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POLICYMAKERS' HORIZON AND TRADE REFORMS

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ABSTRACT

Policymakers' Horizon and Trade Reforms*

Does policymakers' horizon affect their willingness to support economic reforms? Voting in the U.S. Congress provides an ideal setting to address this question. Differences between the House and Senate, in which members serve two-year and six-year mandates respectively, allow to examine the role of term length; the staggered structure of the Senate allows to compare the behavior of different "generations" of senators and study the impact of election proximity. Considering all major trade liberalization reforms undertaken by the U.S. since the early 1970's, we find that Senate members are more likely to support them than House members. However, inter-cameral differences disappear for third-generation senators, who face re-election at the same time as House members. Considering Senate votes alone, we find that the last generation is more protectionist than the previous two, a result that holds both when comparing different senators voting on the same bill and individual senators voting on different bills. Inter-generational differences disappear instead for senators who hold safe seats or have announced their retirement, indicating that the protectionist effect of election proximity is driven by legislators' fear of losing office.

JEL Classification: D72 and F10
Keywords: election proximity, term length and trade reforms

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1 Introduction

Why do policymakers so often fail to undertake economic reforms, supporting instead costly and inefficient policies? In this paper, we provide a new answer to this key political economy question, showing that short-term re-election incentives can represent a key obstacle to the adoption of structural reforms.[1] In particular, we show that the fear of losing office deters legislators who are close to facing re-election from supporting trade liberalization reforms.

In our analysis, we exploit two institutional features of the U.S. Congress, namely the fact that House and Senate members serve terms of different length – two and six years, respectively – and that U.S. senators' terms in office are staggered – i.e., one third of the Senate is up for re-election every two years. These two characteristics make the U.S. Congress an ideal setting to answer important questions about the role of policymakers' horizon in shaping economic reforms:[2] at any point in time, it is possible to compare the voting behavior of legislators with mandates of different length, as well as the behavior of senators belonging to different "generations", i.e., with different remaining time in office. Furthermore, exploiting the fact that many senators cast ballots on various trade reforms, we can also study their voting behavior at different times during their terms in office.[3]

To the best of our knowledge, this is the first paper to systematically investigate how the political horizon of elected representatives affects their support for large-scale economic reforms. We focus on trade liberalization measures, using a novel dataset constructed for this purpose. We have collected data on all individual recorded (roll call) votes on major trade liberalization bills that have been introduced in the U.S. Congress since the early 1970's. These include the ratification and implementation of multilateral trade agreements (Tokyo and Uruguay Round of the GATT) and preferential trade agreements (e.g., CUSFTA and NAFTA) negotiated during this period, as well as on the conferral and extension of fast track trade negotiating authority to the President. We have complemented this information with a wealth of time-varying characteristics of the legislators (e.g., party affiliation, age, gender, contributions received by labor and corporate groups, seat "safety") and of their constituencies (e.g., dependence on export relative to import-competing jobs, concentration of import and export industries, size), covering both

[1] Much attention has been devoted in the literature to the political economy of reforms. These are major policy changes that go beyond regular government decisions, including structural reforms (e.g., trade or labor market liberalization) and stabilization reforms (e.g., important fiscal adjustments to drastically reduce budget deficits and/or inflation). See Drazen (2000) and Persson and Tabellini (2000) for broad reviews of the literature and Alesina, Ardagna, and Trebbi (2006) for a recent contribution.

[2] In most other countries, even if legislators belonging to the lower and upper house are elected for terms of different lengths, members of the same house face elections at the same time (this is for instance the case in Australia and in France). An important exception is Argentina, where both houses of the Congreso Nacional have a staggered structure.

[3] For example, during her first mandate as senator from New York state, Hillary Clinton voted on six trade liberalization bills, four times in favor (during the first four years) and twice against (during the last two years).

economic and non-economic drivers of individual voting decisions on trade reforms.

We first examine the role of term length, comparing the voting behavior of House and Senate members. We find that senators are in general more likely to support trade liberalization than House representatives. However, there is no significant difference in the voting behavior of House representatives and senators who are in the last two years of their mandate, two groups of legislators who share the same "political horizon", facing re-election at the same time. This evidence suggests that differences in term length are the reason behind the less protectionist stance of U.S. senators.

We then move to the core of our analysis, where we focus on the role of election proximity, comparing the voting behavior of different generations of Senate members. We find robust evidence that senators of the last generation are significantly less likely to support trade reforms than senators belonging to the first two generations. Inter-generational differences are not only statistically significant, but also sizable: when comparing different legislators voting on the same bill, we find that senators who are in the last two years of their terms are around 10 percentage points less likely to support trade reforms than senators who have just been elected. We obtain comparable results when we study the behavior of the same legislator over time. These findings highlight the important role played by election proximity in inducing a protectionist behavior among members of the U.S. upper house.

Our analysis also shows that the protectionist effect of election proximity is a pervasive phenomenon, not driven solely by "anti-trade" legislators: inter-generational differences in senators' voting behavior can be observed among representatives of both import-competing and export constituencies, and among members of both the Democratic and Republican party.

Why do legislators become more protectionist when they approach the end of their mandate? A natural explanation for this finding is represented by re-election incentives. To assess their role, we carry out two falsification exercises, focusing on senators which have been elected with a very large margin and thus enjoy a "safe seat", and on senators who have announced that they will not stand for re-election. We find that in neither case does proximity to election make senators more protectionists. This evidence suggests that fear of losing office is the key driver behind the cycling behavior observed among U.S. senators at large.

Our analysis shows that short-term electoral incentives can significantly reduce legislators' support for trade liberalization reforms. In line with what suggested by the Founding Fathers of the U.S. Constitution, our results imply that legislators serving longer terms in office may be better placed to deal with structural reforms such as trade liberalization.[4]

[4]In the Federalist (63), Madison (1788) pointed out that

> The objects of government may be divided into two general classes: the one depending on measures which have singly an immediate and sensible operation; the other depending on a succession of well-chosen and well-connected measures, which have a gradual and perhaps unobserved operation.

The remainder of the paper is organized as follows. Section 2 briefly reviews the related literature. Section 3 describes the data used for our analysis and provides some descriptive statistics. Section 4 reports the results of the comparison of the voting behavior of House and Senate members, while Section 5 focuses on different generations of senators. Section 6 concludes, discussing the interpretation of our findings and suggesting avenues for future research.

2 Related literature

Our analysis is related to several strands of the literature. First, it contributes to the large body of work that has studied the political economy obstacles to the adoption of economic reforms (see footnote 1). One of the seminal contributions in this area is the paper by Fernandez and Rodrik (1991), which shows that uncertainty about who will enjoy the gains from trade liberalization can lead a rational electorate to oppose the reform ex ante, even when welfare is known to increase ex post for a majority. Several other papers have examined the political viability of economic reforms in the presence of distributional effects and uncertainty. For example, Dewatripont and Roland (1995) introduce aggregate uncertainty in the framework of Fernandez and Rodrik (1991) to analyze the optimal sequencing of economic reforms. Alesina and Drazen (1991) show how a stabilization reform can be delayed due to a "war of attrition" between two groups, each of which is uncertain about the costs being incurred by the other group. None of these papers has examined the role of legislators' political horizon, which is instead the focus of our analysis.

Our work is also related to the literature on political business cycles, which emphasizes the importance of electoral calendars when politicians are office motivated. In particular, Rogoff and Sibert (1988) and Rogoff (1990) show that incumbent politicians who want to retain office may increase spending prior to elections to signal greater "competence" when voters are rational but imperfectly informed. This literature is aimed at explaining cyclical fluctuations in short-term economic policies during mandates of fixed length. We instead examine how differences in term length and electoral calendars affect policymakers' willingness to support structural reforms such as the reduction or removal of trade barriers.

Our empirical strategy builds on a vast political science literature that analyzes the effects of term length and election proximity on legislative behavior. Rather than studying the determinants of legislators' behavior on specific economic reforms such as trade liberalization, these studies focus on their "ideological position", usually captured by congressmen's "voting scores"

To deal with long-term policies, Madison suggested the creation of an additional chamber, the Senate:

> The proper remedy for this defect must be an additional body in the legislative department, which, having sufficient permanency to provide for such objects as require a continued attention, and a train of measures, may be justly and effectually answerable for the attainment of those objects.

– summary indexes of their voting record on a broad set of issues (e.g., ADA scores, D-Nominate and W-Nominate scores). Some papers in this tradition analyze how election proximity affects senators' ideological positions (e.g., Thomas 1985, Bernhard and Sala 2006). Other papers examine instead the effects of election proximity on senators' responsiveness to the desires of the polity (e.g., Amacher and Boyes 1978, Glazer and Robbins 1985, Levitt 1996). These studies compare senators' voting scores to measures of their constituencies' preferences and find that, while there are considerable discrepancies between the two, the gap gets smaller closer to elections. Two recent contributions, Titiunik (2008) and Dal Bo and Rossi (2011) use instead an experimental setting to study the effect of different term lengths on legislator's performance.[5]

Our paper also contributes to the literature on political economy of trade policy, which shows how different political factors (e.g., lobbying by interest groups, governments' inability to commit to policy choices, different electoral systems and ratification procedures) shape trade policy outcomes (see, for example, Grossman and Helpman 1994, Maggi and Rodriguez-Clare 1998, Grossman and Helpman 2005 and Conconi, Facchini, and Zanardi 2011). This is the first paper to focus on the role of term length and election proximity.

Finally, our analysis is related to the empirical literature looking at the determinants of the voting behavior of U.S. congressmen on specific economic policies. In his seminal contribution, Peltzman (1985) linked senators' voting patterns with changes in the economic interests of their constituencies. A more recent paper in this tradition is Mian, Sufi, and Trebbi (2010), which examines how constituencies' interests, lobbying, and politicians' ideology shape congressional voting behavior on two important recent bills: the American Housing Rescue and Foreclosure Prevention Act of 2008 and the Emergency Economic Stabilization Act of 2008.[6]

Our paper is closely related to those studies focusing on the determinants of trade policy votes (e.g., Blonigen and Figlio 1998, Baldwin and Magee 2000, Karol 2007). None of these contributions has examined the role of policymakers' horizon. Interestingly, our analysis provides an explanation for a puzzle identified by Karol (2007): senators are systematically less protectionist than House representatives, but this cannot be explained by constituency size. We show that inter-cameral differences in voting behavior can be explained by the longer length of senators' terms in office.

[5]Titiunik (2008) examines the effect of a randomly assigned term length on the behavior of a small group of state senators in Arkansas and Texas. Dal Bo and Rossi (2011) consider two natural experiments in the Argentine legislature (in 1983 and 2001), when politicians were assigned different term lengths through a randomized procedure. Both papers reach the conclusion that longer terms in office lead to better performance (for instance in terms of floor attendance, or number of bills sponsored by a legislator).

[6]A recent paper by Facchini and Steinhardt (2011) examines voting behavior on U.S. immigration policy.

3 Data

To carry out our analysis, we have assembled a novel dataset that allows us to link our dependent variable, a congressman' recorded vote on a trade liberalization bill, to a wealth of characteristics of the legislators and their constituencies, enabling us to investigate the role played by both economic and non-economic drivers of individual voting decisions. In this section, we describe our data, starting from our dependent variable. We describe next the individual-level characteristics, and finally turn to the procedure we have followed to construct our district-level controls.

3.1 Votes on trade reforms

Our dependent variable is the recorded (roll call) vote of U.S. congressmen on all major trade liberalization bills introduced in the U.S. Congress between 1973 and 2005.[7] Table 1 lists the votes used in our empirical analysis. These include the roll call votes on the implementation of multilateral trade agreements (Tokyo and Uruguay Round rounds of the GATT) and preferential trade agreements negotiated in this period,[8] as well as the votes on the conferral and extension of fast track trade negotiating authority to the President.[9]

We distinguish between the 50 U.S. states – electing each two representatives for the Senate – and the 435 congressional districts – each electing one member of the House of Representatives. As it can be seen from Table 1, for each decision in the House and Senate less than 435 and 100 votes are reported, respectively. This is because some congressmen may not be present or may decide to abstain. Moreover, a seat in Congress may be vacant at any point in time because of special circumstances (e.g., resignation, death). Overall, we consider 29 votes, 15 in the House and 14 in the Senate (see Table 1).[10] For each of them, we collected the identity of the congressmen, their state or district, and their decision (in favor or against) from roll call records.

Looking at Table 1, notice that in all but one case the trade reform has been approved, even though the margin of passage varies substantially across bills. However, this is not a concern for our analysis, since we focus on the determinants of individual legislators' voting behavior, rather than on the actual approval of the reform.

[7] Our sample starts in 1973 because of the challenge involved in the construction of some of the key regressors. See section 3.3 for details.

[8] We had to exclude the bills on the ratification of the US-Bahrain and US-Israel free trade agreements, which were approved by voice votes in at least one of the houses.

[9] See Conconi, Facchini, and Zanardi (2011) for a theoretical and empirical analysis of the role of fast track authority in international trade negotiations.

[10] The Senate did not vote on the fast track bill of 1998, since the House had already rejected it.

3.2 Characteristics of legislators

Table 2 provides definitions and sources for all the variables included as controls in our analysis (top panel), or used in the construction of such controls (bottom panel). We start with congressmen's characteristics.

The main regressors of interests for our analysis are the indicator variable $Senate^j$, which is equal to one for legislators belonging to the upper house, and the indicator variables for the three generations of senators. As already discussed, one third of the Senate is elected every two years, together with the entire House. We define those senators facing election within two years (the so-called "in cycle"), as belonging to the third generation; those who face elections next belong to the second generation, while the first generation includes senators facing elections no sooner than in four years. The variables $Senate1_t^j$, $Senate2_t^j$, and $Senate3_t^j$ thus identify whether the senator representing state j is in the first, middle, or last two years of his mandate, respectively, when voting on a trade bill in year t.

Party affiliation is known to be a strong predictor of a politician's support for trade liberalization, with Democrats being systematically more protectionist than Republicans (e.g., Hiscox 1999, Baldwin and Magee 2000, and Karol 2007). To assess the role played by a congressman's ideological position, we employ the dummy variable $Democrat_t^j$, which is equal to one if the representative of constituency j at time t belongs to the democratic party, and zero otherwise.[11]

Age and gender have been shown to be important drivers of individual-level preferences for trade policy (see Mayda and Rodrik 2005). For this reason, we also include these demographic characteristics of a congressman in our empirical analysis.

Senators are known to be running more often for President than House members (see also Table 3). To verify whether presidential ambitions influence congressmen's voting behavior and can explain inter-cameral differences in voting behavior on trade policy, we have constructed the dummy variable $Presidential\ aspirations_t^j$, which captures whether a legislator has taken part in presidential primaries in the years following each vote in the sample. In some specifications, we also control for whether or not congressmen are in their first term in office (including the dummy variable $Incumbent_t^j$) and for their tenure (captured by the variable $Years\ in\ Congress_t^j$).

A final set of variables have only been collected for senators, since they are used to verify the robustness of the cycling behavior of senators across generations. A long tradition has emphasized the role that interest groups play in shaping international trade policy (e.g., Grossman and Helpman 1994, Goldberg and Maggi 1999, and Gawande and Bandyopadhyay 2000) and the voting behavior of U.S. congressmen on trade liberalization bills (e.g., Baldwin and Magee 2000). To assess the role of lobbying pressure, we have thus constructed measures of

[11] As discussed at the end of the section, we have also tried using alternative measures of ideology (the DW-Nominate scores and the ACU conservative rating index), obtaining very similar results.

Labor contributions$_t^j$ and *Corporate contributions*$_t^j$ received by each senator throughout the political cycle. These variables are based on individual-level transactions reported to the Federal Electoral Commission (FEC) since 1979.[12]

In some robustness checks, we also control for membership in the *Finance committee*$_t^j$ and *Appropriations committee*$_t^j$, collecting information on which legislators belong to the two most powerful Senate committees (see Stewart and Groseclose 1999).

Finally, we have constructed two controls to capture the extent to which legislators are exposed to competition for their seats, in order to assess the role played by re-election incentives in explaining inter-generational differences in senators' voting behavior (see Section 5.4). First, we have used information on the margin of victory recorded by a senator in the last election (i.e., the gap between the share of votes obtained by the winner and the one of the next competitor) to construct the dummy variable *Safe*$_t^j$, which equals one for legislators who have been last elected with a large margin of victory.[13] Second, we have constructed a *Retiring*$_t^j$ dummy variable for senators who decide to leave office, which is equal to 1 in the Congress immediately prior to their retirement.[14]

3.3 Characteristics of constituencies

In order to capture the trade policy interests of each constituency, we control for the time-varying share of import-competing workers in a given state or congressional district. To do so, we first define an industry (i.e., at 2-digit SIC level or 3-digit NAICS level; see footnote 15 for details) as being import-competing (export), if the U.S. as a whole is a net importer (exporter) in that industry in a given year. We then collect information on employment in import-competing and export industries for all constituencies. Such variables can be easily constructed for the Senate, since state-level series are readily available. For the House of Representatives, on the other hand, we encountered two main difficulties. First, congressional district-specific data are not readily available, and must be constructed by aggregating county-level data using the County Business Patterns (CBP), a survey collected by the Bureau of the Census.[15] Importantly, a county may

[12] In particular, we have collected information on each transaction between a political action committee (PAC) and an elected congressperson from the FEC website, and aggregated it by political cycle. In this way, we have been able to gather information on the amounts of PAC contributions received by an individual senator throughout his six years in office, rather than just during the last two years of his mandate (the latter information is more readily available).

[13] We considered seats to be secured if the margin of victory exceeded 60 percent. This threshold corresponds to the average margin of victory in the Senate plus two standard deviations.

[14] Following Overby and Bell (2004), we classify as retiring those senators who voluntarily departed (for personal reasons or to pursue other office), but exclude those who were expelled or defeated in either primary or general elections.

[15] The CBP report annual data on employment by SIC manufacturing industries up to 1997 and by NAICS manufacturing industries from 1998 onwards, with very little detailed information for agriculture. However, manufacturing industries represent the lion's share of total imports and exports of the United States (i.e., at

be split into different districts, some of which cover parts of neighboring counties. The second difficulty is that the geographic definition of districts changes over time, following each decennial Census, when districts are re-apportioned following changes in population.

We have addressed these concerns as follows. To obtain district-level data from county level information, we first extract yearly county-level data from the CBP and then aggregate them at the district level. For those counties split across more than one district, we follow Baldwin and Magee (2000), among others, imputing employees proportionally to the share of population of a county assigned to that district. To deal with the problem of redistricting, we have kept track of changes in the boundaries of the electoral districts that occurred after the Censuses of 1970, 1980, 1990 and 2000. For example, Alaska has always had only one congressional district; between the first vote in 1973 and the last one in 2005, California saw instead the size of its House delegation increase from 43 to 53 representatives, whereas instead New York state's number of districts declined from 39 to 29 over the same time period.

Notice that employment data in the CBP are withheld when their disclosure would allow researchers to identify firms. In such cases, a flag gives the interval where the actual data belongs to (e.g., between 0 and 19 employees, between 20 and 99 employees and so on). These flags have been used to input values (i.e., the mid point of each interval) for the missing observations. In order to minimize the problem of undisclosed data, we use CBP employment data at the 2-digit SIC and 3-digit NAICS levels rather than at more disaggregated levels.

Using employment data by congressional district and by state, we compute the number of employees in export and import-competing industries for all constituencies. For each constituency j in year t, we then define the variable $Export\ ratio_t^j$, which captures dependence on export relative to import-competing jobs. This is defined as the ratio $\frac{X_t^j}{Y_t^j}$, where X_t^j (Y_t^j) is the number of employees of constituency j in export (import) industries at time t. In some specifications, we also use the dummy variable $Export_t^j$, which equals 1 for export oriented constituencies (i.e., $Export\ ratio_t^j > 1$).

Legislators' voting behavior on trade policy may also be affected by the degree of industry concentration in export and import-competing industries. We thus construct time-varying Herfindahl-Hirschman Indexes for export industries and import-competing industries located in constituency j, denoted with $HHI\ exports_t^j$ and $HHI\ imports_t^j$, respectively.

It could be argued that possible differences in voting behavior between Senate and House members may be driven by differences in the size of their constituencies. In particular, since senators have larger electoral bases, they may be less responsive to narrowly defined industry interests. We thus control for the size of each constituency, as proxied by $Population_t^j$.

Table 3 reports summary statistics for the main variables of interest for the pooled sample

least 70 percent in each year from 1970 until today). Moreover, many agriculture-related activities are classified as manufacturing and are thus included in our dataset (e.g., dairy products, grain mill products, sugar).

of observations for the House and the Senate (used in the first part of our empirical analysis), and for the Senate alone (employed in the second part of the analysis). These statistics indicate that constituencies are on average import-competing, since the mean of the variable *Export ratio* is below 1. As for the industry concentration indexes, employment in the export industries is more concentrated than in the import industries as fewer sectors are export oriented. Some of the other summary statistics confirm well-known stylized facts about the U.S. Congress. For example, female legislators are a clear minority, senators tend to be older than House members and to run more often for President. The descriptive statistics already show a clear inter-cameral difference in trade policy voting: trade liberalization bills passed in the Senate by a (statistically significant) larger margin than in the House.

4 Inter-cameral differences in voting behavior

In this section, we start by examining the voting behavior of all congressmen, to verify whether House members are indeed more protectionist than Senate members, as previously argued by Karol (2007). We then contrast House members and different generations of Senate members to establish whether inter-cameral differences in voting behavior are driven by senators' longer terms in office.

4.1 House vs Senate

We start by comparing the voting behavior of Senate and House members. The dependent variable in our analysis, $Vote_t^j$, is dichotomous and equals one if the congressman representing constituency j in year t has voted in favor of trade liberalization, and zero otherwise. Our baseline specification is thus given by

$$Prob(Vote_t^j = 1) = \Phi\left(\beta_0 + \beta_1 Senate^j + \beta_2 \mathbf{X}_t^j + \beta_3 \mathbf{Z}\right) \tag{1}$$

where $\Phi(\cdot)$ is the cumulative normal distribution (i.e., probit model) and House members are the omitted category. The main variable of interest is the *Senate* dummy. $\mathbf{X}$ is a matrix of district-specific characteristics, which are defined for each constituency j;[16] $\mathbf{Z}$ is a matrix of additional controls, which may or may not be time-invariant and district specific; β_0, β_1, β_2, and β_3 are the vectors of parameters to be estimated. We cluster standard errors by state-decade, thus allowing for the geographical correlation within each state to change over time (i.e., our sample spans three decades). Moreover, in order to facilitate the interpretation of the estimated coefficients, in the tables we report marginal effects (calculated at the mean of each regressor).

[16]For simplicity, when discussing the results of our regressions, we drop all j and t indices.

The estimates of various specifications are presented in Table 4. In the first three columns, we report the results of a series of parsimonious specifications, where the only explanatory variables are the *Senate* dummy and a set of year or state fixed effects, or both. We find that senators are more likely to support trade liberalization bills.[17] Year fixed effects are jointly significant and suggest that over time the likelihood of voting in favor of trade reforms has declined, indicating an erosion of the support for trade liberalization. Similarly, state fixed effects are jointly significant.[18]

The remainder of the table contains a series of robustness checks to investigate the role played by additional drivers of trade liberalization votes which have been identified by the existing literature. Importantly, in all the specifications, the estimate for the *Senate* dummy continues to be positively and significantly correlated with voting decisions on trade reforms. As for its economic significance, the estimated marginal effects imply that Senate members are between 8.8 and 15.7 percentage points more likely to vote in favor of trade liberalization (over the average predicted probability).

In column (4) we add controls for congressmen's party affiliation and demographic characteristics, as well as for the size and the trade interests of a constituency. We find that Senate membership increases the probability of supporting trade liberalization by 11.6 percentage points. In line with previous studies, support for trade reforms is significantly lower (by 43.5 percent) for members of the Democratic party and for older legislators. The impact of *Export ratio* is positive and significant, suggesting that the larger is the share of export workers in a constituency, the more likely its representative is to favor trade liberalization. In line with the results of Karol (2007), senators' trade votes are unrelated to constituency size, as proxied by *Population*.

The results reported in column (5) show that inter-cameral differences are also robust to the inclusion of concentration measures for export and import-competing industries. Notice that this leads to a more precisely estimated and more significant coefficient for the variable *Export ratio*.

In column (6), we control for the role of presidential aspirations and find that congressmen who participated in a presidential primary in the years following the trade vote tend to be more protectionist, although the coefficient is not significant.[19]

[17] In the simplest possible specification with only the *Senate* dummy, its coefficient is also positive and significant at the 1 percent level. The estimates of the various fixed effects are not reported to save on space. All the results and tests not reported in the text are available upon requests.

[18] Notice that these fixed effects can be included in our probit regressions because our unit of analysis is a vote, with variation both within and over years and states.

[19] There is indeed substantial anecdotal evidence that presidential candidates tend to campaign on a protectionist platform, even if – once elected – they end up taking a more moderate stance. For instance, in the last presidential campaign, Barack Obama took a more protectionist stance (e.g., suggesting that he would review the NAFTA agreement) than what implied by his policy decisions as President (see discussion in Section 6).

4.2 House vs different generations of senators

Next, we exploit the staggered nature of senators' electoral calendars. This specific institutional feature of the U.S. Congress implies that, at any point in time (i.e., for every vote in our sample), one third of the senators have the same electoral horizon as House members (i.e., they face elections in less than two years). This gives rise to a "quasi experimental" setting: since electoral calendars are exogenously assigned to each Senate seat, we can compare the voting of legislators with different remaining time in office.

We estimate the following probit model:

$$Prob(Vote_t^j = 1) = \Phi\left(\gamma_0 + \gamma_1 Senate1_t^j + \gamma_2 Senate2_t^j + \gamma_3 Senate3_t^j + \gamma_4 \mathbf{X}_t^j + \gamma_5 \mathbf{Z}\right), \quad (2)$$

in which House members are the omitted category. The main regressors of interest are the dummy variables for the three generations of senators. In particular, the coefficient of the variable *Senate*3 captures the stance of those senators which are up for re-election first, together with all House members.

In Table 5 we report the estimates of the same type of specifications as in Table 4, with a focus on the indicator variables referring to the different generations of senators. Notice that, in all specifications in which we control for time effects, the coefficient for senators belonging to the third generation is never significant, while the dummies for the other two generations are always positive and significant at the 1% level.[20] Depending on the specification, senators from the first generation are between 13.2 and 15.3 percent more likely to support trade liberalization measures (over the average predicted probability) than members of the House. The tests at the bottom of the table confirm that the estimate for the dummy of the third generation is statistically different from those of the other two generations, and there is no statistical difference between senators belonging to the first and second generation.

These findings suggest that congressmen's political horizon plays an important role in their decision to vote in favor or against trade liberalization bills. Indeed, senators in the last two years of their mandate do not behave differently from House members, who face elections at the same time as them; senators in the first two generations are instead more pro trade than House members, and this result is even stronger than what suggested by the marginal effect of the *Senate* dummy in Table 4, where all senators are treated identically.

As for the effect of the additional controls, their impact is very similar to the results reported in Table 4. In particular, Democrats and older congressmen are systematically more protectionist, while representatives of constituencies with a higher *Export ratio* are more likely to support trade reforms. The other variables do not significant affect congressmen's voting decisions.

[20] The coefficient γ_3 is insignificant even in the simplest specification including only the generations dummies.

4.3 Additional robustness checks

To further assess the robustness of our results on inter-cameral comparisons, we have performed a series of additional estimations, the results of which are available upon request.

First, we have introduced further controls for legislators' constituencies (i.e., real GDP per capita, unemployment rate, and percentage of population above 65 years).[21] Including these variables does not alter our main results, even though we find a negative and significant effect of unemployment on the support for trade liberalization.

Second, we have carried out the analysis on different subsets of trade votes. In particular, we have focused on: i) votes on the ratification of all regional and multilateral trade agreements negotiated by the United States since the early 1970s; ii) votes on the ratification of the most important of these agreements (Tokyo and Uruguay Rounds, CUSFTA and NAFTA), iii) votes on the conferral or extension of fast track authority to the President; iv) votes on bills introducing policy changes rather than maintaining the status quo (i.e., we have excluded from the analysis bills on the extension of fast track authority). In all cases, our results continue to hold.

The trade variable used in our benchmark analysis is based on whether the United States is a net importer/exporter in a given industry relative to the rest of the world (see Table 2 for details). It may be argued that this is an imprecise measure when it comes to the ratification of specific preferential trade agreements (PTAs), because of the idiosyncrasies of U.S. trade patterns with its trading partners.[22] For these votes, we have thus constructed a different version of the *Export ratio* variable based on the net trade position of the United States vis-à-vis PTA partners. The qualitative results of our analysis are also unaffected when using alternative measures of constituencies' trade interests.

Finally, we have included additional political controls for the legislators. In particular, we have accounted for whether they are serving their first mandate, and for the number of years they have been in Congress. These variables are never found to have a significant effect on legislators' voting behavior on trade reforms and our results concerning the comparison between House members and different generations of senators continue to hold. The same is true if we replace party affiliation with alternative measures of congressmen's ideological orientation, i.e., the Conservative rating index provided by the American Conservative Union (ACU) and the DW-Nominate scores (see Poole and Rosenthal 2001).

[21] These variables are not included in the benchmark analysis of Tables 4 and 5, since they are only available at the state level.

[22] For example, in recent years, the U.S. is an overall net importer of "Textile Product Mills", but it is a net exporter of these goods to Australia, Chile, Singapore, with which it has signed a PTA.

5 Different generations of senators

We now move to the core of our analysis, in which we examine the role of election proximity on legislators' voting behavior. To do so, we focus on votes cast in the U.S. Senate alone, exploiting its staggered structure and the fact that many of its members have voted on various trade bills during their careers.

We follow two complementary strategies. First, we compare how senators belonging to different generations vote on the same bill, thus exploiting differences across legislators. We estimate the following probit model, in which the first generation is taken as the omitted category:

$$Prob(Vote_t^j = 1) = \Phi\left(\delta_0 + \delta_1 Senate2_t^j + \delta_2 Senate3_t^j + \delta_3 \mathbf{X}_t^j + \delta_4 \mathbf{Z}\right). \quad (3)$$

Second, since our sample spans three decades, we can observe the votes that the same senator has cast on various trade bills, when belonging to different generations (i.e., at different times during his mandate). We can thus exploit the variation over time in the voting behavior of individual senators. To this end, we include congressmen's fixed effects and estimate the following conditional logit model:[23]

$$Prob(Vote_t^j = 1) = \Omega\left(\lambda_0 + \lambda_1 Senate2_t^j + \lambda_2 Senate3_t^j + \lambda_3 \mathbf{X}_t^j + \lambda_4 \mathbf{Z} + \lambda^j\right). \quad (4)$$

In this case, only senators that voted on more than one bill (and not always in favor or against protection) are retained in the analysis.

5.1 Comparison across senators

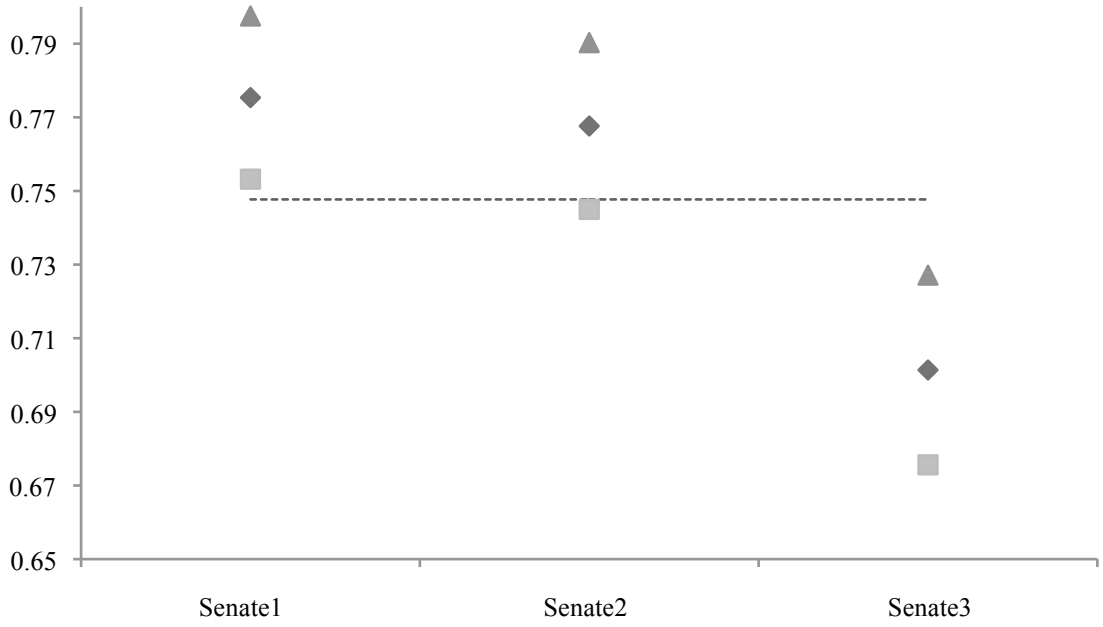
The results reported in Table 6 are based on the comparison of the voting behavior of *different senators* voting on the *same bill*. Notice that the marginal effect for the variable *Senate*3 is always negative and statistically significant at the 1 percent level. Thus, compared to the omitted category (senators in the first two years of their mandates), "in-cycle" senators are less likely to support trade liberalization reforms. In particular, our estimates suggest that they are around 10 percent less likely to vote for trade liberalization.[24] This can also be seen in Figure 1 below, in which we plot predicted probability for senators belonging to different generations.[25]

[23]The qualitative conclusions are unaffected if we estimate instead a probit model with individual legislator fixed effects. Notice that, since our unit of analysis is the vote, we can estimate a probit model with congressmen's fixed effects. However, because of the large number of fixed effects, we prefer to report the results of a conditional logit model. We have also run a linear probability model, obtaining very similar results.

[24]Notice that this effect is smaller than what discussed in Section 4, because the comparison is now with respect to senators the furthest away from elections, and not with respect to House members.

[25]The dotted line in Figure 1 depicts the average predicted probability that senators vote in favor of trade reforms (based on column 4 of Table 6); the symbols in dark grey are the predicted probabilities of different generations of senators, while the symbols in lighter grey represent their 95% confidence interval.

Figure 1: Predicted probabilities, different Senate generations



These findings imply that election proximity can be an important obstacle for the adoption of trade reforms. Consider, for example, the last vote cast in the U.S. Congress on a major trade reform, i.e., the ratification of the DR-CAFTA free trade agreement between the United States, the Dominican Republic, and several Central American countries (see Table 1). This bill passed in the Senate by a margin of only five votes. Our results on inter-generational voting differences suggest that, had all senators been up for re-election at the time of the vote, this agreement would not have been ratified.[26]

The estimates for the other regressors are in line with the results obtained in the previous section. However, the Democrat dummy has a much smaller marginal effect (reducing the probability of a vote in favor by less than 20 percentage points), indicating that the difference between Democrats and Republicans in their propensity to vote for trade liberalization bills is bigger in the House than in the Senate. On the contrary, age seems to have a bigger impacts on senators than on House representatives. Overall, the qualitative conclusions that we reached when comparing senators are the same as those identified in Section 4: there is clear evidence of a protectionist effect as senators approach the end of their electoral mandate.

[26]Based on the estimates of our benchmark specification (column 4 of Table 6), the predicted probability of a vote in favor of the DR-CAFTA trade agreement is 52.17% when senators belong to different generations, but drops to 46.19% in the counter-factual scenario in which all senators belong to the last generation.

5.2 Comparison within senators

We now turn to the analysis of the impact of election proximity on the voting behavior of *individual senators* on *different bills* during their political career.

Table 7 reports the results of estimations that focus on senators' votes and include fixed effects for individual legislators. As mentioned above, in these "within" estimations, only the observations for senators who voted more than once and changed the behavior across trade liberalization bills are retained. As a result, our sample size is now reduced to 754 observations. Notice also that we consider the same specifications as in Table 5, but exclude the *Female* and *Democrat* controls, as well as the state fixed effects, since they show little or no variation at the individual level. We also exclude *Age*, as it is collinear with year fixed effects in these within estimations.

As it can be seen from all specifications included in the table, an individual senator in the last two years of his mandate is systematically less likely to support trade liberalization than the same senator in the first four years of his mandate. Indeed, looking at the individual behavior of U.S. senators over their career in Congress, we can see that various senators *never* voted in favor of a trade liberalization bill in the last two years before re-election, but did vote in favor at least once earlier in their terms.[27] The results for the other regressors are in line with our previous findings.

In column (6) we control for the contributions received by a given senator during each congress cycle, i.e., when belonging to different "generations". The inclusion of these extra regressors does not affect our previous results, and in particular the coefficient for *Senate*3 is always negative and statistically significant at the 1 percent level. Thus, the more protectionist stance of senators toward the end of their mandate does not seem to be driven by the timing of political contributions. As for the the impact of lobbying more generally, we find that neither labor nor corporate PAC contributions play a statistically significant role, even if the direction of their effects is in line with what found by Baldwin and Magee (2000) in their study of voting by members of Congress on three trade bills introduced in the early 1990's.[28]

5.3 The pervasive effect of election proximity

The results presented in Sections 5.1 and 5.2 above show that senators are significantly less likely to support trade liberalization reforms when they are close to facing elections. Is this finding driven solely by the voting behavior of "anti-trade" legislators, i.e., representatives of import-

[27] Examples of this type of voting behavior include Senators Brown (CO), Clinton (NY), Dixon (IL), Feinstein (CA), Stabenow (MI), Reed (RI), and Wofford (PA).

[28] We also tried interacting labor and corporate contributions with the indicator variables for senate generations, to determine whether lobbying pressure has a different impact on legislators at different times during their mandate. The coefficient for the interaction terms were not significant.

competing constituencies and members of the Democratic party? To address this question, we have examined whether senators' cycling behavior depends on the trade policy interests of their constituencies and their party affiliation.

The results of these estimations, which are reported in Table 8, show that the protectionist effect of election proximity is pervasive: the same cycling behavior is observed among representatives of both import-competing constituencies (the coefficient of the variable *Senate*3 in columns 1-3 is negative and significant) and export constituencies (the test at the bottom of columns 1-3 is significant); and among both Republican senators (the coefficient of the variable *Senate*3 in columns 4-6 is negative and significant) and Democratic senators (the test at the bottom of columns 4-6 is significant). Thus election proximity deters legislators from supporting trade liberalization reforms, even if they represent constituencies in which most workers are employed in export industries or they belong to the "pro-trade" Republican party.

Table 8 also shows that, earlier in their mandate, representatives of export constituencies are more willing to support trade liberalization reforms than representatives of import-competing ones (the coefficient of the interaction term $Senate12_t^j$ x $Export_t^j$ is positive and significant). Interestingly, this difference disappears at the end of their mandate (the coefficient of the interaction term $Senate3_t^j$ x $Export_t^j$ is positive but not significant). These findings suggest that, when elections approach, all legislators pander to the protectionist sentiments of import-competing workers. Even if these are a minority of the electorate in some constituencies, they may be the only voters who actually decide whether to re-elect their representatives based on their trade policy choices (see discussion in Section 6).

5.4 The role of re-election incentives

Thus far our analysis has shown that election proximity leads legislators to become more protectionist. What drives this result? A natural explanation is represented by electoral incentives. To assess their role, in this section we carry out two falsification exercises, arguing that legislators who are not afraid of losing office should not be responsive to electoral calendars. In particular, we focus on two kinds of senators: those who have been elected with very large margins of victory, who know that there is very little chance that they will lose their seat, and those who have announced their retirement, and thus do not care about their re-election chances.[29]

If re-election motives are the reason behind the inter-generational differences in voting behavior documented above, we would expect the protectionist effect of election proximity to disappear for senators with very safe seats and for those retiring. To verify this hypothesis, we run a series of regressions in which we compare senators of the last generation with those of previous gener-

[29]This is similar to the strategy used by Mian, Sufi, and Trebbi (2010), who make use of information on retiring legislators and "competitive" seats (the opposite of safe seats) to verify the role of re-election incentives.

ations, and distinguish senators whose seat is *Safe* or who are *Retiring*. Considering that some senators have safe seats for long spells of their political career and that we have few observations with retiring senators, we will only show the results of estimations based on the comparison of the voting behavior across different senators. Moreover, since our previous results suggest that there is no statistical difference in behavior between senators belonging to the first and second generation, we consider these together as the omitted category.

Our findings are presented in Table 9. Notice that in all specifications the coefficient for the variable *Senate*3 is negative and highly significant, confirming that senators in the last two years before re-election are less likely to support trade reforms than senators who are in the first four years of their terms in office. Thus election proximity has a protectionist effect on trade policy voting behavior.

Column (1) reports the result of a specification in which we introduce as controls the interaction terms between the two classes of senators (*Senate*3 and *Senate*12, for senators belonging to the last and the first two generations, respectively) and the variable *Safe*, which is equal to one for senators last elected with a margin of victory of at least 60 percentage points. Such a threshold corresponds to the average margin of victory plus two standard deviations, and is meant to capture very safe seats. The positive and significant coefficients on the interaction terms indicate that being secured in one's seat has a positive effect on the likelihood that a senator will support trade reforms. More importantly, the test at the bottom of the table shows that there are no significant inter-generational differences among senators with secured seats: senators who are not concerned about losing their seats are no more protectionist during the last two years of their terms in office than during the first four.

This result suggests that the protectionist effect of election proximity found for legislators who were not elected with very large margins of victory is driven by their fear of losing office. These findings are confirmed in columns (2) and (3), which report the results of alternative specifications including additional controls for the legislators and their constituencies, in line with what done in previous tables.

In the last three columns of Table 9, we apply a similar logic to senators who have announced their retirement. Columns (4)-(6) report the results of specifications in which we introduced the dummy variable *Retiring* as a control. Since we do not have information on the exact date when the retiring decision was taken, we cannot look at whether retiring senators change their behavior during their mandate. We can, however, compare the behavior of those who have announced that they will leave office with that of senators who are running for re-election. Notice that the coefficient for *Retiring* is positive (and significant in two out of three specifications), confirming that re-election incentives deter politicians from supporting trade reforms. In addition, the test at the bottom of the table indicates that retiring in-cycle senators are no more protectionist

than senators in the first two generations.[30]

The results of Table 9 strongly suggest that re-election incentives are the key reason behind the protectionist effect of election proximity: senators are significantly less likely to support trade reforms during the last two years of their terms in office, with the probability of voting in favor of trade liberalization bills being between 8 and 9 percentage points lower for senators who are in the last two years of their mandate; however, this cycling behavior "disappears" for senators who are not afraid of losing office, either because they have been elected with very wide margins of victory, or because they have decided not to run for re-election.

5.5 Additional robustness checks

We have performed a series of additional estimations to further check the robustness of our findings concerning inter-generational differences in senators' voting behavior.

Our analysis above already accounts for various individual-level characteristics of the legislators (e.g., party affiliation, age, gender, seat safety). The literature on U.S. congressional politics suggests that other variables may also play an important role in shaping their voting behavior. In a series of additional estimations we have thus includes additional political controls for senators. In particular, we account for whether or not they are in their first term in office (*Incumbent*), for how many years they have served (*Years in Congress*), and whether they are members of the two most powerful Senate committees (*Appropriations committee* and *Finance committee*). Table 10 reports the results of these estimations. In columns (1)-(3), we examine the effect of election proximity by comparing the voting behavior of different senators voting on the same bill. Columns (4)-(6) focus instead on the behavior of individual legislators voting on different bills. In all specifications, our main result continue to hold, i.e., senators belonging to the last generation are significantly more protectionist than senators belonging to the first and second generation. Incumbency and tenure do not appear to play a significant role, while membership in the Appropriation and Finance committees tends to increase support for trade liberalization reforms.

Introducing additional controls for legislators' constituencies, carrying out the analysis using different subsets of trade votes, or using alternative measures of trade policy interests does not affect our results (see Section 4.3 for more details). The results of these estimations are available upon requests.

[30]Interestingly, two of the trade liberalization votes in our sample (the first approval of fast track in December 1974 and ratification of the Uruguay Round Agreement in December 1994) occurred following the November general elections, but before the newly elected congressmen have taken their seats. In line with the above results on retiring senators, we find that none of the defeated senators approaching the end of their tenure ("lame ducks") voted against these trade liberalization bills.

6 Conclusions

In this paper, we have examined how term length and election proximity affect policymakers' willingness to support trade reforms. Our analysis of the determinants of all votes on major U.S. trade liberalization bills cast since the early 1970's shows that House representatives are generally more protectionist than members of the Senate. However, this difference disappears for senators in the last two years of their mandate, who share the same "political horizon" as House members. These results suggest that inter-cameral differences in voting behavior are driven by differences in term length.

When considering Senate votes alone, we find that the last generation is more protectionist than the previous two: senators who are in the last two years of their terms are significantly less likely to support trade reforms than senators who are further away from re-election. This result holds both when comparing the behavior of different senators voting on the same bill, and the behavior of individual senators over time; it also survives the inclusion of a large set of individual-level and district-level controls, and the use of different econometric methodologies. Inter-generational differences in support for trade reforms disappear only for senators who hold very safe seats or are retiring, indicating that the protectionist effect of election proximity is driven by the fear of losing office.

Our findings suggest that short-term re-election incentives can be an important obstacle to the adoption of structural reforms such as the removal of trade barriers. Electoral calendars can thus crucially affect trade policy outcomes, since legislators are often supportive of trade liberalization at the beginning of their mandates, but turn against it as they approach their re-election date.[31] Short-term re-election motives can also explain why most politicians tend to campaign on protectionist platforms. For instance, Barack Obama was accused of pandering to import-competing workers during his presidential campaign, when he attacked NAFTA as being "devastating on the community" and stated "I don't think NAFTA has been good for America, and I never have".[32]

An important avenue of future research is to develop new theoretical models to shed light on the mechanisms through which policymakers' horizon can affect trade policy choices. Existing models cannot readily account for the observed effects of term length and election proximity on congressmen's voting behavior, since they do not examine how electoral calendars affect trade policy choices. We can think of two broad mechanisms that could provide a explanation for our findings.

[31] For example, our estimates suggest that the DR-CAFTA free trade agreement between the U.S., the Dominican Republic, and several Central American countries would not have been ratified had all senators been in the last two years of their mandates (see footnote 26).

[32] He later admitted in an interview with Nina Easton ("Obama: NAFTA Not So Bad After All," *Fortune*, 6/18/08) that his campaign rhetoric had been "overheated and amplified", stressing that "politicians are always guilty of that, and I don't exempt myself".

The first is lobbying. Inter-generational differences in senators' voting behavior may arise in a setting in which legislators care about aggregate welfare, but are also influenced by interest groups through campaign contributions (e.g., Grossman and Helpman 1994) and protectionist lobbies exercise more pressure on policymakers who are close to elections. Our empirical analysis does not seem to support this mechanism, since inter-generational voting differences persist even after we account for the amount of corporate and labor contributions received by individual senators throughout their mandate.[33] However, a systematic analysis of the role of lobbying in explaining the effects of electoral calendars on trade policy choices would require more detailed data on campaign contributions, allowing to identify the source and purpose of the payments received by individual senators over time.

An alternative explanation for our findings is that legislators pander to the protectionist preferences of the electorate, to maximize their chances of remaining in office. Indeed, opinion surveys show that most U.S. voters are opposed to trade liberalization.[34] Legislators may be particularly responsive to protectionist sentiments at the end of their mandates, if they believe that voters suffer from a "recency bias", i.e., attach greater weight to the recent performance of incumbent politicians when assessing their accomplishments.[35] Legislators can thus "get away with" voting in favor of trade liberalization at the beginning of their terms; when they are close to facing re-election, they instead oppose trade reforms for fear of losing office.

Notice that this pandering effect may occur even if only a minority of the electorate opposes trade liberalization, since voters are heterogeneous in the intensity of their preferences over different policy issues. Although most voters decide whether to re-elect incumbent politicians based on their choices on "frontline" policy issues (e.g., government spending on health and education, or the degree of income redistribution), trade reforms (which are often considered "secondary" policy issues) may be salient to some groups of voters who feel hurt or threatened by them. Legislators will thus oppose trade reforms to please these voters.[36] In line with this

[33]It is worth noticing that existing political economy models do not examine the role of the timing of lobbying pressure. A priory, it is not obvious whether contributions should be concentrated at the beginning or at the end of legislators' mandates. On the one hand, legislators may be more receptive to lobbying pressure when they are closer to re-election and are more in need of contributions to finance their campaigns. On the other hand, having cash available at the beginning of a campaign may help deterring potential challengers. Moreover, lobbies may prefer to offer contributions earlier, when politicians can still deliver on their policy promises.

[34]A recent literature has examined the determinants of individuals' trade policy preferences, focusing on the role of labor market attributes. These studies show that a majority of individuals oppose trade liberalization. For example, based on the 1992 round of the U.S. National Election Studies (NES) survey, Scheve and Slaughter (2001) find that 67% of the respondents are in favor of more restrictive trade policies, and similar patterns have been highlighted by Blonigen (2011) when looking at more rounds of the NES survey, and by Mayda and Rodrik (2005) using a broad cross section of countries.

[35]The idea of a recency bias in voting goes back to the influential contribution by Weingast, Shepsle, and Johnsen (1981) and is supported by a large empirical literature (see Lewis-Beck and Stegmaier 2000 for a review). Numerous studies have also shown that the incumbent party's fortunes in U.S. presidential elections are crucially affected by recent economic conditions (e.g., Eisenberg and Ketcham 2004).

[36]List and Sturm (2006) argue that "secondary" issues, such as trade or environmental policies, have little

idea, our empirical analysis shows that the protectionist effect of election proximity is a pervasive phenomenon: even senators representing export constituencies, in which only a minority of workers are employed in import-competing industries, become less supportive of trade reforms toward the end of their mandate.

Another interesting avenue for future research is to examine whether election proximity affects legislators' voting behavior on other types of economic policies. In particular, the institutional features of the U.S. Congress could be used to study how electoral calendars shape votes on different structural as well as stabilization reforms, involving both "frontline" and "secondary" policy issues.[37]

impact on the majority of the electorate, but substantially affect a minority of voters. The preferences of these voters may be strong enough to induce them to be "single-issue voters," who base their re-election decisions on this particular issue. Politicians may thus distort policy choices in such secondary areas to attract these voters.

[37] A recent study by Conconi, Mertens, and Zanardi (2011) shows that U.S. senators become more supportive of environmental reforms at the end of their mandates. This result holds both when comparing the voting behavior of different senators at a given point in time, and the behavior of individual senators over time; it only disappears for retiring senators, suggesting that "greening" effect of election proximity is driven by re-election motives.

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Table 1: Votes on trade liberalization bills

Bill	Description	Vote in House	Vote in Senate
H.R. 10710	First approval of fast track authority	Dec. 11, 1973	Dec. 20, 1974
Trade Act of 1974	Other provisions: escape clause, antidumping, countervailing duties, trade adjustment assistance, GSP	(272-140)	(72-4)
H.R. 4537	Approval of Tokyo Round Agreements	July 11, 1979	July 23, 1979
Trade Agreements Act of 1979	Other provisions: extension of fast track authority	(395-7)	(90-4)
H.R. 4848	Approval of fast track authority	July 13, 1988	Aug. 3, 1988
Omnibus Trade and Competitiveness Act	Other provisions: strengthening of unilateral trade retaliation instruments, authority of USTR	(376-45)	(85-11)
H.R. 5090	Approval of free trade area between United States and Canada (CUSFTA)	Aug. 9, 1988 (366-40)	Sept. 19, 1988 (83-9)
H.Res. 101/S.Res. 78	Disapproval of extension of fast track authority	May 23, 1991 (192-231)	May 24, 1991 (36-59)
H.R. 1876	Extension of fast track authority	June 22, 1993 (295-126)	June 30, 1993 (76-16)
H.R. 3450	Approval of free trade area between United States, Canada and Mexico (NAFTA)	Nov. 17, 1993 (234-200)	Nov. 20, 1993 (61-38)
H.R. 5110	Approval of Uruguay Round Agreements	Nov. 29, 1994 (288-146)	Dec. 1, 1994 (76-24)
H.R. 2621	Approval of fast track authority (denied)	Sept. 25, 1998 (180-243)	
H.R. 3009	Approval of fast track authority	July 27, 2002	Aug. 1, 2002
Trade Act of 2002	Other provisions: Andean Trade Preference Act, trade adjustment assistance, GSP	(215-212)	(64-34)
H.R. 2738	Approval of free trade area between United States and Chile	July 24, 2003 (270-156)	July 31, 2003 (65-32)
H.R. 2739	Approval of free trade area between United States and Singapore	July 24, 2003 (272-155)	July 31, 2003 (66-32)
H.R. 4759	Approval of free trade area between United States and Australia	July 14, 2004 (314-109)	July 15, 2004 (80-16)
H.R. 4842/S. 2677	Approval of free trade area between United States and Morocco	July 22, 2004 (323-99)	July 21, 2004 (85-13)
H.R. 3045	Approval of free trade area between United States, Dominican Republic, Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua (DR-CAFTA)	July 28, 2005 (217-215)	July 28, 2005 (55-45)

Notes: Only final votes are reported; with the exception of the votes in 1991, the first (second) number in parenthesis refers to votes in favor of the bill (against it). The Senate did not vote on the bill of 1998, since the House had already rejected it.

Table 2: Definition of variables and sources

Variable	Definition	Source
Vote_t^i	Vote cast by congressman from constituency j	Up to 1996: ICPSR Study number 4;
	Dummy equal to 1 if 'yea' and 0 if 'nay'	From 1997: http://www.voteview.com
Senate^j	Dummy equal to 1 if congressman j is a senator	As for Vote_t^j
Senate1_t^j	Dummy equal to 1 if senator j is in first two years of mandate	As for Vote_t^j
Senate2_t^j	Dummy equal to 1 if senator j is in middle two years of mandate	As for Vote_t^j
Senate3_t^j	Dummy equal to 1 if senator j is in last two years of mandate	As for Vote_t^j
Democrat_t^j	Dummy equal to 1 if congressman j is a Democrat	As for Vote_t^j
Female_t^j	Dummy equal to 1 if congressman j is female	Up to 1996: ICPSR Study number 7803;
		From 1997 up to 2000: Swift et al. (2000);
		From 2001: Biographical Directory of U.S. Congress
Age_t^j	Age of congressman j	As for Female_t^j
$\text{Presidential aspirations}_t^j$	Dummy equal to 1 if congressman j ever participated in a presidential primary after year t	Leip (2008)
Population_t^j	Population of constituency j (in millions)	U.S. Census Bureau
Export ratio_t^j	$\frac{X_t^j}{Y_t^j}$	County Business Patterns
HHI exports_t^j	Herfindahl-Hirschman Index for export industries	County Business Patterns
HHI imports_t^j	Herfindahl-Hirschman Index for import industries	County Business Patterns
$\text{Labor contributions}_t^j$	Contributions received by senator j from labor groups	Federal Election Commission
$\text{Business contributions}_t^j$	Contributions received by senator j from corporate groups	Federal Election Commission
Safe_t^j	Dummy equal to 1 if $\text{Margin of victory}_t^j \geq 60$ percent	U.S. Office of the Clerk
Retiring_t^j	Dummy equal to 1 if senator j is retiring	Up to 2004: Overby and Bell (2004);
	and Senate3_t^j is equal to 1	From 2005: Biographical Directory of U.S. Congress
Incumbent_t^j	Dummy equal to 1 if congressman j is not in the first mandate	Biographical Directory of the United States Congress
$\text{Years in Congress}_t^j$	Years of service by congressman j up to year t	As for Female_t^j
$\text{Finance committee}_t^j$	Dummy equal to 1 if congressman j belongs to Finance committee	As for Female_t^j
$\text{Appropriation committee}_t^j$	Dummy equal to 1 if congressman j belongs to Appropriation committee	As for Female_t^j
Export_t^j	Dummy equal to 1 if $\text{Export ratio}_t^j > 1$	As for Export ratio
Y_t^j	Employees of constituency j in import-competing industries	County Business Patterns
X_t^j	Employees of constituency j in export industries	County Business Patterns
$\text{Import/export industries}^t$	Industries in which the U.S. is a net importer/exporter	Feenstra (1996), Feenstra (1997), Feenstra et al. (2002) and U.S. ITC, IMF BoP
Congressional Districts	Aggregate of counties included in each district	1973-1982: ICSPR dataset 8258;
		1983-2002: provided by Christopher Magee
$\text{Margin of victory}_t^j$	Difference in votes shares between senator j and runner-up in last election	U.S. Office of the Clerk

Table 3: Descriptive statistics

	House and Senate			Senate		
Variable	Observations	Mean	Std. dev.	Observations	Mean	Std. dev.
Vote_t^j	7,664	0.687	0.464	1,254	0.750	0.433
Senate^j	7,664	0.174	0.379			
Senate1_t^j	7,664	0.058	0.234	1,254	0.325	0.449
Senate2_t^j	7,664	0.059	0.235	1,254	0.337	0.473
Senate3_t^j	7,664	0.057	0.231	1,254	0.338	0.473
Democrat_t^j	7,664	0.535	0.499	1,254	0.540	0.497
Female_t^j	7,664	0.098	0.297	1,254	0.085	0.279
Age_t^j	7,664	54.48	10.159	1,254	58.89	9.958
Population_t^j	7,664	1.429	3.030	1,254	5.066	5.656
Export ratio_t^j	7,664	0.442	0.540	1,254	0.528	0.550
HHI exports_t^j	7,664	0.506	0.279	1,254	0.503	0.292
HHI imports_t^j	7,664	0.156	0.086	1,254	0.136	0.062
$\text{Presidential aspirations}_t^j$	7,664	0.026	0.158	1,254	0.105	0.307
$\text{Labor contributions}_t^j$				754	56.286	96.96
$\text{Corporate contributions}_t^j$				754	176.491	258.662
Safe_t^j				1,213	0.047	0.215
Retiring_t^j				1,254	0.043	0.203
Export_t^j				1,254	0.138	0.345
$\text{Finance committee}_t^j$				1,254	0.201	0.401
$\text{Appropriation committee}_t^j$				1,254	0.278	0.448

Table 4: Trade Liberalization votes: House vs Senate

	(1)	(2)	(3)	(4)	(5)	(6)
Senate^j	0.064***	0.110***	0.083***	0.087***	0.087***	0.095***
	(0.023)	(0.022)	(0.024)	(0.031)	(0.032)	(0.034)
Democrat$_t^j$				-0.326***	-0.327***	-0.327***
				(0.027)	(0.027)	(0.027)
Female$_t^j$				-0.034	-0.036	-0.036
				(0.026)	(0.026)	(0.027)
Age$_t^j$				-0.002***	-0.002***	-0.002***
				(0.001)	(0.001)	(0.001)
Population$_t^j$				0.003	0.003	0.004
				(0.004)	(0.004)	(0.004)
Export ratio$_t^j$				0.048*	0.065**	0.047*
				(0.027)	(0.026)	(0.027)
HHI Exports$_t^j$					-0.106	
					(0.083)	
HHI Imports$_t^j$					0.124	
					(0.111)	
Presidential aspirations$_t^j$						-0.116
						(0.093)
Year effects	included		included	included	included	included
State effects		included	included	included	included	included
Observations	7,664	7,664	7,664	7,664	7,664	7,664
Pseudo R^2	0.10	0.06	0.16	0.26	0.26	0.26
Log likelihood	-4,296.29	-4,465.14	-3,988.51	-3,516.28	-3,513.69	-3,512.23
χ^2	363.36***	1,035.55***	2,320.58***	2,528.36***	2,583.56***	2,770.67***
Predicted probability	0.72	0.70	0.73	0.75	0.75	0.75

The table reports marginal effects of probit regresssions. The dependent variable, Vote$_t^j$, equals 1 if the congressman votes in favor of trade liberalization, 0 otherwise. Standard errors clustered at state-decade level in parenthesis; *** denotes significance at 1% level; ** 5% level; * 10% level.

Table 5: Trade Liberalization votes: House vs generations of senators

	(1)	(2)	(3)	(4)	(5)	(6)
Senate3_t^j	0.015	0.063**	0.032	0.040	0.040	0.049
	(0.030)	(0.026)	(0.030)	(0.038)	(0.038)	(0.040)
Senate2_t^j	0.079***	0.133***	0.104***	0.106***	0.106***	0.113***
	(0.027)	(0.024)	(0.026)	(0.030)	(0.030)	(0.031)
Senate1_t^j	0.095***	0.124***	0.107***	0.105***	0.104***	0.111***
	(0.025)	(0.026)	(0.027)	(0.033)	(0.033)	(0.035)
Democrat_t^j				-0.326***	-0.327***	-0.326***
				(0.027)	(0.027)	(0.027)
Female_t^j				-0.035	-0.037	-0.037
				(0.027)	(0.026)	(0.027)
Age_t^j				-0.002***	-0.002***	-0.002***
				(0.001)	(0.001)	(0.001)
Population_t^j				0.004	0.004	0.004
				(0.004)	(0.004)	(0.004)
Export ratio_t^j				0.049*	0.066**	0.048*
				(0.027)	(0.026)	(0.027)
HHI Exports_t^j					-0.106	
					(0.083)	
HHI Imports_t^j					0.125	
					(0.110)	
$\text{Presidential aspirations}_t^j$						-0.116
						(0.093)
Year effects	included		included	included	included	included
State effects		included	included	included	included	included
Test $\text{Senate3}_t^j = \text{Senate2}_t^j$	4.96**	7.42***	6.69***	5.12**	5.19**	5.01**
Test $\text{Senate3}_t^j = \text{Senate1}_t^j$	9.96***	5.88**	8.93***	6.13**	6.12**	5.87**
Observations	7,664	7,664	7,664	7,664	7,664	7,664
Pseudo R^2	0.10	0.06	0.16	0.26	0.26	0.26
Log likelihood	-4,292.12	-4,461.44	-3,984.28	-3,512.71	-3,510.09	-3,508.69
χ^2	364.89***	1,128.72***	2,435.48***	2,561.10***	2,537.26***	2,738.03***
Predicted probability	0.72	0.70	0.73	0.75	0.75	0.75

The table reports marginal effects of probit regresssions. The dependent variable, Vote_t^j, equals 1 if the congressman votes in favor of trade liberalization, 0 otherwise. Standard errors clustered at state-decade level in parenthesis; *** denotes significance at 1% level; ** 5% level; * 10% level.

Table 6: Senator generations, different legislators voting on the same bill

	(1)	(2)	(3)	(4)	(5)	(6)
Senate3_t^j	-0.077***	-0.075***	-0.090***	-0.081***	-0.081***	-0.080***
	(0.026)	(0.027)	(0.026)	(0.026)	(0.025)	(0.026)
Senate2_t^j	-0.015	0.000	-0.017	-0.009	-0.009	-0.009
	(0.029)	(0.032)	(0.032)	(0.030)	(0.029)	(0.029)
Democrat_t^j				-0.145***	-0.142***	-0.147***
				(0.035)	(0.035)	(0.034)
Female_t^j				-0.035	-0.042	-0.040
				(0.049)	(0.051)	(0.048)
Age_t^j				-0.005***	-0.005***	-0.005***
				(0.001)	(0.001)	(0.001)
Population_t^j				0.004	0.005	0.005
				(0.014)	(0.014)	(0.014)
Export ratio_t^j				0.103**	0.139***	0.103*
				(0.052)	(0.052)	(0.053)
HHI Exports_t^j					-0.083	
					(0.189)	
HHI Imports_t^j					0.388	
					(0.424)	
$\text{Presidential aspirations}_t^j$						0.051
						(0.042)
Year effects	included		included	included	included	included
State effects		included	included	included	included	included
Test $\text{Senate3}_t^j = \text{Senate2}_t^j$	5.16**	6.47***	6.13**	5.90**	6.01**	5.95**
Observations	1,331	1,254	1,254	1,254	1,254	1,254
Pseudo R^2	0.09	0.17	0.28	0.31	0.31	0.31
Log likelihood	-661.04	-583.65	-508.83	-485.79	-484.68	-485.25
χ^2	88.18***	340.03***	1,122.25***	2,084.78***	1,541.58***	1,659.92***
Predicted probability	0.79	0.79	0.82	0.84	0.84	0.84

The table reports marginal effects of probit regresssions. The dependent variable, Vote_t^j, equals 1 if the congressman votes in favor of trade liberalization, 0 otherwise. Standard errors clustered at state-decade level in parenthesis; *** denotes significance at 1% level; ** 5% level; * 10% level.

Table 7: Senator generations, same legislator voting on different bills

	(1)	(2)	(3)	(4)	(5)
Senate3$_t^j$	-0.855***	-0.888***	-0.874***	-0.888***	-0.873***
	(0.224)	(0.224)	(0.230)	(0.226)	(0.273)
Senate2$_t^j$	-0.344	-0.340	-0.304	-0.340	-0.372*
	(0.212)	(0.216)	(0.221)	(0.216)	(0.219)
Population$_t^j$		0.265	0.284	0.265	0.266
		(0.213)	(0.212)	(0.213)	(0.178)
Export ratio$_t^j$		0.693*	1.396***	0.693*	0.711*
		(0.390)	(0.444)	(0.390)	(0.405)
HHI Exports$_t^j$			-1.538		
			(1.431)		
HHI Imports$_t^j$			5.110		
			(4.902)		
Presidential aspirations$_t^j$				-0.008	
				(0.684)	
Labor contributions$_t^j$					-0.002
					(0.001)
Corporate contributions$_t^j$					0.001
					(0.001)
Year effects	included	included	included	included	included
Senator effects	included	included	included	included	included
Test Senate3$_t^j$ = Senate2$_t^j$	6.02**	7.06***	7.45***	6.89***	4.01**
Observations	754	754	754	754	754
Pseudo R^2	0.21	0.22	0.23	0.22	0.22
Log likelihood	-251.91	-249.47	-246.19	-249.47	-248.72
χ^2	72.65***	80.24***	101.44***	81.32***	94.29***

The table reports coefficient estimates of conditional logit models for all regressors. The dependent variable, Vote$_t^j$, equals 1 if the congressman votes in favor of trade liberalization, 0 otherwise. Standard errors clustered at congressman level in parenthesis; *** denotes significance at 1% level; ** 5% level; * 10% level.

Table 8: Senators generations, by constituency type and party affiliation

	(1)	(2)	(3)	(4)	(5)	(6)
Senate3_t^j	-0.074***	-0.066***	-0.066***	-0.088**	-0.080**	-0.079**
	(0.024)	(0.024)	(0.024)	(0.038)	(0.039)	(0.038)
Democrat_t^j		-0.146***	-0.145***			
		(0.034)	(0.034)			
Female_t^j		-0.032	-0.035		-0.035	-0.042
		(0.048)	(0.049)		(0.049)	(0.051)
Age_t^j		-0.005***	-0.005***		-0.005***	-0.005***
		(0.001)	(0.001)		(0.001)	(0.001)
Population_t^j		0.005	0.005		0.004	0.005
		(0.013)	(0.013)		(0.014)	(0.014)
Export ratio_t^j					0.103**	0.139***
					(0.053)	(0.052)
HHI Exports_t^j			-0.062			-0.084
			(0.183)			(0.188)
HHI Imports_t^j			0.110			0.384
			(0.386)			(0.423)
Senate3_t^j x Export_t^j	0.069	0.058	0.070			
	(0.061)	(0.065)	(0.060)			
Senate12_t^j x Export_t^j	0.117***	0.104**	0.113***			
	(0.043)	(0.045)	(0.041)			
Senate3_t^j x Democrat_t^j				-0.167***	-0.167***	-0.165***
				(0.055)	(0.054)	(0.054)
Senate12_t^j x Democrat_t^j				-0.180***	-0.164***	-0.159***
				(0.053)	(0.051)	(0.051)
Year and state effects	included	included	included	included	included	included
Test Senate3_t^j + Senate3_t^j x Export_t^j = Senate12_t^j x Export_t^j	4.15**	3.16*	3.11*			
Test Senate3_t^j + Senate3_t^j x Democrat_t^j= Senate12_t^j x Democrat_t^j				4.56**	5.68**	5.99**
Observations	1,254	1,254	1,254	1,254	1,254	1,254
Pseudo R^2	0.28	0.31	0.31	0.30	0.31	0.31
Log likelihood	-506.30	-487.10	-486.84	-495.65	-485.83	-484.73
χ^2	1,186.45***	1,884.53***	1,855.39***	1,065.37***	1,897.40***	1,437.01***
Predicted probability	0.83	0.84	0.84	0.83	0.84	0.84

The table reports marginal effects of probit regresssions. The dependent variable, Vote_t^j, equals 1 if the congressman votes in favor of trade liberalization, 0 otherwise. Standard errors clustered at state-decade level in parenthesis; *** denotes significance at 1% level; ** 5% level; * 10% level.

Table 9: The role of re-election incentives: senators with safe seats or retiring

	(1)	(2)	(3)	(4)	(5)	(6)
Senate3_t^j	-0.088***	-0.081***	-0.082***	-0.088***	-0.084***	-0.085***
	(0.024)	(0.025)	(0.025)	(0.023)	(0.024)	(0.024)
Senate3_t^j x Safe_t^j	0.116**	0.142***	0.145***			
	(0.046)	(0.028)	(0.027)			
Senate12_t^j x Safe_t^j	0.150***	0.167***	0.168***			
	(0.028)	(0.018)	(0.019)			
Retiring_t^j				0.081	0.100**	0.096**
				(0.059)	(0.043)	(0.044)
Democrat_t^j		-0.145***	-0.143***		-0.147***	-0.144***
		(0.035)	(0.035)		(0.034)	(0.035)
Female_t^j		0.009	0.004		-0.031	-0.037
		(0.044)	(0.045)		(0.048)	(0.049)
Age_t^j		-0.005***	-0.006***		-0.005***	-0.005***
		(0.002)	(0.002)		(0.001)	(0.001)
Population_t^j		0.006	0.005		0.004	0.004
		(0.013)	(0.013)		(0.014)	(0.014)
Export ratio_t^j		0.140***	0.167***		0.101*	0.135***
		(0.052)	(0.057)		(0.052)	(0.051)
HHI Exports_t^j			0.001			-0.079
			(0.211)			(0.189)
HHI Imports_t^j			0.479			0.364
			(0.472)			(0.423)
Year and state effects	included	included	included	included	included	included
Test Senate3_t^j + Senate3_t^j x Safe_t^j = Senate12_t^j x Safe_t^j	1.57	2.15	1.75			
Test Senate3_t^j + Retiring_t^j = 0				0.03	0.41	0.32
Observations	1,213	1,213	1,213	1,254	1,254	1,254
Pseudo R^2	0.28	0.32	0.32	0.28	0.31	0.31
Log likelihood	-497.31	-472.79	-472.06	-508.30	-484.61	-483.62
χ^2	1,168.38***	1,883.63***	1,476.17***	1,102.84***	1,599.60***	1,408.56***
Predicted probability	0.82	0.83	0.83	0.83	0.84	0.84

The table reports marginal effects of probit regresssions. The dependent variable, Vote_t^j, equals 1 if congressman votes in favor of trade liberalization, 0 otherwise. Standard errors clustered at state-decade level in parenthesis; *** denotes significance at 1% level; ** 5% level; * 10% level.

Table 10: Additional political controls

	(1)	(2)	(3)	(4)	(5)	(6)
Senate3_t^j	-0.084***	-0.079***	-0.094***	-0.881***	-0.844***	-0.888***
	(0.026)	(0.026)	(0.027)	(0.224)	(0.229)	(0.224)
Senate2_t^j	-0.011	-0.006	-0.334	-0.009	-0.290	-0.287
	(0.029)	(0.029)	(0.030)	(0.216)	(0.220)	(0.220)
Democrat_t^j	-0.150***	-0.146***	-0.139***			
	(0.033)	(0.034)	(0.033)			
Female_t^j	-0.014	-0.025	-0.017			
	(0.046)	(0.048)	(0.033)			
Age_t^j	-0.008***	-0.006***	-0.005***			
	(0.002)	(0.002)	(0.001)			
Population_t^j	0.006	0.003	0.006	0.269	0.221	0.305
	(0.014)	(0.014)	(0.013)	(0.213)	(0.221)	(0.208)
Export ratio_t^j	0.101**	0.101**	0.084*	0.719*	0.724*	0.629*
	(0.051)	(0.052)	(0.050)	(0.4)	(0.384)	(0.367)
$\text{Years in Congress}_t^j$	0.005**			-0.996		
	(0.002)			(0.715)		
Incumbent_t^j		0.045			0.361	
		(0.033)			(0.359)	
$\text{Appropriations committee}_t^j$			0.055**			0.710
			(0.026)			(0.494)
$\text{Finance committee}_t^j$			0.145***			1.621***
			(0.012)			(0.582)
Year effects	included	included	included	included	included	included
State effects	included	included	included			
Senator effects				included	included	included
Observations	1,254	1,254	1,254	754	754	754
Pseudo R^2	0.32	0.31	0.33	0.22	0.22	0.23
Log likelihood	-482.85	-484.60	-472.11	-249.23	-248.85	-245.32
χ^2	1,499.43***	1,439.42***	1,389.90***	79.18***	82.14***	96.56***
Predicted probability	0.84	0.75	0.75			

The dependent variable, Vote_t^j, equal to 1 if congressman votes in favor of trade liberalization, 0 otherwise. Columns (1)-(3): marginal effects of probit regressions, standard errors clustered at state-decade level in parenthesis; Columns (4)-(6): coefficients of conditional logit regressions, standard errors clustered at the congressman level in parenthesis; *** denotes significance at 1% level; ** 5% level; * 10% level.