid curve) and of the opposing party (dashed curve). The panels show that after the RTAA was enacted in 1934, legislators appear to vote against delegation more frequently in the presence of an opposing-party president than in the presence of a same-party president. This is consistent with the conventional literature on divided government.

To test our hypothesis $H_1^{Delegation}$ against the null hypothesis $H_0^{Delegation}$, we separate the post-RTAA data into two periods. The first period, covering the bills from 1934 to 1955, corresponds to the pre-conversion era in which Democrats were pro-trade and Republicans protectionist. The second, covering 1962 to 2002, represents the post-conversion era when partisan preferences on the trade issue reversed.
Figure 5: Simulated Probabilities of an Anti-Delegation Vote under Different Party Identities of the President (Post-RTAA Period Separated into Pre-1960s and Post-1960s): These panels contain density estimates of the probability that a senator casts an anti-delegation vote when the president is of the same party (solid curve) and of the opposing party (dashed curve). The panels demonstrate that senators of the pro-trade party vote similarly regardless of the president’s party affiliation, while senators of the protectionist party are more likely to vote against delegation to an opposing party president.

Since the exact timing of the preference reversal is ambiguous, we repeated the same analysis by: 1) dropping the 1962 bill and 2) reclassifying the 1962 bill in the first period, so that the first period runs from 1934 to 1962 and the second from 1974 to 2002. The substantive findings are virtually identical for all of these classifications. Further reclassification is unnecessary as the next bills in the data are 1955 and 1974 respectively, when trade preferences were fairly unambiguous.

Our substantive findings are presented in Figure 5. The procedures are identical to those used to produce Figure 4 – holding control variables to their mean values, we ran 5000 simulations to obtain counterfactual expected values of interest. The
top row presents results from the pre-conversion period when Democrats were pro-trade and Republicans protectionist. Post-conversion results are presented in the bottom row. For the sake of clarity, the pro-trade party in each period is placed on the left. The solid curves represent the estimated probability of an anti-delegation vote under a president of the same party, while the dashed curves represent the same probability under an opposing party president. As these panels demonstrate, the president’s party identification has a substantial impact only on the voting behavior of the protectionist party. Protectionist party members vote against delegation much more frequently in the presence of an other-party president. In contrast, density estimates for the pro-trade party legislators overlap so heavily that it is impossible to distinguish voting behavior on the basis of the president’s party identification. As we predict, members of the pro-trade party in the post-RTAA era tend to support delegation to the executive regardless of the president’s party.\textsuperscript{27}

Conclusion

This paper has extended the literature on domestic sources of U.S. trade policy in two important respects. First, we demonstrate that the “partisan switch” on trade policy that occurred around the 1960s has been associated with a reversal between Democrats and Republicans in their sensitivity to exporters. Since the 1930s, the constituency composition of the two parties has become virtually identical at the

\textsuperscript{27}To make sure our results are not driven by the particular selection of bills included in our data set, we also coded voting outcomes for eleven additional delegation bills in the post-RTAA era and appended them to the data set. These bills were dropped from the original analysis due to redundancy (e.g., a series of RTAA extension bills in the 1940s and 1950s that exhibited similar voting patterns) and ambiguity of protectionist/free trade leanings (e.g., votes on omnibus trade legislation in the 1980s). Since the state-level sectoral control variables are not available for these bills, we conducted our probit estimation using only institutional variables. We also followed a similar procedure for House votes. Our substantive findings remained unchanged for both chambers of Congress.
state level. However, party legislators differ considerably in their responsiveness to export and import-competing interests. Before the 1960s, the Democrats were clearly the party of exporters and irresponsible to import-competing constituents. After the 1960s, only Republicans have been responsive to exporters, while Democrats have become dramatically more responsive to the presence of import-competing constituents.

Second, we have revised the conventional account of congressional trade authority delegation to the executive. Existing work asserts that divided government causes Congress to vote for less delegation, producing more protectionist policy outcomes. By focusing on the structure of delegation and shifts in partisan trade preferences, we have posited an alternative theory according to which delegation is impeded only when Congress is controlled by a protectionist party. Hence, divided government matters, but only conditionally.

We find support for our theory in micro-level data on congressional voting on trade legislation. In the post-RTAA period, a free-trade party senator was equally likely to support delegation to presidents of either party. A protectionist party senator was much more likely to vote for delegation to an own-party president than to an opposing-party president. Across the post-RTAA period, the probability of an anti-delegation vote by protectionist senators increased by 23 to 41 percentage points (95% confidence) when facing a president of the opposing party.

The results of this article could be further extended through gathering additional data. District-level data would enable analysis of House voting and also give us a clearer picture of constituency distributions over time. Evidence suggests that the

\[^{28}\text{In the course of this analysis, we examined whether legislators in each party behaved differently based on the composition of their constituencies. For example, our theory implies that a pro-trade party legislator with a minimal export constituency and a large import-competing constituency should behave like a protectionist. Since such a legislator is not likely to reap significant benefits from tariff reductions abroad, delegation to an opposing party president will be problematic. Pre-}\]
House tends to be more protectionist than the Senate, although there is considerable debate as to whether this is due to constituency size or some other factor (Rogowski, 1987; Karol, 2007). Inclusion of House voting will therefore provide additional scope for variation to evaluate our hypotheses.

Our results present a mixed picture for the future of U.S. trade policy. In the current post-partisan switch era, we predict the most problematic trade policy outcomes under a Democratic Congress and Republican president. Other partisan combinations should be relatively less problematic. Nonetheless, one must be cognizant of underlying shifts in partisan relations with their export and import-competing sub-constituencies. Our results point to an interesting asymmetry: in the current era, only Republicans are sensitive to their export constituencies, but members of both parties are sensitive to import-competers, albeit to different degrees. Just as both major parties briefly swung towards a relatively free-trade orientation on trade during the 1950s, ushering in an era of declining trade barriers and expanding global trade (Hiscox, 1999), it is not inconceivable for both to turn protectionist simultaneously. Hence, the relationship between subconstituency preferences, legislative orientations on trade, and the institutional context of trade policy remains an intriguing and promising area for further research.

Preliminary analysis provides tentative support for our predictions. Holding other variables constant, we found that a hypothetical pro-trade party legislator with a mean level of export constituents does not vote differently under different party presidents. However, when the level of export constituents was reduced to zero, the pro-trade party legislator appeared to vote more protectionist under an opposing-party president compared to an own-party president, therefore behaving like a protectionist party legislator. Unfortunately, using Senate data, it is difficult to produce statistically meaningful results for this analysis as the counterfactuals of interest rely on sparse data. We therefore leave this question open for future researchers.
References


