

Partisanship and Trade Policy: Is There a Left-Right Divide on Trade Policy?

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ABSTRACT: Is there a noticeable difference among political parties in a country in their trade policy positions? Do left parties advocate different trade policies than right parties? In the advanced industrial countries where labor tends to be scarce, are left parties more protectionist than right ones, which represent capital owners? Political institutions within these democratic countries may affect the role of partisanship. We also investigate whether increasing globalization has led to more or less partisan polarization over trade policy. We examine 25 developed countries from 1945-98 to see how their parties have competed over trade policy. Controlling for various factors, partisanship matters. In terms of position taking, right parties consistently take more free trade stances than do left ones. Globalization and other international forces have also shaped both the nature and the extent of the debate domestically over exposure to international trade.

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INTRODUCTION:

Our central question is whether political parties compete over trade policy. Since trade policy has significant redistributive effects that are predictable and observable, politicians are likely to be concerned about trade policy in their efforts to win elections. If so, parties should develop positions on trade policy that reflect their constituents' interests. As they do on other issues, parties should thus adopt positions on trade policy that reflect their overall ideological or partisan position in policy space. Studies of macroeconomic policy (both fiscal and monetary) have shown that such party differentiation occurs; left-wing parties prefer policies that increase government spending and induce growth, while right ones favor policies that induce lower spending, more balanced budgets and lower inflation (e.g., Hibbs 1978, 1987; Alesina 1987, 1988; Alesina and Rosenthal 1989, 1995; Alesina and Roubini 1992; Alesina, Roubini and Cohen 1997; Roubini and Sachs 1989a, b; Garrett 1998; Lange and Garrett 1985; Alvarez, Lange and Garrett 1991; Hicks and Swank 1992; Boix 1997, 1998; Iversen 1999). Does trade policy also induce such partisan competition among parties?

We seek to identify whether there is a noticeable difference among political parties in a country on their trade policy positions. Furthermore, we ask whether this difference relates to some left-right ideological distinction among parties. Do left parties advocate different trade policies than right parties? In other words, can we use parties' positions on a generic left-right partisanship scale to predict their trade policy preferences? Many theories about parties and trade policy respond negatively, predicting instead the convergence of parties' positions. Figure 1, showing the average trade policy position taken by left versus right parties in the OECD countries from 1945 to 1998,

suggests that left and right parties do distinguish themselves on their attitudes toward the openness of the economy. Parties coded as right-wing on a general ideological scale usually announce positions more favorable to free trade and free markets generally in their electoral manifestos than do left parties.

INSERT FIGURE 1 HERE

In addition to this central question, we address two related issues. First, does partisanship still matter when controlling for the political institutions in which parties are embedded? Do domestic political institutions, such as the structure of the party system, the nature of electoral rules, or the constitutional system of government, affect parties' position taking on trade? If such institutions matter, we should detect important cross-national differences in the way parties compete over trade policy. Figures 2 shows the aggregate data on partisan positions on trade policy from 1945-98 for four countries separately. These graphs suggest that countries do differ in the nature of their partisan competition over trade policy. But these graphs do not explain why they differ.

INSERT FIGURE 2 HERE

A second subsidiary issue involves longitudinal change. Has there been change over time in party competition over trade? Many have speculated that globalization should erode differences in countries' and their parties' positions on trade. No longer in an era of increasing globalization is protectionism possible or desirable. This suggests that party differences over trade, if any exist, should be attenuated over time. As globalization increases, any left-right divide over trade policy should decline. Are such international pressures leading to convergence domestically in the politics of trade? Figure 3 shows aggregate data on how the range of debate over trade policy (measured as

by the standard deviation of the parties' trade positions) within all the countries has changed over time. It shows a decline in this range over time, with the linear trend line (of the predicted values).

INSERT FIGURE 3 HERE

We explore these issues by first identifying the hypotheses found in the literature on trade policy, party competition, and globalization. We present a causal story of how a party might choose its electoral manifesto position on trade policy, exploring the factors that influence the selection of the optimal electoral position on trade for a party. Finally, we present the results of our quantitative analysis of party positions to see whether and how partisanship, domestic institutions, and international factors matter for trade policy debates. We examine 25 countries over the period from 1945-98 to explore how their parties have competed over trade policy.¹

Our results show that partisanship and global economic forces matter a great deal. In terms of position taking, right parties consistently take more free trade positions than do left ones. Holding many other factors constant, partisanship matters. So does globalization however. Countries that are more open have parties who, holding constant their ideological location, are more likely to support free trade.

HYPOTHESES FROM THE LITERATURE

There is a vast literature on the political economy of trade policy. Little of it addresses the role of political parties, largely because the main theories of trade policy

¹ . The countries are Sweden, Norway, Denmark, Belgium, Netherlands, Luxembourg, France, Italy, Germany, Austria, United Kingdom, Ireland, Canada, Australia, New Zealand, Japan, United States, Turkey, Switzerland, Spain, Portugal, Greece, Iceland, Finland, and Israel.

predict that partisan influences should be unimportant. First, trade policy theories that focus on interest groups (e.g., specific factors models) suggest partisanship should not matter. If trade policy results from the preferences and influence of interest groups, then partisanship is likely to be irrelevant because each party tends to represent multiple interest groups with different preferences. Instead, the character of the economic interest groups and their political clout determine trade policy (e.g., Caves 1976; Pincus 1975, 1977; Lavergne 1983; Baldwin 1985; Ray 1981; Trefler 1993). Hiscox (2001), for example, argues that when factors are immobile, as they increasingly appear to be since 1945, industry level variables, rather than partisanship, should better explain the demand and supply of trade policy. Or as Magee, Brock and Young (1989: 183) say in discussing the powerless politician effect, trade policy can largely be “explained by those exogenous variables that drive the behavior of special interests and general interests who favor or oppose protection.” Economic sectors organized as special interest groups are expected to dominate trade policy, rendering parties irrelevant (see also Grossman and Helpman 1994).

Partisanship is also unimportant in a second, common set of explanations of trade policy that focus on the international system and states’ positions. The theory of hegemonic stability (HST) is exemplary here (Krasner 1976, Lake 1993), as are theories that emphasize the size of countries (e.g., Katzenstein 1985). For these theories, a country’s national position—as, say, a hegemon or a small state--determines its trade policy preferences; and political parties within it would not be expected to deviate from this national preference.

The existing literature on trade and partisanship is small. The most work on partisanship and trade has explored the US and the UK. Examining American trade policy between 1877 and 1934, Epstein and O'Halloran (1996) show that Republicans enacted higher tariffs and Democrats lower ones, even after controlling for economic factors. For Great Britain, Irwin (1994, 1996) has shown that partisanship mattered in the early 20th century, as the Conservative Party was more protectionist than Labor. For the US and Britain, there is evidence that partisanship might matter to trade, at least in the 19th century and early 20th; however, this evidence demonstrates that right parties tended to favor protection, while left ones supported freer trade (see also Conybeare 1991).

Magee, Brock and Young (MBY1989) address these issues for more recent periods. MBY argue that industry level variables are more important than partisan ones in the US since World War II, while noting some evidence of continuing Republican protectionism. Unlike many, they claim that the Republican Party has been more protectionist than the Democrats well into the 1980s (1989: 193-5). Keech and Pak (1995) show, however, that the Republicans have now become the party of free trade, arguing that this reversal of partisan positions results from "the position of American labor in an increasingly open economy." Partisan competition might be expected in the US and Great Britain since they are two party systems where voters can more easily appreciate competition over trade.

Crossnational studies of partisanship and trade are few. Simmons (1994: 197-201) shows that for a group of countries during the interwar period, changes in tariffs were affected strongly by partisanship, with left-wing parties in parliament favoring reductions in tariff barriers. Verdier (1994) presents evidence showing that since World War II,

partisan competition over trade has been prominent and growing in the UK and France, but of little influence in the US, because of the different institutional structures of the countries. Rogowski (1989) loosely associates parties with factors of production. Using the Stolper-Samuelson theorem, he predicts that if land and capital are abundant in a country while labor is scarce, this creates a left-right party division with the left in favor of protection and the right for free trade. On the other hand, if capital and labor are abundant and land is scarce, urban-rural conflict should predominate, obscuring class and party divisions. After 1948 both the left and right in Europe, he argues, have “tended toward unity and moderation” in their trade policies, supporting economic integration and openness (100-4) and blunting partisan debates over trade. In the US, Canada, Australia, and New Zealand, in contrast, he predicts class conflict over trade, with labor and the left parties that represent it favoring protectionism (98).

Both theory and data suggest that the extent of partisan competition might differ according to the nature of domestic political institutions. Within the vast theoretical literature on the determinants of partisan competition, Downs (1957) shows that in two-party systems, parties interested only in winning office should never compete over policy; they should instead converge on the policy favored by the median voter. If one starts from Down’s model, then parties should not compete over trade policy, or any other policy. Instead they should all converge on a centrist position that reflects the median voter’s preferences.²

The claim that partisanship should not matter forms our null hypothesis. However, an enormous literature on the institutional conditions under which partisan

competition as opposed to convergence should occur exists (e.g., Enelow and Hinich 1990; Wittman 1977, 1983; Calvert 1985, 1996; Strom 1990; Shepsle 1991; Grossman and Helpman 2000). The literature has expanded to include models of how different political institutions and party systems affect partisan competition (e.g., Osborne 1995; Cox 1987, 1990; Austen-Smith and Banks 1988; Schofield 1993).

Political institutions are likely to affect partisan competition, and hence we expect crossnational differences in partisan competition over trade policy. What is less clear is exactly how these institutions should matter. One might expect that the closer the system is to one with two parties, plurality rule, parliamentarism and a unitary state, the closer one is to partisan convergence à la Downs (e.g., Cox 1990; think of New Zealand). With respect to trade policy, on the other hand, Rogowski (1987) argues that PR systems (with parliamentary government and numerous parties), relative to plurality ones, should foster centrist tendencies.

The last body of literature to which this project is relevant concerns globalization. Globalization, meaning the integration of national economies into an international one, has surged greatly in the past few decades (e.g., Keohane and Milner 1996). Claims exist that this has led to a convergence in the economic policy orientations of many countries. For instance, Boix (2000) and Iversen (1999) show that partisan differences over macroeconomic policies have declined lately. Others, in particular Garrett (1998) and Swank (2002), argue that globalization is not shrinking partisan differences, but is perhaps even increasing them. Whatever their specific effects, globalization as well as domestic institutions are expected to influence partisan competition over trade.

² . This should be especially true if there are only two parties in the political system, all agents have complete information, preferences are single-peaked over a unidimensional policy space, and parties care

THE ARGUMENT:

Our central claim is that a party's position on a unidimensional left-right ideological scale will have an important, predictable impact on its trade policy position. In developed countries, left parties should take positions more favorable to protection, and right ones should be more free trade-oriented. While not surprising from some vantage points, the models discussed above often predict convergence in party positions, not partisan divergence. Moreover, when partisan influences have been found, they have often shown that partisanship works the opposite of what we are predicting: i.e., that left parties are the ones favoring free trade, not right parties. To test these claims, we examine data on party positions on trade policy in 25 developed countries, mostly OECD ones, over the period from 1945-1998. Our data show that partisanship matters, as does globalization.

What generates a party's preferred policy position, especially on trade? Parties tend to locate themselves in terms of domestic political debates along some unidimensional left-right ideological spectrum in order to attract voters who harbor similar positions.³ A party's general ideological position arises from its historical position on a number of cleavages in society. For most OECD countries, a central cleavage around which they formed was class. Parties representing the working class fought their way into the system and into government in the late 19th and early 20th centuries. These left-wing parties typically reflected the class-based preferences of their core constituents, workers. And as Lipset and Rokkan (1967) argued years ago, these old

mostly about winning elections and can make credible commitments.

³ . For a defense of uni-(or low) dimensionality of ideological preferences, see among others Laver and Hunt (1992) and Poole and Rosenthal (1997).

class cleavages persist in the party systems of today.⁴ Despite vast social, political and economic changes, the party systems of the 1990s looked similar to those of the 1940s. Parties have been able to keep large bodies of citizens identifying with them over a long period of time and to renew their core clienteles from generation to generation.

This class cleavage is the source of a party's preferred policy on trade because classes embody the factor endowments of a country. The partisan nature of trade policy arises from its distributional consequences. Under certain circumstances, these consequences relate to factors of production rather than specific industries, sectors, or entire nations. The theory of international trade (i.e., the Heckscher-Ohlin theorem) sets forth the distributional consequences of trade and trade policy for factors of production, like labor, land and capital. The Stolper-Samuelson theorem (1941) further demonstrates that factors of production (e.g., capital-owners, labor, land-owners, and skilled or unskilled workers) in which a country is relatively scarce lose from trade and hence from trade liberalization, while abundant factors gain from trade and thus lose from protectionism. These distributional consequences occur because trade policy differentially affects each factor's income according to its relative abundance. If countries' party systems are organized around class lines, then parties should adopt the different trade policy preferences of the factors of production that they represent. Hence if left parties, like the socialists or communists, represent labor, then they should adopt different trade policy positions from right parties (like Conservatives and Christian Democrats, for example) who represent capital owners. One would thus expect a left-right divide on trade policy among political parties, as Rogowski (1989) has implied.

⁴ . "The party alternatives, and in remarkably many cases the party organizations, are older than the majorities of the national electorates. To most citizens of the West the currently active parties have been

Two caveats arise. First, we do not explore whether parties accurately reflect their constituents' interests. We assume that in democratic settings different constituencies have different trade policy preferences and that the parties reflect these preferences. Moreover, we assume that parties and constituents know their own preferences, since they can evaluate how trade policy affects their constituents' incomes. Thus we have a theory of why these preferences emerge as they do, but we do not test this.

Second, we are not looking at outcomes. Our dependent variable is a party's electoral manifesto position on trade policy; we do not measure what parties actually do when in power. We believe that parties' electoral programs are to some extent a reflection of what policies they would pursue in office. It means something if parties do go out of their way to take explicitly opposing positions on trade policy. However, this does not mean that parties with different manifesto positions will implement them once in office, but it signals that they are more likely to. Others have shown that in various domains party programs do accurately predict party behavior once in office (e.g., Budge and Hofferbert 1990; Klingemann, Hofferbert, and Budge 1994).

Three empirical concerns make us wary of approaching the link between positions and actual policy choices. First, we can only know the policy choices of those who enter the government. Those who remain in opposition never reveal what they would do if they held office. Second, many governments involve coalitions of parties who adopt policies that reflect a compromise among the parties. Policy is explicitly a compromise, and hence not directly an indicator of any single party's preferences. Third, unlike other policy areas that have mainly domestic effects, trade policy choices also include an

part of the political landscape since their childhood" (Lipset and Rokkan 1967: 50).

estimation of the international reactions to one's proposed policies. Especially if the country is small, its trade policy choices may depend heavily on those of other countries (e.g., Gawande and Hansen 1999).⁵ For these reasons it is very difficult to assess what the actual trade policy choices of parties are; therefore, we prefer as a first step to examine their electoral manifesto positions.

Does partisanship in trade policy matter among the developed countries since 1945? All of these countries have reduced their tariff levels substantially over the post-WWII period, notwithstanding different parties in power (IMF 1992). Moreover, by joining GATT/WTO these countries have negotiated to bind their tariff levels, and more recently some NTBs, according to internationally agreed-upon levels. If it is costly to ignore such international constraints upon trade policy, then parties in all of these countries should have much less room for maneuver. Finally, the EC/EU presents another constraint upon a government's ability to change trade policies since countries in the EC/EU have agreed to relinquish their own national trade policies.⁶

While these factors are important, parties still have had ample space for designing their own trade policies. Although tariff levels have universally declined, other barriers to trade, so called NTBs, have not. They have often risen as tariffs have declined and they have shifted over time and across countries (IMF 1992: 13-15). In addition, subsidies to domestic industry have grown, and under certain conditions these perform the same function as tariff barriers (IMF 1992: 17-21). Furthermore, as part of the development of new trade policies, countries have adopted increasing legal barriers to

⁵ . For instance, Gawande (1995) shows that even US non-tariff barriers are significantly driven by retaliatory motivations against its major trading partners; they do not respond only to domestic pressures.

trade flows in the form of trade laws. Originally the US and one or two other countries employed such trade laws, like antidumping, countervailing duties, escape clauses, etc., but now most countries do (IMF 1992: 119-22). The proliferation of these instruments has followed the decline in tariffs. Interestingly, Hansen (1990) finds that partisanship matters even for these instruments; Democratic members of Congress are more likely to vote to provide trade law protection to US industries than are Republicans. Finally, countries have found another instrument that enables them to selectively target protection for their industries: preferential trade agreements (PTAs) have blossomed lately (Mansfield and Milner 1999). Governments still have a plenty of room to set their own trade policies broadly construed, and hence reason to compete over trade if they so desire.

THE EMPIRICAL MODEL

Our central empirical proposition then is that in the OECD countries left parties, which represent voters with lower capital to labor ratios, should prefer protection for their constituents; right-wing parties, which represent those with higher capital to labor ratios, should prefer free trade. Our main dependent variable is the trade policy position of party p announced during the electoral campaign at time t in country i . The central independent variable represents each party's ideal trade policy, which is a function of their general left-right ideological position on a unidimensional issue scale. We also introduce another dependent variable to measure the extent of partisan debate over trade in a country i at electoral period t ; this is the standard deviation of parties' trade policy positions within a country at that electoral period. The extent of debate within a party

⁶ . One assessment of the EU in the 1990s notes that "In external trade policy, history-making decisions to open up the EU's huge market to foreign competition have frequently been stifled by subsystemic decisions

system should be affected by both its political institutions and external pressures such as globalization.

Our dataset is a pooled cross-section of political parties in 25 countries over 53 years (or roughly 15 elections per country) between 1945 and 1998.⁷ This panel is three-dimensional since parties are nested within countries in election year-months. (We have 288 parties total represented over this period, and 362 separate elections in particular year-months for a total of 1991 observations; all manifesto data are from Budge et. al. 2001.) The data is organized in country-electoral year/month-party format, where some measures vary across all three dimensions (a party's stance on trade), while others (such as GNP) are measured at the country-year level and others, such as world transport costs, vary only with time. The panels are unbalanced and have gaps (between the elections).

The dependent variable, FT_{pit} , captures a political party p 's announced position on trade policy issues in country i for election period t . It was constructed using data from the Comparative Manifesto Project (CMP) as presented in Budge et. al. 2001. The CMP codes a party's written electoral platforms and policy speeches in order to determine its official stance on a large number of issues (for more discussion see Budge, Roberston and Hearl 1987; Laver and Budge 1992; Klingemann, Hofferbert and Budge 1994; Budge et. al. 2001). Every sentence in the party platform is analyzed to see which of 59 categories it best fits. Researchers count the number of references, positive or negative, to each of these issues made in each manifesto and then aggregate these; in turn they are weighted by the average length of different party platforms.

to deploy anti-dumping or other protective measures" (Cowles and Smith 2001: 29).

⁷. The countries are Sweden, Norway, Denmark, Belgium, Netherlands, Luxembourg, France, Italy, Germany, Austria, United Kingdom, Ireland, Canada, Australia, New Zealand, Japan, United States, Turkey, Switzerland, Spain, Portugal, Greece, Iceland, Finland, and Israel.

The dependent variable, FT, was constructed by adding the total number of statements made in favor of free trade and free markets and subtracting this from the total number of positive references to the need for government intervention in the economy and for trade protection.⁸ Increasing values of this variable indicate a growing preference for free trade. In constructing our dependent variable, we tried to get as accurate a measure of a party's stance on trade as possible by using a broad concept of trade policy. The CMP data include two categories for pro- and anti-protectionist statements; we include both of these. But we also include two other categories that relate to support for free markets and support for government intervention in the market. These are broader categories that go beyond just narrow support for protecting national markets. But given that protectionism has been a taboo doctrine for the last 50 years (Irwin 1996b) and that trade policy is much broader than just erecting tariff barriers, we think that including these broader questions relating to support for, or and opposition to, government intervention into markets is useful. Measures of protectionism alone do not capture the wide range of policies that can be used to change the prices and quantities of imports and exports that flow across a country's borders. We use this variable lagged one election period (FT lag).

We also include the standard deviation of this variable across the parties in a country in the previous election period, sdFT, as our measure of the expected relationship between party i's position and that of the other parties in that country. While far from perfect, this measure does give some sense of the partisan dynamics of the system over trade issues.

⁸ . The exact measure from CMP is $FT = (\text{per407} + \text{per401}) - (\text{per406} + \text{per412})$.

1.) PARTISANSHIP. Our main independent variable is a party's position on a single dimensional ideological scale that varies between left (= 0) and right (=10). We assume that a party's position on a general left-right ideological scale is a good predictor for its ideal trade policy preferences. In these countries we expect that right-wing parties should be more favorable to free trade, while left-wing parties should be more favorable to protectionism. Rogowski's additional hypothesis, which we test, is that partisanship should be less important in Europe and more in the US, Canada, Australia, and New Zealand since 1945. The null hypothesis suggested by the Downsian model is that there should be no difference across the parties in trade policy platforms.

HYPOTHESIS 1: LEFT PARTIES SHOULD ANNOUNCE ELECTORAL POSITIONS MORE FAVORABLE TOWARD PROTECTIONISM, WHILE RIGHT PARTIES SHOULD ANNOUNCE ONES MORE SUPPORTIVE OF FREE TRADE.

To test this relationship, we derive a measure of parties' left-right orientation. Scholars have undertaken a variety of approaches to this problem. We think that the best estimates of left-right partisanship come from Huber & Gabel (2000), using the CMP data to generate factors scores aligning the parties on the major axis dividing them. These scores, as Huber and Gabel have shown (2000), are highly correlated with those using expert surveys, in which leading scholars in the field are asked to fill out questionnaires about specific party systems. In the past these expert survey scores have been the standard workhorses for measuring the ideological position of parties on a unidimensional left-right scale.⁹ Huber and Gabel show, however, that their scores are

⁹ . Castles and Mair (1984) coded ideological position by asking country experts to rank the ideological positions of parties on a 10 point scale with 0 as ultra-left, and 10 ultra-right. Another measure is by Huber and Inglehart (1995), who use an expert survey which ranks parties along a similar 10 point spectrum. A

not only highly correlated with these alternatives, but also more accurate.¹⁰ Furthermore, they are available for a longer period of time and more countries. We use the factor scores of the parties on their main left-right axis (lagged one electoral period), L-R, as our main independent variable. See appendix I for its construction.

2.) DOMESTIC POLITICAL INSTITUTIONS. The 25 countries in our sample have a wide range of political institutions, even though they are all democratic.¹¹ As figure 2 suggests, position-taking and partisan competition vary by country, perhaps because of these institutional differences. We need to control for these variables in order to estimate the impact of partisanship. But they may also operate in interaction to shape the way parties take positions and thus affect the extent of party competition. The structure of the party system is an important factor, but one that is difficult to separate from the electoral system. From Duverger (1959) on, electoral rules and the number and magnitude of electoral districts have been widely thought to affect party competition. Following Downs, two party systems, especially those with majoritarian electoral laws, should not see much left-right distinction on trade. Rogowski (1987), of course, suggests otherwise, arguing that PR systems should favor free trade and not have partisan divisions over trade policy. Rogowski and Kayser (2002), however, suggest that PR systems should be associated with policies that raise prices, such as protectionism; hence, they would presumably predict that parties in PR systems should be more protectionist than those in plurality ones. Since in our data the number of parties, the electoral rules (PR vs

fourth measure is from Laver and Budge (1992). A fourth measure is from Laver and Hunt (1992), whose data differ because it reported at the “issue” level.

¹⁰ . The correlation between our measure and the first three is roughly 0.7 and is always significant at the .01 level.

¹¹ . For those countries in the group that were not democratic in 1945, our data only begin when they become so. Hence, for instance, data for Spain and Portugal begin only in the mid 1970s.

plurality), and district magnitude are so closely correlated, we use a measure of electoral rules that combines these. Our measure, ERULE, is 0 if the country has plurality, 1 if it uses some mix of plurality and PR, and 2 if it is PR. For this measure then, low scores will be related to two party systems and single member districts as well as plurality rule; high scores will code for 3+ party systems, multimember districts and PR.

In addition the nature of the governmental system may matter. Whether the system is presidential or parliamentary and whether it is federal or unitary may also shape how parties go about defining their electoral positions. Following Rogowski (1987), one might expect presidential systems to have more conflict over trade. Federal systems may also erode partisan differences over trade compared to unitary ones, because such systems may allow interest groups much greater access to policymaking. We thus include a dummy variable for federal ones (FED) and for presidential systems (PRES).

We interact these variables with the left-right position of parties, since we expect these institutions to influence the role of partisanship. Following Cox (1990) among others, we include three interaction terms. For party systems, electoral rules and district magnitude, we interact ERULE with our partisanship variable (ERULE*LR). To capture the effects of federalism on party competition, we include a dummy interaction term for federal systems (FED*LR). Finally, we explore the interaction between presidential systems and partisan competition (PRES*LR).

We also employ several party-specific measures to control for confounding effects. The strength of a party, as measured either by its vote-getting ability or its seats in parliament, may affect its behavior. Minor parties may adopt more extreme, or “irresponsible”, positions (e.g., Sartori 1976). And parties who face disproportionate

hurdles to convert their votes into seats may also be expected to act differently. To control for these factors, we include variables for party strength, such as how many votes they obtain or seats in the legislature they have (VOTE or SEATS) and a measure (computed using Gallagher's index) of how disproportionately the votes of the party were translated into seats in the last election (PROPIND), all lagged by one election. We do not have expectations about how these should affect a party's announced trade position.

3.) ECONOMIC FACTORS. We control for a variety of economic factors that have been associated with trade policy. First, the country's relative size and power may shape its trade policy. Parties in smaller countries, as measured here by their population (LNPOP), are expected to be more favorable to free trade (Katzenstein 1985; Garrett 1998; Mansfield and Busch 1995). A country's level of development (as indicated by the natural log of its per capita GDP) may also influence the nature of trade policy. Higher levels of development should be associated with higher average endowments of capital, which in turn suggests that voters on average should be more favorable to free trade, as should parties.¹² $LNGDPC_{it}$ is the natural log of real per-capita GDP measured in constant 1986 US dollars (PWT 6.0).

4.) LONGITUDINAL CHANGES. Have trade policy preferences among parties changed over time? During our more than 50 years of data, a number of global changes have occurred, including rapid globalization. We include a series of variables to capture international influences on political parties. We use a measure of the country's exposure to trade: $OPEN_{it}$ is a measure of nation i 's trade dependence in electoral period t , coded as the sum of its exports and imports divided by its GDP. Following the literature, we

¹². This assumes that these countries export capital-intensive goods, and thus having a comparative advantage in such goods the factors that produce them gain from trade in them.

anticipate that voters in countries that are more open will be more favorable to free trade since they gain greatly from it, and thus that parties should be less protectionist. We included hegemony, HEG_t capturing the United States' market power in year t , using US imports and exports as a percentage of the world's total trade, as in other studies of hegemony (e.g., Mansfield 1994). Hegemonic Stability Theory predicts that when American hegemony is high, other countries will follow its lead and prefer free trade. We also attempt to evaluate the impact of globalization. We use a measure of world transport costs, TC_t derived by Hummels (1999), using cif to fob ratios supplemented with data on shipping costs. This is a better measure of globalization than are those focusing on trade or capital flows because it is less endogenous to governments' trade policy choices.

Table 1 contains basic statistics on each variable and its source. Our model examines a party's choice of its trade policy position as a function of partisanship, political institutions, economic factors, and globalization pressures:

$$FT_{pit} = \alpha + \beta_1(YEAR_t) + \beta_2(L - R_{pit-1}) + \beta_3(SEATS_{pit-1}) + \beta_4(sdFT_{it-1}) + \beta_5(HEG_t) + \beta_6(LNPOP_{it}) + \beta_7(LNGDPC_{it}) + \beta_8(OPEN_{it}) + \beta_9(TC_t) + \beta_{10}(PRES_{it}) + \beta_{11}(ERULE_{it}) + \beta_{12}(PRES * LR_{pit}) + \beta_{14}(ERULE * LR_{pit}) + u_p + \varepsilon_{pit}.$$

This model suggests that parties when deciding on their trade policy positions try to reconcile this choice with their partisan location (best known by their last party manifesto statement), taking into account the other parties' partisan positions (from the last election), as well as the impact of today's economic circumstances and today's political institutions. We include party fixed effects (which in linear combination are equal to country fixed effects) and a year counter (YEAR) to deal with time trends.

The Empirical Results:

Table 2 presents the results of our regressions on party trade policy position. Our data present a challenge since they are in an unusual time series cross section (TSCS) format with parties in unique election dates by country. In addition, the data violate many of the usual Gauss-Markov assumptions necessary for OLS to be BLUE. We ran OLS regressions first and tested them for heteroskedasticity using the Cook-Weisberg test, which indicated that the null hypothesis of constant variance was rejected. We ran the model using random effects and then tested whether these were appropriate using the Lagrange multiplier test that $\text{var}(u_i)=0$. This was also rejected, implying fixed effects were appropriate. Finally, we tested for serial correlation by regressing the idiosyncratic residuals from the equations on the lag of the residuals and the independent variables. This test suggested a mild level of first-order autocorrelation, which we attempt to correct. Thus we derived our results using feasible generalized least squares (FGLS) with corrections for heteroskedasticity in the panels, an AR1 time series process and party fixed effects. Since our number of time periods was small (on average $T=8$), especially relative to our number of units (on average $N=200$), we choose not to use panel corrected standard errors; Beck (2001: 274) recommends against using them when T is less than 10 since they depend on asymptotic assumptions about T .

We are using party fixed effects, which puts a great deal of strain upon our data; they absorb the impact of any unchanging feature of any party (or country, since a linear combination of the parties equals a country). Since we expect partisan location to be rather static, this makes using them a hard test for our hypothesis. Moreover, it means that any institutional feature that is not changing over time within a country is dropped from the model, as is the case with federalism for example.

The partisanship hypothesis performs well, as table 2 shows. Parties that have a right-wing ideological location announce trade positions that favor free trade. The more left-wing their general ideological position is, the more protectionist they are, *ceteris paribus*. As we expect, the party location variable is always positive and significant. Partisanship seems to have an important effect on trade policy, holding many other factors constant.¹³ Holding all other variables constant in equation #3, a one unit increase in their ideological position (i.e., a move to the right) is associated with a 28% increase in support for free trade.

To assess the robustness of the model, we ran several other tests. We dropped one country at a time from the regression (equation #3) and in every case, the L-R variable was positive, stable and significant. We also looked at the impact of alternative measures of ideological position. The best alternative measure of partisanship that has roughly complete data is that provided by the CMP research group (Budge et. al. 2001: 21); it is calculated by simply adding what are considered right-wing responses to the CMP manifestos and subtracting left-wing ones. It runs from -100 for a perfect left wing party to 100 for a perfect right wing one. Using this measure of partisanship in equation #3, we get similar results; right parties take more free trade positions than do left ones ($\beta=.011$ $se=.003$; $p>.000$). The other alternatives to the CMP measure are expert survey scores like those from Castles-Mair. The problem with these measures is that they stop in the mid-1980s, making us lose about 50% of our observations. As a test, we imputed values to the Castles-Mair score using our partisanship measure and the partisanship

¹³ . We estimated the same equations using OLS with robust standard errors and using the first difference estimator (XTREG) with fixed effects. The coefficients and significance levels were very similar to those in table 2. For equation 3, the OLS coefficient with robust standard errors and party fixed effects for left-

score from the CMP; then we used equation #4 to re-estimate the impact of partisanship. In both cases, the new partisanship variable was positive and always significant or jointly significant with the two interaction terms ($p > .000$).

We also added a dummy variable for European countries (basically those in the EU) in equation #3 of table 2 to test Rogowski's hypothesis that Europe should be different. It never approached statistical significance. We also interacted it with the partisanship variable and it was never significant this way either (nor jointly with partisanship).

Party characteristics seem to have some influence on the results. A party's size or importance in the polity (as measured by SEATS) is generally significant. All else constant, the more seats a party had after the last election, the more likely it was to support free trade in the current period. Being a major party seems to make parties of any ideological stripe more supportive of free trade. On the other hand, greater disproportionality between votes and seats, more votes, participation in the last government, and the positions taken by parties in the past election, as measured by the standard deviation of the parties' trade positions (sdFT), do not seem to matter consistently.

The economic environment in which parties find themselves affects their position-taking slightly.¹⁴ A country's size, as proxied by its population (log), never had a consistent impact on the choices parties made about their trade policy positions. This

right was 0.382 (rse=0.178; $p > .032$). For equation 3, the first difference estimate with fixed effects was 0.382 (se=0.167; $p > .022$).

¹⁴ . We also ran eq. #3 in table 2 with interaction terms between the partisanship variable, L-R, and the economic variables (population, gdp per capita, openness, hegemony, and world transport costs). Coefficients on these interaction terms were never significant, and usually very small. The other variables experienced little change with the addition of these interactions.

finding seems contrary to many expectations that “small states” should prefer free trade. Parties in richer or more developed countries, as measured by their real per capita GDP (log), were more likely to favor protection, however, holding all else constant. This seems surprising as well since one would expect richer countries to be more favorable to free trade. However, international influences were much more important. First, American economic hegemony had a significant impact in all the equations. When American economic hegemony rises, parties in these countries all shied away from protectionist electoral platforms and became more positive toward free trade.¹⁵ This was the case holding the party’s partisanship constant among other factors.

In addition, globalization seems to play an important role in domestic party competition. The extent of a country’s openness to trade exerts a consistently positive effect, as globalization arguments maintain. Parties in more open economies announce more free trade positions. This lends support to claims by Katzenstein (1985) and Rogowski (1987) that political actors in open economies support free trade. Rising openness seems to generate pressures for parties to adopt a position more favorable to free trade. Current openness in part is a signal of past trade policy. Governing parties that have chosen more openness before thus may create new preferences for openness by doing so. Declining world transport costs have led in the same direction, but not in a statistically significant way.¹⁶ Note that the year variable, which may also proxy globalization pressures, is positive and significant, implying that over time parties are

¹⁵ . Note that US hegemony has not been steadily rising, as has globalization in general. Hegemony falls from the late 1940s to 1980; then it rises until the late 1980s, falling again until the late 1990s.

¹⁶ . This may be due to very high collinearity between year and transport costs. The highest correlation among the variables is between year and transport costs ($r=-.78^{***}$). Obviously, transport costs have been falling quite steadily over time.

becoming more positive toward free trade, all else constant.¹⁷ The pressures of the international market seem to be affecting the dynamics of domestic politics; as economies become more integrated globally, parties may be forced to respond to the incentives such changes create. Increasing exposure to trade seems to be playing a role in domestic party competition over trade. The impact of openness shows globalization at work. Parties in the presence of globalization pressures choose more free trade orientations than otherwise, holding other factors constant. Hence no matter what their ideological propensity, parties in the OECD countries are affected by globalization in similar ways: they become more favorable to free trade.

Political institutions may have an impact on parties' stance on trade issues. We examined a variety of political institutions, but few of them seemed to have much impact on a party's choice of trade policy position. Federalism, the size of the party system, and district magnitude were generally insignificant. In part this results from the fact that these institutions are rarely if ever changing, and hence fixed effects regressions cannot adequately deal with them. On the other hand, when we omitted the party fixed effects none of these was significant either. Electoral rules and presidentialism had more impact. By itself, whether a country was presidential or not seemed to have a significant impact on a party's choice of trade policy; all else constant, parties in presidential systems were more likely to be freer trade oriented than those in parliamentary ones. Given Rogowski's claims (1987) about PR and the association of PR systems with parliamentary democracy, this finding is not confirmatory of his arguments.

¹⁷ . Unlike US hegemony which moves up and down over the five decades, openness rises and transport costs decline steadily over the period.

When interacted with partisanship, both electoral rules and the form of government tended to matter (conditional likelihood tests that all three variables were zero rejected this null hypothesis at the $p > .000$ level). In presidential systems, the impact of partisanship is to make a party more supportive of free trade than a similarly located party would be in a parliamentary system. On the other hand, in PR systems parties are more protectionist than they would be in plurality ones. In neither set of political institutions does convergence occur, however. This finding seems contrary to Downs (1957) who would anticipate that plurality systems associated with two parties would have much more convergence than in multiparty systems. Moreover, it also undercuts Rogowski's claim (1987) that parties in PR systems (relative to non-PR ones) should have less contestation over trade, being generally more in favor of it. But it does support Rogowski and Kayser's claim (2002) that plurality systems are more likely to be associated with parties and policies that favor consumers, like free trade, that lower prices. Institutions thus interact with partisanship to shape domestic political competition over trade policy.

To summarize, a party is likely to announce a position more supportive of free trade when it is right-wing in ideological location, is more exposed to international trade, operates in a presidential system, faces higher levels of American economic hegemony, has more seats in the last parliament, operates in a country with lower levels of development, and confronts a world of growing globalization. Countries with presidential systems also induce right and left parties to take positions more favorable to free trade than they would in parliamentary ones. The interaction of electoral institutions and partisanship is to make parties in plurality systems more amenable to free trade; in

plurality systems right and left parties take more favorable positions toward free trade than would similarly located parties in PR systems. Partisan competition thus interacts with political institutions to shape party behavior. International pressures also influence domestic partisan competition in important ways, and increasingly so as globalization proceeds. One explanation for the steady decline in party competition over trade policy shown in Figure 3 may be increasing globalization over the past five decades.

CONCLUSIONS:

We have addressed three issues: the impact of partisanship on a party's trade policy position in its electoral manifesto, the nature of crossnational differences in party behavior, and the effect of globalization on party choices on trade policy positions. Partisanship has a consistent impact on the choices of manifesto position that parties make over trade policy. Left-wing parties in these advanced industrial countries advocate more protectionist policies than do right-wing parties. These findings remain true even when holding many other political and economic factors constant. Partisanship based on class cleavages is a good predictor of a party's trade policy position. This fits well with a Stolper-Samuelson view of international trade. In these relatively capital rich countries, left parties historically have represented those better endowed with labor (relative to capital) and in the post-1945 period these groups have increasingly had more to gain from protectionist policies.

An alternative view of this relationship would be based on the specific factors theory of international trade (the so-called Ricardo-Viner theory). In this model, factors of production per se no longer are primary in trade; rather sectors of the economy in

which capital and labor share the same trade preferences matter most. Political parties then would represent different sectors of the economy, combining labor and capital from these sectors. For this theory to explain our data, two conditions must hold. First, parties despite their different overall ideological positions would need to represent both the interests of capital and labor on a wide variety of issues. This does not seem very reasonable. We know that in areas like fiscal and monetary policy as well as on labor policies the interests of capital and labor differ significantly, the parties in these countries have distinguished themselves on these issues in their partisan competition. Second, to explain our findings it would also have to be the case that somehow a majority of economic sectors that favor protection lined up with parties on the left and a majority of sectors that favored freer trade lined up with parties on the right. These sectors would have to have interests that were differentiated on a wide range of issues (59 in the CMP database) along this left-right ideological cleavage. What factors would drive such sectoral, rather than class, differentiation is very hard to imagine. Unless one can argue convincingly for these two conditions, it is very hard to use this alternative theory of trade to explain our findings.

In addition to partisanship, domestic institutions also seem to matter. But their role is more subtle, and difficult to discern. In this study we did not find much role for institutions like federalism, district magnitude, or the party system. This may be because electoral rules correlate heavily with at least these last two institutions. Our findings do suggest that the form of government and electoral rules do matter, but most often in combination with partisanship. Presidential systems, as opposed to parliamentary ones, by themselves induce parties to adopt electoral positions more favorable to free trade.

They induce right parties to adopt positions more favorable to free trade than would a similar right party in a parliamentary system; and likewise, they make left parties in presidential systems more favorable to free trade than were they in a parliamentary system. Electoral rules by themselves exerted an inconsistent effect. But when interacted with partisanship, they showed that such rules affect the influence of partisanship over trade policy. In plurality systems a party will take an electoral position more supportive of free trade than will the same party in a PR system. For left parties, this means they will be more protectionist in PR systems. This seems counter to Rogowski's claim (1987) that PR systems should be associated with support for freer trade. But it does support Rogowski and Kayser's later prediction (2002) that PR systems will be associated with policies that increase prices, such as protectionism.

Globalization matters as well. We find no effect for small countries per se. But more developed ones promote parties that are more protectionist. Parties in countries that are more open (holding size and level of development constant) are less protectionist, thus supporting both Katzenstein (1985) and Rogowski (1987). Increasing openness makes all parties, regardless of their partisan location, less favorable to protectionism. Increasing globalization has made parties more free trade oriented across the political spectrum.

Other international factors have uneven effects. While being in Europe had no discernible effect, American hegemony had a large one. Rising US hegemony led parties to adopt more free trade positions than otherwise. This seems to provide domestic support for hegemonic stability theory. It suggests that countries may well feel more amenable to trade liberalization when a powerful hegemon is in place who will provide collective

goods and monitor the international trading system. Or it may signal a less benign view of hegemonic coercion of other countries.

Overall, we make five main claims about broader debates. First, the evidence suggests that parties diverge in their electoral platforms; they do not converge on some centrist position. Partisanship in developed countries remains a good leading indicator of a party's future trade policy preferences. The separation between left and right parties shown in Figure 1 underlines this point. Second, class still seems to matter. Class cleavages embedded in parties are able to predict trade policy preferences; industry-specific factors do not override this, nor do international pressures. Third, political institutions matter but in ways not well predicted by existing theories. Some institutions seem to exert small and complex effects on partisan competition over trade. The different patterns of partisan competition shown in Figure 2 may be due to these differences in institutions. Fourth, globalization is having important domestic effects, moving all parties toward more free trade positions. The steady decline in the extent of debate over trade policy shown in Figure 3 suggests the power of globalization domestically. Finally, international pressures on domestic political debates are not just limited to globalization. The distribution of power globally, here in the form of economic power, plays a role. American hegemony seems to have the capacity to influence other countries' domestic political debates over trade, in a pattern similar to that conjectured by Lake and James (1989). Contrary to the arguments of some scholars about the declining influence of international forces on trade policy (e.g., Conybeare 1983), the results here suggest that globalization and the distribution of capabilities internationally still exert powerful influences on domestic debates about trade.

Two final points suggest future research opportunities. It would be ideal to have data on the preferences of voters. If we could show that party strategies in trade position-taking followed their core voters' preferences, this would be a valuable way to link parties to electoral pressures. It would also be interesting to see if changes in voter preferences lead to changes in party positions, or whether, as Marks and Wilson (2000: 435) claim, parties' "policy positions cannot ... be predicted as an efficient response to electoral pressures." It seems likely that this will be difficult to do in a crossnational context, although some work on this has been done for European countries and the EU (e.g., Gabel 1998; Scheve 1999). Bringing voters into the party decision process can better help us understand the electoral connection.

Another important step for future research is to ask whether these electoral positions have any impact on actual policy choices, and ultimately whether partisanship is important for trade policy choices. As we noted above, this link is difficult to make in trade for several reasons. We expect (and the results above suggest) that international factors will shape trade policy more than other policies, like macroeconomic or welfare ones. Retaliation by trading partners and international agreements can affect domestic policy on trade. Trade policy is also difficult to measure since traditional instruments like tariffs have been lowered to insignificant levels.¹⁸ Measuring nontariff barriers is difficult, but there is some data on this that we plan to use in future work.

¹⁸ . We have some data from the late 1970s onward on import and export duties as a percent of total imports and exports from (WB WDI 2001). These data are not very reliable since they clearly contain biases. They have obvious endogeneity problems, since tariffs affect the level of imports and export duties affect the level of exports. Indeed, in the limit prohibitive tariffs reduce imports to zero and thus are not captured at all by this measure. Because countries have different tariff structures, this introduces a serious bias in this measure. Moreover, this is only one small element of trade policy in most of these GATT/WTO countries.

Does this research on trade have any implications for other issue areas? Many other issues could be discussed in the same terms; indeed, the literature on macro-economic policy inspired this paper (e.g., Alesina and Rosenthal 1995). It would be interesting to see if the same dynamics of partisanship and political institutions could be found in party's manifestos positions on other issues. Linking manifesto positions to policy outcomes might also be more feasible there since measures of policy are better and international factors may matter less. The problems of dissecting coalition governments and determining what the non-governing parties prefer remain, however. The assumed counterfactual in these studies is that the behavior of the non-governing parties can be deduced either from that of parties of similar partisanship in other countries or from the same parties when they were in government at another time. One might question the validity of this, and if so one might then want to look at manifesto positions. Understanding the entire chain of logic for political parties from the development of their long-term partisan or ideological positions to the issuing of electoral manifesto positions to the formation of governments and finally to the implementation of policy once in office is an important endeavor.

Figure 1: Left & Right Trade Policy Positions
Red is left; black is right

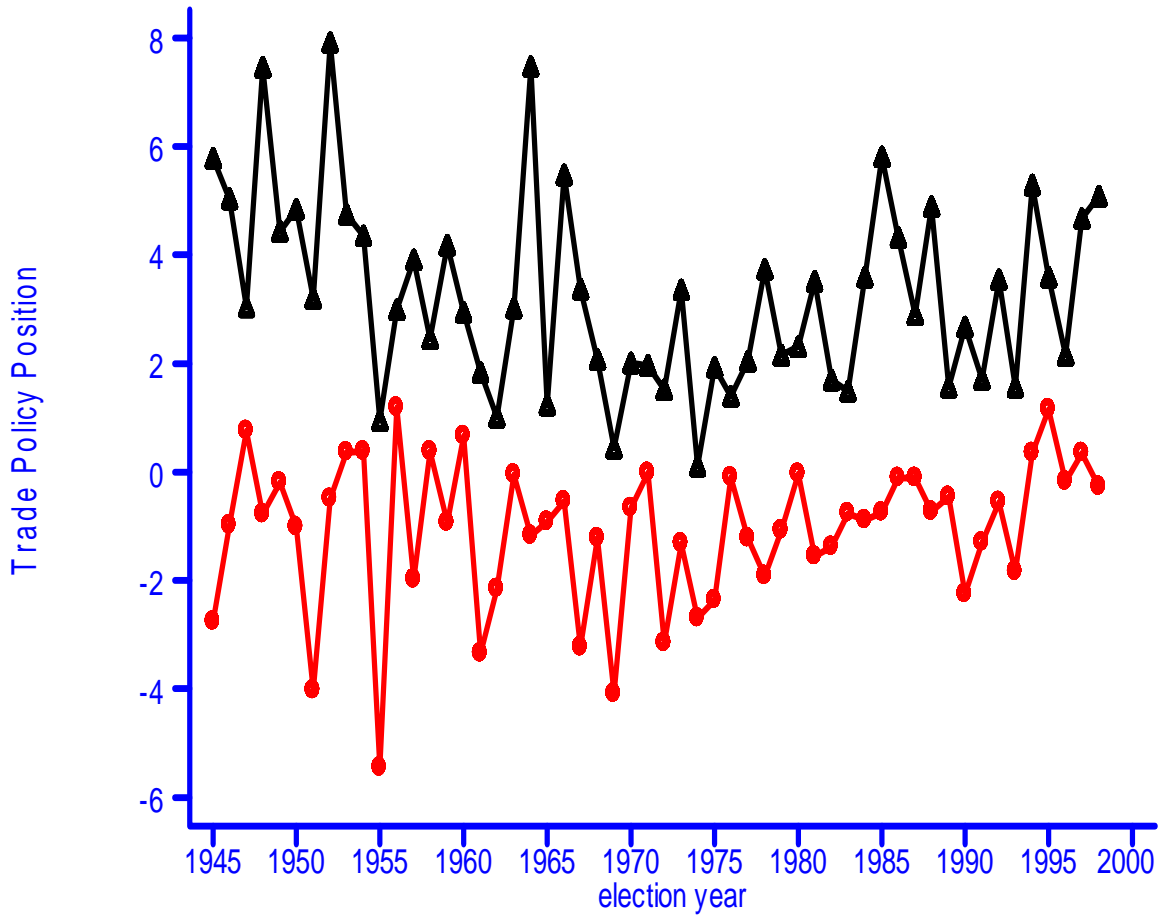


Figure 2: Crossnational Variation in Party Competition over Trade
 Left is red; Right is black

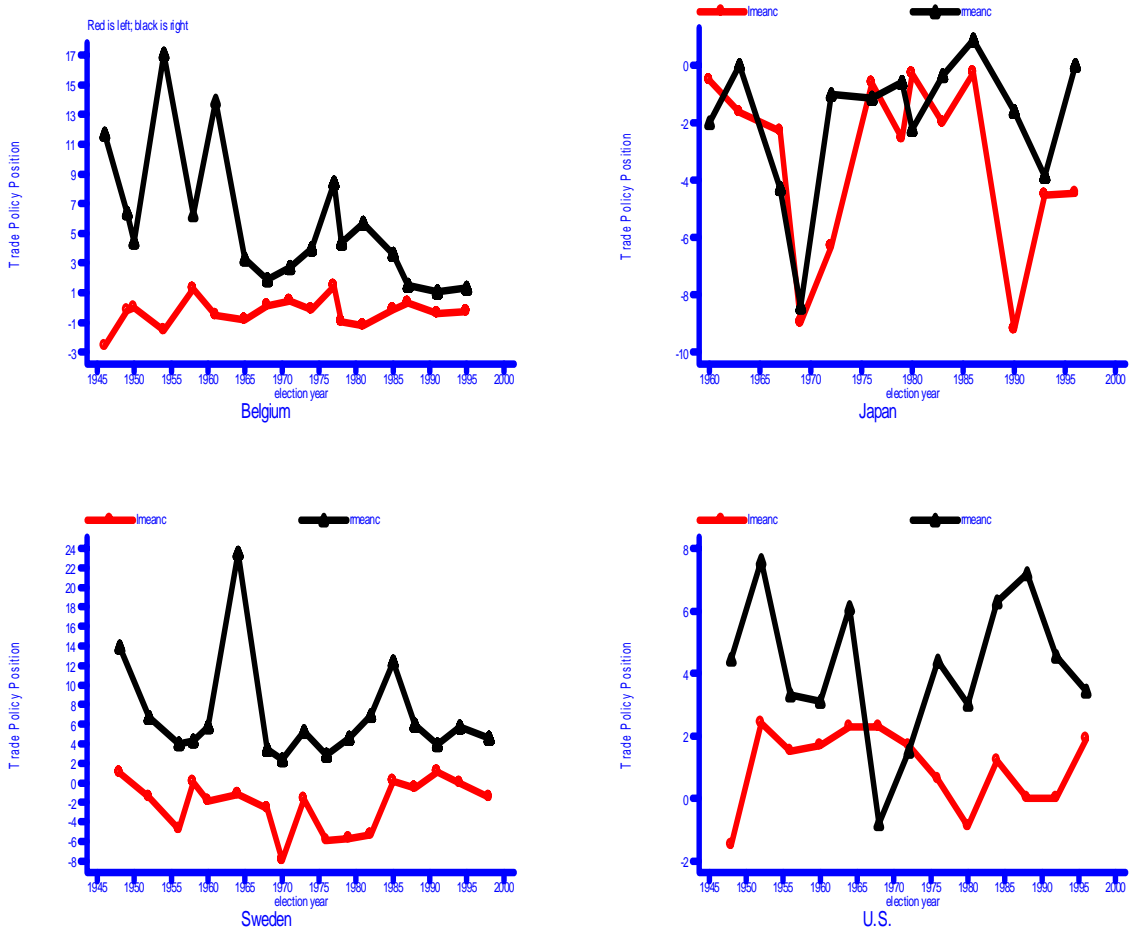


Figure 3: Extent of Divergence Among Parties on Trade, 1945-98

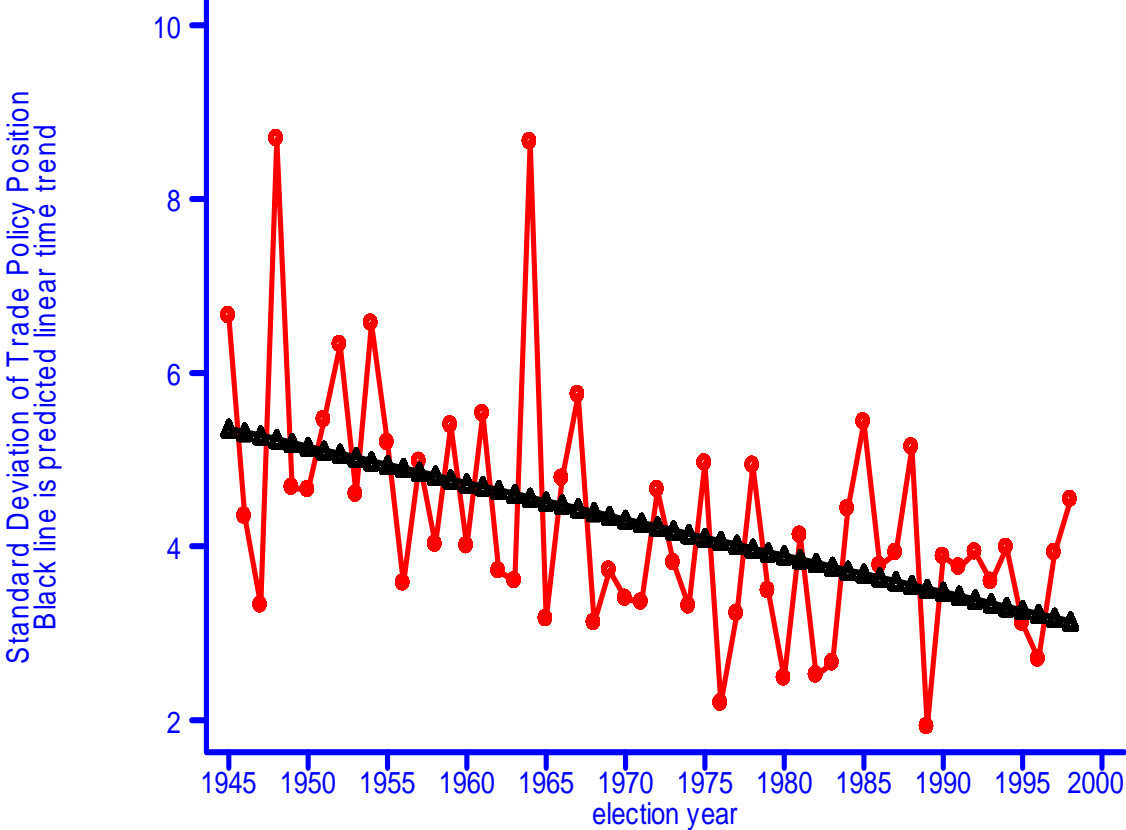


Table 1: Summary Statistics

Variable	Obs	Mean	Std. Dev	Min	Max	source
FT	1979	1.216	5.105	-27.9	41.5	CMP
L/R lag	1691	6.723	1.245	0	10	CMP
YEAR	1991	1974	15	1945	1998	
LNPOP	1813	9.122	1.428	5.024	12.503	PWT 6
OPEN	1813	61.770	32.590	4.53	200.29	PWT 6
LNRGDPC	1813	9.452	0.461	7.518	10.425	PWT 6
TC	1922	1.054	0.022	1.01	1.13	Hummels
HEGEMONY	1922	0.139	0.011	0.12	0.17	IFS
SEATS lag	1699	50.396	68.786	0	490	CMP
SD FT lag	1700	4.436	2.716	0	18.753	CMP
PRES	1979	0.122	0.327	0	1	DPI+HRS
ERULE	1943	1.573	0.732	0	2	DPI+HRS
PRES*LR	1686	0.855	2.378	0	9.844	
ERULE*LR	1667	11.985	6.133	0	22	

PWT 6 is Penn World Tables v. 6.0; see Summers and Heston 1991.

CMP is Comparative Manifestos Project; see Budge et. al. 2001.

HRS is Huber, Ragin and Stephens 1997.

DPI is the World Bank, Database of Political Institutions; see Keefer 2001.

IFS is IMF, International Financial Statistics, various issues.

Table 2: Regression Results on a Party's Trade Manifesto Position (FT)

Dependent Variable:	Party Position on Trade Policy			
	(1)	(2)	(3)	(4)
	ftnew2	ftnew2	ftnew2	ftnew2
L/R lag	0.274***	0.238***	0.282***	0.471**
	(0.048)	(0.051)	(0.050)	(0.214)
YEAR	0.031***	0.032***	0.035***	0.033***
	(0.010)	(0.010)	(0.010)	(0.011)
LNPOP	0.316	0.071	0.044	0.032
	(0.295)	(0.299)	(0.305)	(0.304)
OPEN	0.006*	0.010***	0.010***	0.011***
	(0.003)	(0.003)	(0.004)	(0.004)
LNRGDPC	-1.016***	-1.115***	-1.254***	-1.228***
	(0.285)	(0.285)	(0.315)	(0.338)
TC	-0.462	-1.517	-0.716	-1.072
	(1.894)	(2.016)	(2.143)	(2.119)
HEGEMONY	24.616***	23.009***	25.230***	24.537***
	(3.728)	(3.784)	(3.912)	(3.958)
SDFT lag		0.020	0.020	0.019
		(0.013)	(0.015)	(0.015)
SEATS lag		0.005***	0.007***	0.007***
		(0.001)	(0.002)	(0.002)
PRES			1.553***	-0.008
			(0.376)	(1.321)
ERULE			0.143	0.926
			(0.350)	(0.889)
PRES*LR				0.209^
				(0.191)
ERULE*LR				-0.117^
				(0.111)
Constant	-59.256***	-57.715***	-63.591***	-60.345***
	(18.345)	(18.331)	(18.665)	(19.937)
Observations	1574	1565	1545	1545
Number of parties	186	186	182	182
Log likelihood	-3457.51	-3443.57	-3414.83	-3415.64
Wald chi2	86316	220000	99708	83179
Prob > chi2	0.000	0.000	0.000	0.000
rho	0.021	0.023	0.019	0.020

Estimated with feasible GLS (XTGLS in STATA 7), party fixed effects, heteroskedastic panels, AR1 correction. Standard errors in parentheses.

* significant at 10%; ** significant at 5%; *** significant at 1%. ^ jointly significant at 5% with L/R.

xtgls8-02LN from ft9.out

APPENDIX I: CONSTRUCTION OF PARTY SCORES

Following Huber and Gabel (2000), we constructed our estimate of party ideological position based on their “vanilla” score, which fared the best in their comparative study of estimation techniques. In this method the left-right spectrum is defined inductively with no a priori assumptions being made as to the categories that define the spectrum or the manner in which it varies over time and space. Rather ideology is viewed as the primary factor constraining parties’ activities and announced positions on a wide variety of issues. The vanilla method aims to find this primary factor and use it as the basis for the construction of a subsequent score.

Specifically this method applies Principal Factor Analysis (PFA) to the MRG data. This is done to identify the single major underlying dimension that best explains the observed covariance in the fifty-four policy categories coded across parties. Huber and Gabel (2000: 7) point out that principal factors are the appropriate technique for this operation, as they are imposing no assumptions about the nature of the relationship between the variables, and either themselves or the single underlying factor. Note that issues such as the appropriate weighting of the 59 categories are not the result of judgments by the researchers. Rather, the factor analysis, in identifying the underlying dimension, assigns the “correct” weight to the various categories based on their covariation with each other.

Following Harman (1976), we then use regression scoring to position the parties along the dominant underlying dimension. This is the accepted technique in cases involving only a single factor. We then assign parties to their place on the left-right scale by normalizing their scores on both an eleven point scale, with left being closest to zero and right closest to ten.

There are a variety of theoretical assumptions one could adopt when dealing with left-right ideology in a comparative setting. First, one might assume that ideological spectrums are relatively coherent within countries over time. Alternatively one could focus on seemingly similar patterns in political history to argue that ideology varies over time, but not in terms of geography. These two views could also be combined so that variation happens both geographically and temporally. Or one might assume that a “universal” ideological scale exists which transcends temporal or spatial boundaries.

All of these assumptions are sound in certain situations. However, Huber and Gabel point out that we can make empirical comparisons between the results of these different pooling assumptions and expert surveys. Upon completing a comparative study of different pooling techniques, they conclude that different pooling assumptions have a large effect on the results of the factor estimations. They found that generally the best estimations of the vanilla score are obtained when the data is pooled by country and time period. We closely followed this estimation technique (and its underlying assumptions) in the construction of our own scale.

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