

# Electoral Institutions and the Supply of Trade Policy: The case of Japan and the TPP.

Eddie Hearn  
Kwansei Gakuin University

To build a political economy of trade, it is important to understand not only the demand for protection but also the supply of trade policy. The policy preferences of the public and special interest groups are filtered through political institutions creating winners and losers in trade policy formation. This article examines both the demand for protection and elite political opposition to the Trans-Pacific Partnership in Japan. While factor endowments are found to influence public attitudes toward the TPP. Elite political opposition is driven by industry-specific interests. Specifically, legislators from districts with a high concentration of agriculture are more likely to oppose the TPP. Although, the TPP is supported by a majority of the public, small single-member districts increase the political influence of concentrated industries leading to an increase in demands for protection. These findings support the theoretical arguments that majoritarian electoral institutions increase protection and small electoral districts are more susceptible to the influence of special interest from concentrated industries.

# Electoral Institutions and the Supply of Trade Policy: The case of Japan and the TPP.<sup>1</sup>

Eddie Hearn<sup>2</sup>  
Kwansei Gakuin University

The effect of electoral institutions on the supply of trade policy has garnered a growing amount of attention in recent years. A major argument in the literature concerns the impact of constituency size on legislators' trade policy preferences. It is routinely argued that smaller constituencies are more likely to be held "captive" by protectionist interest. Large districts, on the other hand, will incorporate diverse economic interests that are less likely to experience large benefits from limiting trade. This argument is often leveraged to explain the pro-trade sentiments of presidents in both the US and Latin America in comparison to more protectionist legislatures (Baldwin 1985; Moe 1990). Presidents, after all, face a national constituency which benefits from trade liberalization. Legislators, on the other hand, answer to local constituencies with concentrated interest.

Empirical examination of the constituency-size effect, however, has produced mixed results. Much of this research has focused on the US case and considered the routinely observed differences in support for protection between the US president, Senate, and House. In line with the predictions of the model, the larger the constituency the higher the support for trade liberalization (Lake 1988; Lohmann and O'Halloran 1994; Milner and Rosendorff 1996; Bailey, Goldstein, and Weingast 1997; Gilligan 1997; Irwin and Kroszner 1999; Keech and Pak 1995; Rogowski 1987, 2002). A number of studies testing the micro foundations of the theory, on the other hand, have failed to find support for the claim that smaller constituencies produce higher levels of trade protection. Karol (2007), for example, shows that although Senators are less protectionist than legislators, this difference is not determined by constituency size. Similarly, Ehrlich (2009) analyses roll call votes on trade legislation in the US congress and finds no relationship between constituency size and trade policy preference. Cross-

---

<sup>1</sup> Prepared for the 2017 ISA-International Conference at the University of Hong Kong.

<sup>2</sup> Contact at [ehearn@kwansei.ac.jp](mailto:ehearn@kwansei.ac.jp)

national studies have likewise reached a mixed conclusion. Nielson (2003) finds no effect for district magnitude on tariff rates or tariff dispersion in 18 developing economies. Mansfield and Busch (1995), in contrast, report a strong relationship between the number of constituencies and the level of non-tariff barriers to trade.

What role if any does constituency size play in determining policy makers' preferences? This paper argues that the main effect of constituency size is creating disproportionality. Whether this disproportionality leads to increased demands for protection, however, depends upon the regional concentration of industries and interests. To test this theory, I analyze legislative opposition to the Trans-Pacific Partnership (TPP) in Japan. There are a number of findings from the study. First elite support for protection is significantly higher than that of the general public in Japan. This is consistent with the fact that Japan elects legislators from extremely small districts inducing disproportionality, and internationally weak industries are concentrated in rural areas of the country allowing protectionist interest to gain sway over political leaders. Second, as predicted the regional concentration of industries is driving policy makers' preferences. Legislators from regions with relatively large shares of workers in import-competing industries and high levels of unemployment are more likely to oppose the TPP.

### **Domestic Institutions and Trade Policy**

The impact of domestic institutions on trade policy has received a growing amount of scholarly attention. Early work focused on the power of the state to shield itself from special interest. Fragmented and decentralized states were argued to be vulnerable to political pressure (Busch and Mansfield n.d.). Later work analyzed the impact of democratic institutions with early scholars arguing that citizens' ability to punish leaders led to an emphasis on providing public goods like trade liberalization in democratic polities (Fry and Mansfield 2004). Others disputed that while democratic institutions lead to lower tariffs the effects may be offset by an increase in NTB which are more easily hid from constituents (Kono 2006).

Beyond the democratic-autocratic nexus, a growing amount of research has examined the effects of varying democratic institutions. Despite the accumulation of studies, however, there remain very few agreed upon findings. For example, an increase in the number of veto players is argued to lead to higher levels of openness (Henisz 2000). In contrast, however, Ehrlich (2007) argues that the number of access points available to pressure groups increases both the level of protection and complexity of

trade policy. Similarly, considerable debate surrounds the effect of constituency size on the supply of trade policy. While the logic of constituency size being negatively associated with protection is commonly used to explain free trading presidents (Rogowski 1987), empirical studies have produced mixed results at both the cross-national and national level (Karol 2007; Ehrlich 2009; Ito 2015).

The rationality behind the constituency size effect is straight forward. Rogowski (1987) contends that “insulation from regional and sectorial pressure in a democracy ... is most easily achieved with large electoral districts (200).” This concept can be easily demonstrated by imagining an electorate with 1 single proportional district. If 1% of the population is farmers in need of protection to sustain their industry, they will have little hope of capturing the legislature in the large electoral district. On the flip side if an electorate is made up of 100 single member districts of which the farmers have a sizable population in a number as a result of the regional concentration of industries in the economy, it is now possible for farming interest to demand protection. This example, however, only works as a result of regional concentration of protectionist interest. Imagine again that farmers are distributed homogenously across the 100 districts. In this case farming interest will be no more influential than in the large district PR example. Similarly, imagine once again that the farming industry is concentrated in specific regions. Only now some farms are internationally competitive while others are weak. Again it is not clear that constituency size will influence the level of protection.

Small constituency size provides an opening for special interest to pressure policy makers and it is expected that large electoral districts produce less distortion between the citizens and representatives preferences. A small constituency, however, does not directly influence the supply of trade policy. Trade policy is only altered by constituency size under two conditions. First, a large number of constituencies increases the likelihood of distortion. This distortion, however, will not automatically lead to protection; particularly if the distortion enhances the representation of pro-trade groups or protectionist interests are distributed evenly throughout the small districts. Previous work assumes that distortions will necessarily benefit protectionist interest although there is no strong justification for this assumption. Likewise previous work assumes that electoral distortion is sufficient for increasing the supply of protection.

If the electoral system induces distortion and special interest are concentrated in the appropriate manner to benefit from the political bias, we should expect an increase in protection. Under such conditions, the following predictions are made:

H1: Elite policy preferences will be more protectionist than the general public.

H2: Elite policy preferences will be driven by regional labor market concerns.

In the following section I examine the effect of constituency size on support for the TPP in Japan. Japan's electoral institutions create distortions as a result of small SMDs. Furthermore, weak industries in Japan are concentrated in rural area which receive an electoral benefit as a result of malapportionment. Japan thus provides a case in which all conditions are met. It is expected that elite attitudes in Japan will be more protectionist than the general public, and legislators' trade-policy preferences will be driven by the demands of pressure groups in concentrated regions.

### **The Case of the TPP**

One of the leading political debates in Japan over the previous two election cycles has centered upon Japan's participation in and ratification of the Trans-Pacific Partnership (TPP). While the TPP is now often described as "dead in the water" following the 2016 Presidential election, it should be emphasized that the TPP ratification process cleared its final substantial hurdle in the *Shūgiin* before the US election on November the 4<sup>th</sup> when the TPP Special Committee approved the legislation indicating a consensus among the ruling coalition and a major opposition party, *Nippon Ishin no Kai*.<sup>3</sup> The committee action created a large shoving match, shouting, the eventual walkout of two opposition parties,<sup>4</sup> and calls for the resignation for the Minister of Agriculture, before the eventual ratification in early November.<sup>5</sup>

Much research has examined the anticipated economic impact of the TPP on Japan (Tabayashi and Watanabe 2013; Petri and Plumber 2016; Petri, Plumber, and Zhai 2011; Thompson and Leister 2015) as well as the general public's attitudes toward the agreement (Naoi and Urata 2013). The latter focusing on the determinants of individual-

---

<sup>3</sup> The ruling coalition in 2012 was comprised of the Liberal Democrat Party(LDP) and Komeito

<sup>4</sup> The Democratic Party (DPJ) and Communist Party (JCP) both boycotted over remarks made by the Minister of Agriculture, Yuji Yamamoto, about forcing the TPP legislation through the Diet. During the November 10 plenary session before approving the TPP legislation the lower house conducted a roll-call vote on the impeachment of Yamamoto which was defeated.

<sup>5</sup> The bill cleared the upper house in January completing the ratification process shortly before President Trump withdrew the US's participation.

level opposition to the trade deal. While some debate remains concerning the predictive accuracy of competing economic models on individual attitudes, the impact of public opinion on elite preferences has largely been ignored. Interestingly while the public tends to either support the TPP or remain indifferent, depending upon the timing and wording of the survey, political elites are decidedly more protectionist. This opposition cuts across party lines and not surprisingly includes a large number of LDP members whose party went on to support the legislation.

Japan's electoral institutions induce disproportionality in two ways. First, of the 475 members of the House of Representative, 295 are elected from small SMDs.<sup>6</sup> The remaining candidates are elected through party list in 11 larger proportional blocks. While the SMDs accounts for nearly 2/3 of the house, the small constituencies have an even stronger impact on candidates as a result of the *sekihairitsu* system often referred to as the "best-loser policy." Under the best-loser policy, party members' position on the party lists depends upon their performance in a single member district contest. Those with the smallest margins of defeat are given priority on the list. Most politician's fate, even the majority of those elected through the PR system, is determined by their ability to attract votes in the SMDs. In the 2012 election, for example, 69% of members appointed through the party lists were zombie politicians who had suffered defeat in a SMD. And as a result, 89% of members of the lower house have to consider their SMD as their reelection constituency.

The second way Japan's institutions bias elections toward a minority of voters is through malapportionment. While Japan suffered severe malapportionment in the 1980s and early 90s as a result of a combination of rapid depopulation of rural areas and limited redistricting, electoral reform and redistricting in 1995 largely eliminated the rural bias. The 2009 and 2012 elections, however, were both ruled to violate the constitutionally protected principle of 1 person 1 vote and malapportionment is once again benefiting rural voters. While the elections were deemed to be in a state of unconstitutionality (*iken jōtai*), the results were upheld. Before the 2014 election 5 SMDs were eliminated from rural areas with declining populations, but the 2014 election was again found to be valid but in a state of unconstitutionality. Both the large number of SMDs and the rural bias in districting induce disproportionality into the political system.

As a result of this disproportionality, Japan is vulnerable to distortions in constituency pressures that will promote protectionist interest. In order for this to process to take effect, however, antitrade interests and sentiments must be concentrated

in particular areas. If there is not a heterogeneous distribution of trade preferences there is no reason for disproportionality to lead to higher levels of protection. Consider Tokyo, the metropolis includes 25 SMDs. There is no reason to believe that protection pressure will be higher in Tokyo as a result of the SMDs versus 1 large PR district. The economy of Tokyo is largely comprised of internationally competitive corporations, services, and consumers. In fact in 2011, only 2 of the 25 representatives elected from a SMD in Tokyo opposed the TPP.

Sectors and particularly internationally weak industries, however, are concentrated in rural areas. As a result of this concentration, policy makers from disadvantaged regions will face stronger pressure to supply protection for local industries. While the percentage of Japanese nationally employed in farming hovers around 2%, in Iwate Prefecture this number jumps to near 7%. Likewise, although Japan boasts a relatively low national unemployment rate around 3%, unemployment in Okinawa Prefecture is regularly over 15%. We can thus see a combination of disproportionality that favors rural areas and a distribution that concentrates the likely losers of trade heterogeneously across regions. It is thus not simply the size of the constituency that leads to high levels of protection, but the economic concentration that is given an electoral advantage as a result of disproportionality. If the winners and losers of trade are distributed homogeneously across an electorate it is not clear that this would lead to increased pressure for protection, as both pro-trade and anti-trade lobbyist would have access to policy makers.

As a result of the heterogeneous concentration of internationally weak industries and disproportional voting system, it is thus expected that policy makers in Japan will express higher levels of trade opposition than the general public as predicted in Hypothesis 1. Consider “The Diet Petition for Opposing Japan’s Joining the TPP Negotiations” collected by Japan Agricultural Cooperatives (JA) and submitted in November 2011. The document demands that “the government should not join the TPP” as well as a number of other points involving the supply of food and the protection of local economies. Of the 722 member of the Diet, 365 or 51% signed the petition.

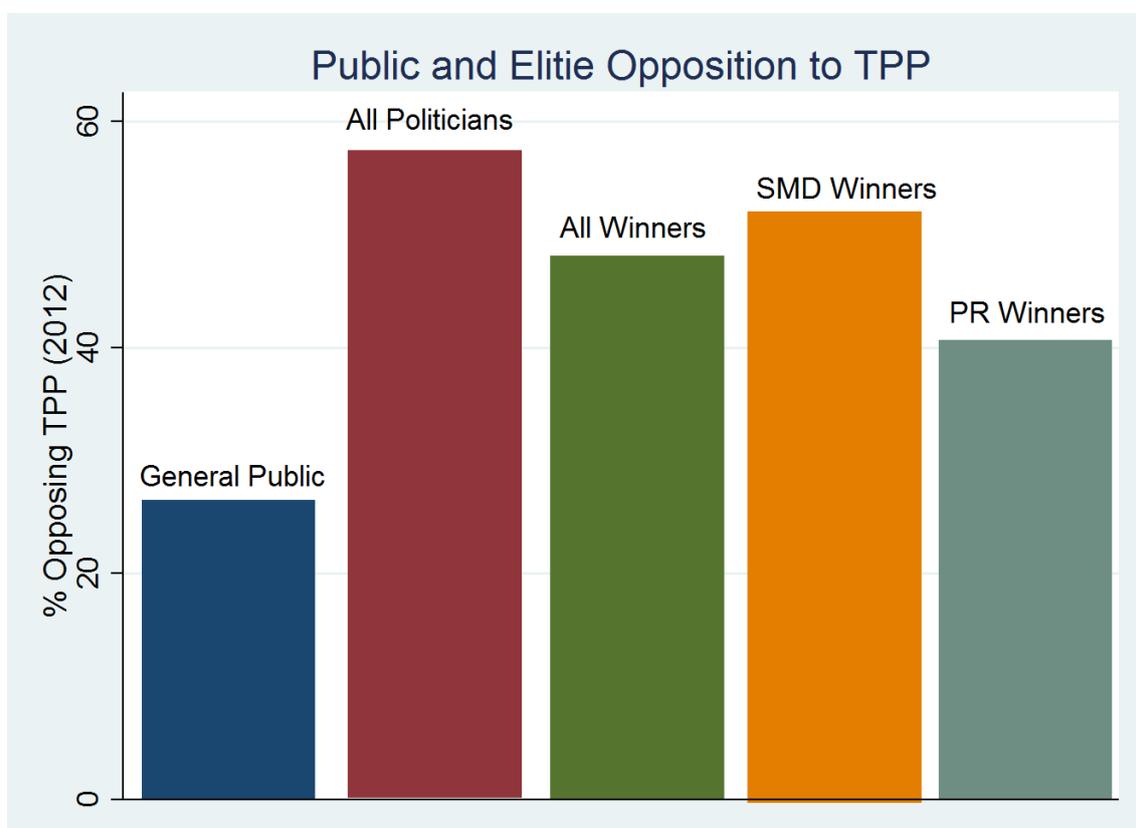
Similarly in a poll of politicians and the public conducted by the University of Tokyo and the *Asahi Shimbun* in anticipation of the 2012 general election, 58% of candidates opposed the TPP while only 26% of the public shared this preference.<sup>7</sup> Those winning a seat in the legislature are slightly more open to the trade agreement but still considerably more protectionist than the general public. With a 93% participation

---

<sup>7</sup> UTAS is conducted by Masaki Taniguchi of the Graduate Schools for Law and Politics, University of Tokyo and the *Asahi Shimbun*.

rate by elected officials, we get a clear view of elite attitudes toward the TPP. As depicted in Figure 1, 52% of legislators elected in one of the 300 single-member-district constituencies expressed opposition to the TPP. While 41% of legislators elected through one of the 11 regional proportional votes were against the agreement. Furthermore T-test indicate that the average protectionism expressed by political elites in all groups is significantly higher than the general public.

Figure 1

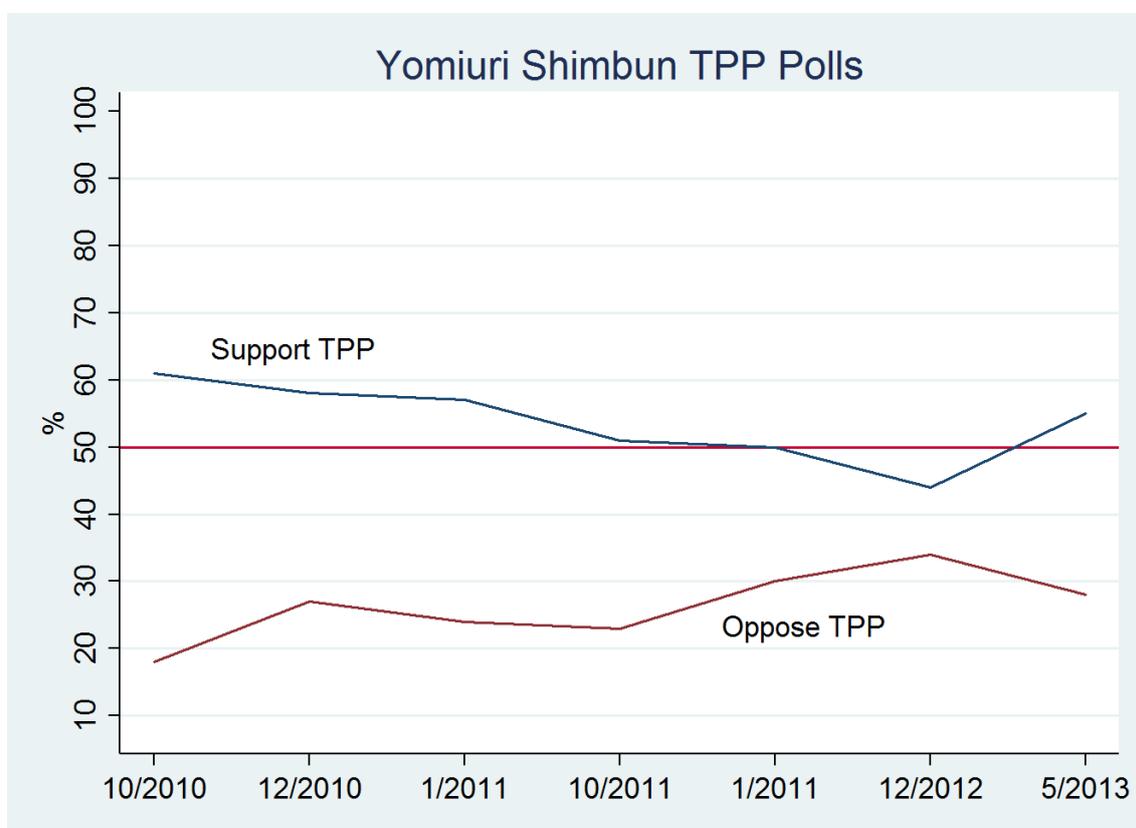


Similarly in a poll of politicians and the public conducted by the University of Tokyo and the Asahi Shimbun in anticipation of the 2012 general election, 58% of candidates opposed the TPP while only 26% of the public shared this preference.<sup>8</sup> Those winning a seat in the legislature are slightly more open to the trade agreement but still considerably more protectionist than the general public. With a 93% participation

<sup>8</sup> UTAS is conducted by Masaki Taniguchi of the Graduate Schools for Law and Politics, University of Tokyo and the *Asahi Shimbun*.

rate by elected officials, we get a clear view of elite attitudes toward the TPP. As depicted in Figure 1, 52% of legislators elected in one of the 300 single-member-district constituencies expressed opposition to the TPP. While 41% of legislators elected through one of the 11 regional proportional votes were against the agreement. Furthermore T-test indicate that the average protectionism expressed by political elites in all groups is significantly higher than the general public.

Figure 2



Regular opinion polls from both the Asahi Shimbun and the Yomiuri Shimbun indicate public support for the trade agreement. In the Yomiuri sample, public support for the TPP dips below a majority in only 1 poll taken before the 2012 general election. This is not particularly surprising since the Yomiuri Shimbun is typically considered to be a right leaning paper. Under Prime Minister Noda the DPJ supported the TPP as a way to generate economic recovery following the recent tsunami and nuclear disaster. The LDP opposed the measure and DPJ policy in general as the main opposition party

competing head to head against the LDP in the SMD constituencies. Over the same time period polls from the Asahi Shimbun, a left leaning paper, show increasing public support for the TPP. Despite this policy makers express overwhelmingly anti-TPP sentiments. It is expected that elite attitudes are driven by regional economic factors that are increasing the electoral power of societal groups opposed to trade.

While the majority of studies examining policy makers' preferences rely on roll call votes, this does not provide a useful approach in the Japanese case. First, the lower house in Japan rarely conducts roll-call votes on contentious topics. As a result of a constitutional law, support of 1/5 of the House is required to force a roll-call vote. The LDP has often enjoyed a large majority in the legislature and the ability to steam roll legislation without a formal vote. Second, most debate occurs in special committees that seek to clear up legislation before bringing it to the House. As a result of this policy, legislation proposed by the government is rarely rejected. Policy makers, however, have the opportunity to influence legislation and seek side payments in return for support. Roll-call votes thus tell us very little about the legislation process. The TPP legislation, for example, was pushed through without a formal vote. Aside from roll-call votes, additional studies have examined elite surveys (Ito 2015). As previously mentioned, Japanese candidates completed a routine survey before the 2012 election. This survey, however, provides an extremely weak signal of actual intentions as it occurs before the election and contains a number of questions pertaining to different policy areas.<sup>9</sup>

To analyze a stronger political signal, I consider politicians signing of JA'S anti TPP petition. Signing the petition indicates that a representative was willing to send a costly signal. Of course not signing the petition is less clear as many who oppose the TPP may forgo signing the petition to avoid alienating possible voters. As previously mentioned, however 51% of lower house members signed the petition. This is very similar to the 52% of SMD representatives who opposed the TPP in the 2012 survey. Furthermore 72% of the legislators who signed the petition in 2011, expressed opposition to the TPP again in 2012. Following Hypothesis 2, it is expected that regional concentration of internationally weak industries will lead to higher levels of elite protection.

The standard workhorse theory of trade is the Heckscher-Ohlin model which predicts international trade to result from differences in factor endowments. The classical HO model includes 2 countries; two factors of production, capital and labor; and two commodities differing in their intensive use of the factors of production. The

---

<sup>9</sup> See Ito (2015) for an examination of candidates' attitudes from the 2012 UTAS Survey.

country relatively abundant in capital will be comparatively advantaged in producing and exporting the capital-intensive good and will thus import the labor-intensive commodity. Clear political-economy predictions can be formed from the HO Model. If factors are mobile between industries, Stolper-Samuelson effects emerge predicting class-based opposition to trade liberalization. Individuals that possess the economy's dominant factor will see employment returns to trade. Those who possess the scarce factor, however, will risk job loss and wage reductions as a result of the decreasing costs to trade. If factors are not mobile between industries, the Ricardo-Viner model anticipates sector-based cleavages. Those employed in exporting industries will gain from trade while import-competing industries will decline.

To measure factor endowment, I consider both the regional education and income levels.<sup>10</sup> It is expected that legislators from districts in regions with low education levels and low incomes will be more likely to sign the petition opposing the TPP as a result of the concentration of low skill and capital. To gauge the concentration of import-competing industries, the percentages of workers engaged in farming and the proportion of agriculture in the regional economy are measured. It is anticipated that a higher concentration of agriculture will lead to increased protectionist pressures.

Two additional measures of regional economic insecurity are included in the analysis. First, regions with large levels of unemployment are more likely to demand protectionist policies. Second, the aging of the Japanese population is also dispersed heterogeneously across regions. As a result, many rural areas have a much larger percentage of retirees. While the elderly are often assumed to oppose trade, prefectures dominated by retired citizens have little economic incentive to protect labor markets. It is thus expected that as the percentage of elderly increase, politicians will face fewer protectionist demands. Over 25% of the Japanese population is over 65 and in some prefectures this number climbs over 1/3 of the population.

Elected officials also face political constraints. While party discipline is not extremely strong, the concept of "one party, one vote" can influence political decisions. Furthermore, as a result of the importance of seniority and faction membership as well as the ability of the party to control campaign funds, political parties can exert pressure on legislators to stay in line. It is thus expected that members of political parties supporting the TPP will be less likely to sign the petition. In 2011, the TPP was supported by the DPJ. Of course this will flip and the LDP will support the agreement and the DPJ will oppose after the 2012 election. At the time of the petition, however, the LDP was in strong opposition of the DPJ and the TPP. To control for party discipline a

---

<sup>10</sup> All regional variables are at the prefectural level.

dummy variable for membership to the Democratic Party is included.

Finally, the level of electoral pressure a candidate is facing likely influences their decision to take a strong position. To control for electoral strength, the margin of victory of the 2009 election is included. Because we are interested in the effect of SMD on policy maker preferences, the data set includes the 300 members elected through SMDs in the 2009 election. Standard errors are clustered by prefecture. Models with non-clustered standard errors, however, produce significantly and substantively equivalent results.

Results of the analysis are presented in Table 1. The dependent variable, *signed*, is dichotomous and coded one if the legislator signed the petition by November 2011. As displayed in Table 1. Considering the predictions of the sector model, the proportion of farmers in the regional economy is a strong predictor of elite opposition to the TPP. The relative size of the agricultural sector is positive as predicted but fails to reach statistical significance. There are a couple reasonable explanations for this. First, candidates are possibly more sensitive to electoral voter turnout than industry lobby because Japanese politicians cannot receive direct donations from companies. Elites are thus more sensitive to districts with a large number of workers in import-competing sectors. Second, not all agriculture is equal. The most vulnerable industries are the small farms that rely on unskilled labor. Regions with many such family and part-time farms have a much larger incentive to seek protection than farming industries taking advantage of technology and relying on smaller labor pools.

The factors model predicts that the concentration of scarce factors will lead to increased demands for protection. Again as predicted average regional income is negative a significant. As incomes increase in the region, politicians are less likely to oppose the TPP. On the other hand, education is large and negative as predicted but fails to reach statistical significance as the variation is very high.

As for the additional economic concerns, the regional unemployment rate is found to be a strong predictor of elite trade opposition. Also as predicted, legislators from districts in regions with a larger percentage of constituents over 65, are less likely to oppose the TPP. While this may be surprising given common arguments that the elderly are more protectionist, retired voters have no incentive to lobby for protection.

Finally the political variables perform as expected. Member of the DPJ face party pressure to support the TPP which is being promoted under Prime Minister Noda. DPJ members are thus significantly less likely to sign the petition in 2011. There also appears to be a strong significant relationship between safety and signing the petition. Legislators who won their district by a large margin are less likely to publicly oppose

the TPP.

Models 2, 3, and 4 consider different specifications by dropping insignificant control variables. As can be seen, the regional concentration of farm workers and unemployment are robust across all specifications. Similarly, the political variable remain significant across all models. The reduced model has very similar explanatory power as the full model with only a slight reduction in R2 from 0.24 to 0.23.

Table 1: Determinants of Elite Opposition to TPP

	Model 1	Model 2	Model 3	Model 4
Per. Farmers	<b>19.124**</b> (8.355)	<b>22.386***</b> (8.003)	<b>14.082**</b> (5.559)	<b>17.600***</b> (4.553)
Per. GPP Ag.	0.359 (6.684)			
Income	<b>-0.346**</b> (0.176)	<b>-0.389**</b> (172)	-0.287 (0.193)	
Per. Coll. Grad	-2.924 (3.200)			
Per. Unemployed	<b>18.354**</b> (7.454)	<b>22.379***</b> (7.974)	<b>23.363***</b> (6.969)	<b>28.751***</b> (7.554)
Per. Over 65	<b>-0.101*</b> (0.058)	-0.082 (0.054)		
Vote Margin	<b>-0.029***</b> (0.008)	<b>-0.028***</b> (0.008)	<b>-0.026***</b> (0.007)	<b>-0.026***</b> (0.008)
DPI	<b>-1.067***</b> (0.218)	<b>-1.044***</b> (0.212)	<b>-0.998***</b> (0.204)	<b>-0.994***</b> (0.202)
Constant	<b>5.698*</b> (2.938)	4.023 (2.609)	0.088 (0.873)	<b>-1.092**</b> (0.453)
Obs	300	300	300	300
R2	0.2389	0.2369	0.2328	0.2293

Notes: Coefficients for probit. \*\*\* =  $p < .01$ ; \*\* =  $p < .05$ ; \* =  $p < .10$  in Two-tailed t-test. Clustered standard errors by prefecture in parenthesis.

The impact of regional concentration is likewise substantively important. Consider a change from the 25<sup>th</sup> to 75<sup>th</sup> in proportion of labor in farming. This would represent a move from the concentration of farm labor in Saitama Prefecture, .01, to the concentration found in Ehime Prefecture, .037. This change, while holding all other variables at their average leads to a 15.3% increase in the likelihood of a legislator signing the anti-TPP petition. Similarly, adjusting the regional unemployment rate from the 25<sup>th</sup> to 75<sup>th</sup> percentile or from the unemployment level of Hiroshima Prefecture to that of Fukushima Prefecture leads to a 10.5% increase in the probability of policy makers opposing liberation. As can be seen in Table 2, these effects are not only substantively large but also statistically significant.<sup>11</sup>

Table 2

	25 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile	Difference
Per. Farmers	.198	.351	15.3 [.070, .233]
Per. Unemployed	.031	.140	.105 [.071, .140]

Probability of signing anti-TPP petition. All other variables set to median value.

Coefficients and standard errors from Model 4 in Table 1. 95% Confidence interval in brackets.

## Conclusion

This paper has considered the effect of small districts on the supply of trade protection. While there is a growing literature examining democratic institutions and trade policy, the effect of institutions on the aggregation of societal interests still present many unanswered puzzles. To what extent do consumer preferences or pro-trade interest influence the supply of policy? It is typically assumed protectionist have a greater incentive to lobby for preferred policies; however, there may be examples where pro-trade interest face the same motivations.

In the expansion of regionalization, for example, domino theory argues that

---

<sup>11</sup> Ito (2015) finds that the number of votes a winning candidate receives influences exposure to pressure groups. Candidates receiving a large number of votes are argued to be less susceptible to demands of special interest.

exporters will lobby for trade liberalization to avoid being cut out of markets (Baldwin 1993). If that is the case, we might expect heavy pressure from exporters in Japan who are concerned about shrinking markets if regional trade agreements such as the TPP form without them. As regionalism becomes an increasingly dominate aspect of the global economy, theories related to societal interest most likewise evolve. Exporters who fail to lobby for liberalization will lose markets to competitors trading under RTAs that divert trade away from non-members. Japan's economy in particular may face increasing pressure to gain access to export markets as the domestic population begins to contract.

Similarly, the consumer gains of trade are typically assumed to be dispersed, and consumers are often portrayed as disinterested and unorganized. Consumers, however, face extremely high cost for food in Japan that particularly impacts the livelihood of families who spend a large proportion of their income on basic necessities. While the Japanese public has historically expressed little interest in liberalizing agricultural markets, the relatively high levels of support for the TPP indicate this phenomenon may be shifting. The public's interest, however, may be distorted by electoral institutions that incentivize policy makers to protect particular groups as a result of small constituencies paired with the regional concentration of weak industries and malapportionment that favors these economically disadvantaged regions.

What role if any do partisan interest play in the supply of trade? The case of the TPP in Japan is a bit surprising considering both major political parties have supported and opposed the legislation depending on the their position in government. Do governments in parliamentary systems have the same incentives to support liberation as the executives in presidential systems? Or is the DPJ's current policy stance simply driven by a desire to block the LDP from achieving their policy goals as a result of perceived absolute gains in a majoritarian electoral system? If the president's pro-trade leanings are not driven by constituency pressures, as recent research indicates, how can we explain observed differences between regime types?

## References

- Bailey, Michael A., Judith Goldstein, and Barry R. Weingast. 1997. "The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade." *World Politics* 49(03): 309–38. [http://journals.cambridge.org/article\\_S0043887100007942](http://journals.cambridge.org/article_S0043887100007942) (June 9, 2017).
- Baldwin, Robert E. 1985. *Political Economy of US Import Policy*. MIT Press. <http://agris.fao.org/agris-search/search.do?recordID=US201300101867> (June 9, 2017).
- Baldwin, Richard. 1993. *A Domino Theory of Regionalism*. National Bureau of Economic Research. <http://www.nber.org/papers/w4465> (June 9, 2017).
- Busch, Marc and Edward Mansfield, "The Political Economy of Trade Policy," at <http://www9.georgetown.edu/faculty/mlb66/Trade%20-%20Determinants%20of%20Policies.pdf>
- Ehrlich, Sean D. 2007. "Access to Protection: Domestic Institutions and Trade Policy in Democracies." *International Organization* 61(03): 571–605. [http://journals.cambridge.org/abstract\\_S0020818307070191](http://journals.cambridge.org/abstract_S0020818307070191) (June 9, 2017).
- Ehrlich, Sean D. 2009. "Constituency Size and Support for Trade Liberalization: An Analysis of Foreign Economic Policy Preferences in Congress1." *Foreign Policy Analysis* 5(3): 215–32. <http://onlinelibrary.wiley.com/doi/10.1111/j.1743-8594.2009.00090.x/full> (June 9, 2017).
- Frye, Timothy, and Edward D. Mansfield. 2004. "Timing Is Everything: Elections and Trade Liberalization in the Postcommunist World." *Comparative Political Studies* 37(4): 371–98. <http://journals.sagepub.com/doi/abs/10.1177/0010414003262907> (June 9, 2017).
- Gilligan, Michael J. 1997. *Empowering Exporters: Reciprocity, Delegation, and Collective Action in American Trade Policy*. University of Michigan Press. <https://books.google.co.jp/books?hl=en&lr=&id=MTG7OFtkSeMC&oi=fnd&pg=PR9&dq=Empowering+Exporters:+Reciprocity,+Delegation+and+Collective+Action+in+American+Trade+Policy&ots=d9eiXqZa5M&sig=SNHkc-alDC57Edraadi2oq4VE7A> (June 9, 2017).

- Irwin, Douglas A., and Randall S. Kroszner. 1999. "Interests, Institutions, and Ideology in Securing Policy Change: The Republican Conversion to Trade Liberalization after Smoot-Hawley." *The Journal of Law and Economics* 42(2): 643–74.  
<http://www.journals.uchicago.edu/doi/abs/10.1086/467437> (June 9, 2017).
- Ito, Banri. 2015. "Does Electoral Competition Affect Politicians' Trade Policy Preferences? Evidence from Japan." *Public Choice* 165(3-4): 239–61.  
<http://link.springer.com/article/10.1007/s11127-015-0306-3> (June 9, 2017).
- Karol, David. 2007. "Does Constituency Size Affect Elected Officials' Trade Policy Preferences?" *Journal of Politics* 69(2): 483–94.  
<http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2508.2007.00545.x/full> (June 9, 2017).
- Keech, William R., and Kyoungsan Pak. 1995. "Partisanship, Institutions, and Change in American Trade Politics." *The journal of politics* 57(4): 1130–42.  
<http://www.journals.uchicago.edu/doi/abs/10.2307/2960405> (June 9, 2017).
- Kono, Daniel Y. 2006. "Optimal Obfuscation: Democracy and Trade Policy Transparency." *American Political Science Review* 100(03): 369–84.  
[http://journals.cambridge.org/article\\_S0003055406062241](http://journals.cambridge.org/article_S0003055406062241) (June 9, 2017).
- Lake, David A. 1988. "The State and American Trade Strategy in the Pre-Hegemonic Era." *International Organization*: 33–58. <http://www.jstor.org/stable/2706769> (June 9, 2017).
- Lohmann, Susanne, and Sharyn O'Halloran. 1994. "Divided Government and US Trade Policy: Theory and Evidence." *International organization* 48(04): 595–632.  
[http://journals.cambridge.org/abstract\\_S0020818300028320](http://journals.cambridge.org/abstract_S0020818300028320) (June 9, 2017).
- Mansfield, Edward D., and Marc L. Busch. 1995. "The Political Economy of Nontariff Barriers: A Cross-National Analysis." *International Organization* 49(04): 723–49.  
[http://journals.cambridge.org/abstract\\_S0020818300028496](http://journals.cambridge.org/abstract_S0020818300028496) (June 9, 2017).
- Milner, Helen V., and B. Peter Rosendorff. 1996. "Trade Negotiations, Information and Domestic Politics: The Role of Domestic Groups." *Economics & Politics* 8(2): 145–89.

- <http://onlinelibrary.wiley.com/doi/10.1111/j.1468-0343.1996.tb00126.x/full> (June 9, 2017).
- Moe, Terry M. 1990. "Political Institutions: The Neglected Side of the Story." *Journal of Law, Economics, & Organization* 6: 213–53. <http://www.jstor.org/stable/764990> (June 9, 2017).
- Naoi, Megumi, and Ikuo Kume. 2011. "Explaining Mass Support for Agricultural Protectionism: Evidence from a Survey Experiment during the Global Recession." *International Organization* 65(04): 771–95. [http://journals.cambridge.org/article\\_S0020818311000221](http://journals.cambridge.org/article_S0020818311000221) (June 9, 2017).
- Naoi, Megumi, and Shujiro Urata. 2013. "Free Trade Agreements and Domestic Politics: The Case of the Trans-Pacific Partnership Agreement." *Asian Economic Policy Review* 8(2): 326–49. <http://onlinelibrary.wiley.com/doi/10.1111/aepr.12035/full> (June 9, 2017).
- Nielson, Daniel L. 2003. "Supplying Trade Reform: Political Institutions and Liberalization in Middle-Income Presidential Democracies." *American Journal of Political Science* 47(3): 470–91. <http://onlinelibrary.wiley.com/doi/10.1111/1540-5907.00034/full> (June 9, 2017).
- Petri, P. A., M. G. Plummer, and F. Zhai. 2011. *Trans-Pacific Partnership and Asia-Pacific Integration: A Quantitative Assessment. East-West Center Working Paper No. 119*. October.
- Petri, Peter A., and Michael G. Plummer. 2016. "The Economic Effects of the TPP: New Estimates." *Assessing the Trans-Pacific Partnership* 1: 16–1. <https://piie.com/system/files/documents/piieb16-1.pdf#page=6> (June 9, 2017).
- Rogowski, Ronald. 1987. "Trade and the Variety of Democratic Institutions." *International organization* 41(02): 203–23. [http://journals.cambridge.org/abstract\\_S0020818300027442](http://journals.cambridge.org/abstract_S0020818300027442) (June 9, 2017).
- Tabayashi, K., and S. Watanabe. 2013. "The Effects of Trans Pacific Partnership (TPP) for Japanese Medical System." *Nihon Geka Gakkai zasshi* 114(4): 211. <https://www.ncbi.nlm.nih.gov/pubmed/23898712> (June 9, 2017).

Thompson, Jada M., and Amanda M. Leister. 2015. "Potential Impacts of an Exclusionary Trans-Pacific Partnership Agreement on Agriculture in the US and Japan." *Margin: The Journal of Applied Economic Research* 9(4): 362–78.  
<http://journals.sagepub.com/doi/abs/10.1177/0973801015596855> (June 9, 2017).

Williamson, Oliver E. 1990. "Political Institutions: The Neglected Side of the Story-Comment." *JL Econ & Org.* 6: 263. [http://heinonline.org/hol-cgi-bin/get\\_pdf.cgi?handle=hein.journals/jleo6&section=44](http://heinonline.org/hol-cgi-bin/get_pdf.cgi?handle=hein.journals/jleo6&section=44) (June 9, 2017).