

# UNDEFLECTED PRESSURE? THE PROTECTIONIST EFFECT OF POLITICAL PARTISANSHIP ON US ANTIDUMPING POLICY\*

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## Abstract

Antidumping (AD) is the most widely used non-tariff barrier. To deflect political pressure, in the United States, final decisions on AD are delegated to the International Trade Commission (ITC), an independent agency composed of six non-elected commissioners. Using a newly collected dataset, I study the determinants of all final ITC votes on AD during the 1989-2010 period. I find that ITC commissioners decisions on AD crucially depend on which party has appointed them and on the trade policy interests of key senators in that party: whether commissioners vote in favor of AD depends heavily on whether the petitioning industry is key (in terms of employment) in the states represented by leading senators of the Republican and Democratic parties, indicating that commissioners are reactive to party-specific political pressure. Interestingly, pressure seems to be more effective when the case for voting in favor or against AD is less clear-cut, suggesting that ITC commissioners are more likely to vote in line with political parties' interests when it matters more.

*JEL classifications:* **D72, D78, F13, F14.**

*Keywords:* Antidumping Policy, Political Parties, Partisanship, Trade Policy, Bureaucrats

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## 1 INTRODUCTION

Policies can be decided by elected politicians and appointed, non-elected, bureaucrats. In many countries, key decisions are taken by appointed officials. Examples are the Supreme Court and the Federal Reserve Bank in the US or the European Central Bank in the EU. One reason that is often mentioned to motivate the delegation of policy-making to bureaucrats is that, with the right institutional setting, they can be made independent from politics, i.e. to deflect political pressure (Anderson and Zanardi, 2009). Economists have mostly focused on the independence of central bankers (Persson and Tabellini, 2002; Rogoff, 1985; Waller, 1989, 1992). However, motivations for delegation also apply to other important policies and institutions.

A notable case is the US International Trade Commission (ITC), a quasi-judicial agency headed by six non-elected commissioners delegated by Congress to administer, in a fair and objective manner, a large part of the US antidumping (AD) proceedings. Conducting material injury investigations, ITC commissioners administer the most important non-tariff barrier (NTB) allowed by the WTO/GATT rules to protect domestic industries from unfair business practices of foreign firms.<sup>1</sup> In particular, a foreign firm is considered to be dumping if it sells a product abroad at lower price than the one charged in its domestic market, or at a price that is below an estimate of cost plus a normal return. To counter this behavior, domestic firms can ask their governments to be protected by AD measures. To impose such measures, the importing country must prove that dumping has occurred and has caused material injury to domestic producers.

AD has increasingly been used by governments.<sup>2</sup> Conceived as a tool to restore the “level-playing field”, vested interests can turn it into a protectionist device, widening the risk of trade-chilling effects (Vandenbussche and Zanardi, 2010).<sup>3</sup> To deflect pressure from lobby groups, politicians can delegate AD to independent agencies (see Anderson and Zanardi, 2009). As mentioned above, this is the case in the US, where the verification of material injury has been delegated to the ITC.<sup>4</sup> Baldwin (1985), Destler (1986), and Anderson (1993) argue that, in line with its mandate, the ITC follows technical rules when deciding on AD. This is also the view of former ITC commissioner Deanna Okun:

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<sup>1</sup>With the remarkable (worldwide) decrease in the level of import tariffs, AD has become by far the most used NTB (Blonigen and Prusa, 2003; Bown, 2013).

<sup>2</sup>The number of countries with an AD law has almost tripled since 1980. In a world where tariffs have decreased dramatically, AD measures might be used as a substitute to grant import-protection (Vandenbussche and Zanardi, 2008).

<sup>3</sup>Several papers (e.g. Besedeš and Prusa, 2013; Bown and Crowley, 2007; Durling and Prusa, 2006) have shown that AD has sizable restrictive effects on trade. In the case of the US, for instance, these effects have been estimated to be equivalent to a 6 percent tariff applied to all firms (Ruhl, 2014).

<sup>4</sup>The existence of dumping is instead investigated by the US Department of Commerce. Section ?? describes in detail the AD proceedings in the US.

“...No, it’s not a political role. That’s one of the interesting things about the ITC, in terms of independent agencies.”<sup>5</sup>

This paper asks whether ITC commissioners are independent “bureaucrats” who simply follow technical rules when voting on AD, or whether their decisions are affected by political parties. There are two main channels through which parties can shape ITC decisions. First, when new commissioners are appointed, they must be approved by the Senate.<sup>6</sup> By law, no more than three of the six commissioners can be appointed by the same political party. Effectively, this means that the ITC is made of three Democratic and three Republican commissioners providing parties with the power of shaping the selection of ITC officials. Second, once appointed, they regularly interact with the Senate, in particular with the Finance committee (e.g. when the ITC is heard on key trade matters). This paper shows that ITC commissioners’ decisions crucially depend on which party appointed them and on the trade policy interests of key senators in that party.

To carry out the analysis, I collected a new dataset containing all ITC commissioners’ final votes on material injury during the 1989-2010 period and I combined it with information on commissioners’ characteristics (e.g. gender, age, employment background). For each AD vote, I also constructed measures of trade policy interests of leading Democratic and Republican senators, based on data on industry-level employment for the states they represent.

The dataset is first used to examine whether the voting behavior of ITC commissioners depends on the party that appointed them: Democratic-appointed commissioners are systematically more protectionist than Republican-appointed ones. The effect is sizable: the increase in the predicted probability of voting in favor of AD associated to a Democratic-appointed commissioner is on average 13 percentage points. This is in line with the literature showing that, during the last decades, Democratic congressmen have been systematically more protectionist than their Republican counterparts (Baldwin and Magee, 2000; Conconi et al., 2014; Hiscox, 2002). The results thus show that the voting behavior of Democratic and Republican-appointed commissioners reflects the trade policy preferences of the party that appointed them, against the presumption that they are bureaucrats who only follow technical rules. This suggests that political parties can play an important role on AD by appointing ITC commissioners with similar trade views. I will refer to this finding as the *selection effect* of political parties.

I then study whether commissioners’ votes on AD depend on the trade policy interests of the party that appointed them. In particular, I focus on senators who belong to the Trade sub-committee, the subset of the powerful Finance committee which deals with trade matters. I find that whether ITC commissioners vote in favor of AD at a given time depends crucially on whether this is an important industry in the states represented by the Trade sub-committee senators of the party that appointed them. This result suggests that leading members of both parties might put pressure on ITC commissioners to

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<sup>5</sup>Extract from “The ITC explained: WIPR talks to Deanna Tanner Okun”, *The WIPR* (October 1, 2010). Deanna Okun has been ITC commissioner from January 2000 to September 2012.

<sup>6</sup>See Section 2 and the Appendix for a more detailed description of the appointment process.

vote in line with their own trade policy interests. While other studies (e.g. [Hansen, 1990](#); [Hansen and Prusa, 1997](#); [Moore, 1992](#)) have shown that politics can influence the ITC voting behavior, to the best of my knowledge, this is the first one to show that this influence is party-specific. I will refer to this result as the *pressure effect* of political parties.

The remainder of this paper is organized as follows. Section 2 describes the relevance of the political economy link between Senate and the ITC commissioners (more details on AD proceedings in the US can be found in the Appendix). Section 3 briefly reviews the related literature. Section 4 describes the data. Section 5 and 6 present the results. Section 7 reports the robustness checks. Section 8 discusses potential mechanism that could shed more light of the finding that ITC commissioners seem to succumb more to pressure from same-party senators. Section 9 concludes.

## 2 THE ITC AND THE US SENATE

As mentioned in the previous section, a country can only impose AD measures if it can prove that foreign firms have been dumping and that this behavior has caused (or threatened to cause) material injury to the domestic industry.

In deciding whether the US imposed an AD measure, the ITC has a central role. Established by Congress in 1916 as an independent agency, it is composed of six commissioners who are appointed for nine non-renewable years.<sup>7</sup> By law, no more than three commissioners can be from the same political party (19 U.S. Code § 1330). As a result, three of its members are usually from the Democratic party and three from the Republican party, with terms scheduled to end 18 months apart. When a new commissioner needs to be appointed, the Senate plays an important role: once the President has put forward a nominee, the Senate has to confirm (or not) the name through a two-stage procedure. A first vote takes place in the Finance committee (by simple majority rule). If this approves the nominee, a second vote takes place in the Senate at large (again by simple majority).<sup>8</sup>

Moreover, the interaction between the Senate (and in particular the Finance Trade sub-committee) and the ITC commissioners goes beyond the approval of the presidential nominees. In particular, under section 332 of the Tariff Act of 1930, the ITC can be heard on any matter involving tariffs or international trade, e.g. the Trade sub-committee may ask the ITC general to produce fact-finding investigations (see also [Moore, 1992](#)).<sup>9</sup>

My analysis focuses on these final ITC votes. This is because the stages before the final-injury one have historically proven to be highly unselective: from 1980 onwards, more than 90% (80%) of the dumping (preliminary injury) decisions have been affirmative ([Bown, 2017](#)). This is not the case for the

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<sup>7</sup>In reality, the tenure of ITC commissioners is often shorter and (in a few cases) longer than 9 years.

<sup>8</sup>Section 4.3 provides more details about the interplay between ITC commissioners and the Finance Trade sub-committee.

<sup>9</sup>The Trade sub-committee also authorizes the ITC's budget, which is however set in detail by other committees (see [DeVault, 2002](#)).

final ITC decisions, for which the same percentage is less than 65% (Bown, 2017).

### 3 RELATED LITERATURE

This paper relates to several streams of research. First, it contributes to the analysis of the political economy of AD.<sup>10</sup> The peculiar characteristics of the US AD proceedings have triggered a large literature studying the political economy motives behind the ITC voting behavior. The evidence is mixed. Baldwin (1985), Destler (1986), and Anderson (1993), for instance, find that the ITC voting behavior is not influenced by political pressure, i.e. in voting on AD, the ITC follows the rules. In a seminal paper, Finger et al. (1982) argue instead that, despite the requirements set by the US law, the injury decisions of the ITC are subject to some discretion. Moore (1992) shows that AD petitions involving (the powerful Finance Senate) Trade sub-committee members' constituencies are more likely to be favored by the ITC. Similarly, Hansen (1990) and Hansen and Prusa (1997) find that the ITC, though keeping into account economic factors, it is also influenced by domestic political forces when deciding on AD. I show that Congress can exert influence on the ITC with one important novelty: political influence is party-specific, i.e. ITC commissioners are more likely to protect the interests of the parties that appointed them.<sup>11</sup>

Second, it contributes to the literature on bureaucrats and politicians, or political pressure deflection. Some papers have focused on why some policy tasks are more frequently delegated than others. Alesina and Tabellini (2005) argue that politicians are more likely to forgo policy tasks that have little redistributive impact. Focusing on the US, Anderson and Zanardi (2009) argue that they could be willing to delegate in order to reduce the influence of lobbies in determining the electoral outcome. Other papers, like Alesina and Tabellini (2007, 2008) have explicitly compared the suitability of bureaucrats and politicians in performing (single or multiple) policy tasks, concluding that bureaucrats should be preferred in technical ones (i.e. for those in which ability is more important than effort). This paper provides evidence of the responsiveness of bureaucrats to politicians' interests, showing that delegation is not enough to make the ITC immune from political influence: the voting behavior of its commissioners crucially depends on which party appointed them and on the trade policy interests of key senators in that party. This result is closely related to the literature on judges' preferences and courts' neutrality in the US (see for instance Alesina and La Ferrara, 2014; Brace et al., 2000; Iaryczower et al., 2013; Nagel, 1961): judges' characteristics (e.g. political affiliation) crucially shape their voting on fundamental issues, questioning the objectivity of the courts' sentencing.

Third, it relates to the literature emphasizing the role of career concerns in shaping the performance of managers (e.g. Brickley et al., 1999; Holmström, 1999) or bureaucrats (e.g. Dewatripont et al., 1999a,b;

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<sup>10</sup>See Nelson (2006) for a review of the literature on the political economy of AD.

<sup>11</sup>A recent study by Avsar (2014) uses a panel of twenty countries to show that the increase in the leftist orientation of governments is associated with an increase in the likelihood of an affirmative AD outcome from the petitions of labor intensive industries. In this paper, I take into account the ideology of people who actually vote on AD for the US (i.e. the ITC commissioners), showing that their voting behavior relates to trade policy interests of the political parties they are linked to.

Iyer and Mani, 2012). The finding that commissioners' votes on AD are influenced by political parties could be interpreted through the lens of career concerns motives: career-motivated commissioners could please their party or appear ideologically non-distant from it in order to increase the chances of finding a job once the ITC mandate expires.

Fourth, it is connected to the reciprocity literature which has shown that individuals reward kind actions and punish unkind ones (e.g. Charness and Dufwenberg, 2006; Fehr et al., 1997). Economists are increasingly applying reciprocity to political economy settings: Finan and Schechter (2012), for example, show that voters like to help politicians who have been kind to them, and to punish politicians who have been unkind to them. Analogously, Conconi et al. (2017) use a model in which voters have reciprocal preferences (kindness) to rationalize the fact that U.S. presidents are more likely to initiate a dispute in the year preceding their re-election. My findings instead could be seen in light of the literature on "instrumental" reciprocity (Sobel, 2005) where selfish forward-looking career-concerned commissioners optimize by pleasing the politicians (those of the party that appointed them) that are most likely to reciprocate in the future.

Finally, the paper also relates to the extensive literature on the political economy of trade policy. Several studies have focused on voting and elections (e.g. Baldwin, 1985; Dutt and Mitra, 2002; Helpman and Grossman, 2005; Magee et al., 1989; Mayer, 1984). Much attention has also been devoted to the role of lobby groups (e.g. Gawande and Bandyopadhyay, 2000; Goldberg and Maggi, 1999; Grossman and Helpman, 1994; Helpman, 1995; Mitra, 1999). Other studies have focused on different political factors, such as governments' inability to commit to policy choices (Maggi and Rodriguez-Clare, 1998), ratification rules (Conconi et al., 2012), term length and election proximity (Conconi et al., 2014). This study examines the influence of political parties on AD decisions.

## 4 DATA

To perform the analysis, I collected all ITC commissioners' final votes on material injury during the 1989-2010 period. Over the time span covered in this paper, 771 AD petitions were filed in the US. Of these, 538 reached the final-injury-decision stage (Bown, 2017).<sup>12</sup> I focus on the final-injury decisions because, of the two taken by the ITC, they are arguably the most important. In fact, over the sample at hand, 85% of the preliminary injury decisions were affirmative. The same percentage drops to 65% when computed for the final injury decisions, suggesting that material injury standards are lower at the preliminary stage than at the final decision (this is in line with Prusa, 1991 and Moore, 1992).

### 4.1 VOTES ON AD

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<sup>12</sup>I could use votes on petitions initiated after the entry into force of the Trade Agreements Act of 1979 that reached the final-injury stage by the end of December 2010. However, as explained in Section 4.3, to ensure comparability in the employment data over time, I will use data from 1989.

Using the information made available in the ITC reports and in other ITC official documents, I collected 2,608 commissioner-level final injury votes.<sup>13</sup> For each vote, ITC reports also list the country/countries that allegedly caused material injury to the petitioning US industry. The dependent variable  $V_{ikct}$ , i.e. the vote of commissioner  $i$ , at time  $t$  (i.e. at the time when the decision on AD was taken), on whether to grant AD to a product belonging to industry  $k$ , imported from country  $c$ , equals 1 if the commissioner votes in favor of AD and 0 otherwise. Table 1 collects summary statistics of the dependent variable: the mean of  $V_{ikct}$  across all the commissioners is 0.664 indicating that in the majority of the cases they voted in favor of AD.

**Table 1:** Summary statistics

Variable	Mean	Std. Dev.	Min.	Max.	Observations
$V_{ikct}$	0.664	0.473	0	1	2,608
Commissioners' characteristics					
$D_i$	0.513	0.5	0	1	2,608
$R_i$	0.487	0.5	0	1	2,608
$Female_i$	0.506	0.5	0	1	2,608
$Age_{it}$	52	9.337	32	71	2,608
$Legislative_i$	0.347	0.476	0	1	2,608
$Executive_i$	0.299	0.458	0	1	2,608
$Academia_i$	0.051	0.221	0	1	2,608
$Private_i$	0.303	0.46	0	1	2,608
$President_i$	0.385	0.487	0	1	2,608
Political parties' stakes					
$S_{kt,10}^{Dem}$	0.085	0.074	0	0.455	2,608
$S_{kt,10}^{Rep}$	0.048	0.087	0	0.533	2,608
$S_{kt,20}^{Dem}$	0.198	0.118	0	0.636	2,608
$S_{kt,20}^{Rep}$	0.096	0.107	0	0.545	2,608
$N_{kt,10}^{Dem}$	1.359	1.135	0	7	2,608
$N_{kt,10}^{Rep}$	0.737	1.261	0	8	2,608
$N_{kt,20}^{Dem}$	3.145	1.879	0	10	2,608
$N_{kt,20}^{Rep}$	1.469	1.552	0	8	2,608

The number of commissioners who votes on AD is sometimes different from six, e.g. when the Senate is late in approving the presidential nominee. Also, in some cases, commissioners do not participate in an AD vote. This happens, for example, if they are unable to follow the bulk of an investigation because they were recently appointed. Since non-participation is considered as a non-vote, I exclude these

<sup>13</sup>See the Appendix for a complete description of data sources.

observations from the sample.<sup>14</sup> I also drop the petitions for which the votes of the ITC commissioners were not disclosed (e.g. for confidentiality reasons). The sample used for the analysis is thus made of 2,608 commissioners' final votes on material injury.

## 4.2 COMMISSIONERS' CHARACTERISTICS

Combining information contained both in the biographies provided by the ITC as well in the Marquis' "Who's Who" database, I constructed several variables that capture important characteristics of commissioners.

First, commissioners are usually appointed by the President as Democratic or Republican.<sup>15</sup> To verify whether party affiliation shapes their votes on AD, I constructed two dummy variables:  $D_i$  and  $R_i$  equal 1 if commissioner  $i$  is appointed as Democratic or Republican and 0 otherwise.

Gender and age have been shown to be important drivers of individuals' preferences for trade policy (see for instance [Mayda and Rodrik, 2005](#)). To account for the role of these demographic characteristics, I construct the variables  $Female_i$ , a dummy equal to 1 if the commissioner  $i$  is female, and  $Age_{it}$ , which captures the age of commissioner  $i$  when he or she voted on material injury at time  $t$ . I have also collected data on commissioners' employment background. [Baldwin \(1985\)](#) and [DeVault \(2002\)](#) argue that previous employment of commissioners might affect their preferences on trade. To explore this relationship, following [DeVault \(2002\)](#), I construct the following (mutually exclusive) dummies:  $Legislative_i$ ,  $Executive_i$ ,  $Academia_i$  and  $Private_i$ . These are equal to 1 if the last employment of commissioner  $i$ , before joining the ITC, was in a legislative or executive body, in academia or in the private sector and 0 otherwise. Finally, the variable  $President_i$  captures the political party of the President who appointed commissioner  $i$ : it is equal to 1 if the appointing president was Democrat and 0 otherwise.

Table 2 lists all the ITC commissioners during the sample period and their key characteristics while Table 1 reports summary statistics of commissioner-level controls. The average of  $D_i$  (or  $R_i$ ) confirms that the ITC is equally split between Democratic- and Republican-appointed commissioners. Between 1989 and 2010, the number of female and male commissioners appointed at the ITC has been very similar, while the age of commissioners ranges from 32 to 71 years (with an average of 52). In terms of employment background, most commissioners were employed as legislative assistants of congressmen before being nominated at the ITC. The number of those who came from an executive body (e.g. an undersecretary) is very similar to the one of those who joined from the private sector (typically a law firm). Only one commissioner was an academic.

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<sup>14</sup>The cases of non-participation were only 3% of the sample and were not concentrated in any particular industry and year or against a specific target-country.

<sup>15</sup>They can also be appointed as independent. However, out of 19 commissioners who were at the ITC during the time span of the sample, no commissioners were Independent.



**Table 2:** Commissioners' Characteristics

<i>Democratic</i>					<i>Republican</i>				
Commissioner	President	Gender	Votes	%	Commissioner	President	Gender	Votes	%
Aranoff	W. Bush	Female	76	5.67	Askey	Clinton	Female	72	5.66
Hillman	Clinton	Female	178	13.27	Bragg	Clinton	Female	183	14.38
Koplan	Clinton	Male	180	13.42	Brunsdale	Reagan	Female	134	10.53
Miller	Clinton	Female	201	14.99	Crawford	Bush	Female	234	18.38
Newquist	Reagan	Male	215	16.03	Devaney	W. Bush	Male	31	2.44
Nuzum	Bush	Female	170	12.68	Lane	W. Bush	Female	116	9.11
Pinkert	W. Bush	Male	60	4.47	Lodwick	Reagan	Male	20	1.57
Rohr	Reagan	Male	196	14.62	Okun	Clinton	Female	192	15.08
Williamson	W. Bush	Male	65	4.85	Pearson	W. Bush	Male	118	9.27
					Watson	Bush	Male	173	13.59
Total			1,341	0.51	Total			1,273	0.49

Source: ITC commissioners' biographies and *Who's Who*.

### 4.3 SENATORS' INTERESTS

To capture the influence of political parties on the voting behavior of ITC commissioners, I constructed variables that measure the interests of leading senators of those parties for each ITC vote on AD during 1989-2010. Using Congressional Directory records, I first collected the names of all senators who have been members of the Trade sub-committee, i.e. a unit of the Finance committee dealing with trade matters. I focus on them because, as described in Section 2, senators of the Finance committee play an important role in the process leading to the appointment of ITC commissioners. Moreover, being the unit of the Senate Finance which deals with trade matters, the Trade sub-committee frequently interacts with the ITC.

Second, I collected annual data on industry-level employment in the states represented by Trade sub-committee senators from the Quarterly Census of Employment and Wages (QCEW). Using these data, I coded a senator as being in favor of imposing an AD measure at time  $t$  (i.e. the time when the ITC takes its final decision on material injury) on a product belonging to industry  $k$  if, at time  $t$ , industry  $k$  belongs to the top 10 or top 20 industries in terms of employment in the state in which the senator is elected. Based on this information, I define the pressure variables  $N_{tk,e}^\alpha$  and  $S_{tk,e}^\alpha$  as:

$$N_{kt,e}^\alpha = \sum_{j=1}^M \Lambda_{jkt}^\alpha \quad S_{kt,e}^\alpha = \sum_{j=1}^M \Lambda_{jkt}^\alpha \left( \sum_{j=1}^L \Lambda_{jkt} \right)^{-1} \quad (1)$$

which are respectively the sum and the share of Democratic or Republican senators in the Trade sub-committee who are in favor of imposing an AD measure on industry  $k$  at time  $t$ ;  $\alpha$  indicates the party affiliation of the commissioner (*Democrat* or *Republican*);  $e$  identifies the employment rank of the petitioning industry in a given state (top 10 or top 20);  $\Lambda$  refers to Trade sub-committee senators (with  $j = 1, \dots, M$  indicating those with a stake in the AD vote and  $j = 1, \dots, L$  indexing the total number of

senators belonging to the committee).<sup>16</sup> The idea behind these variables is that senators in the Trade sub-committee are in the position to influence the voting behavior of ITC commissioners, particularly those who have been appointed by their party and are more likely to put pressure in favor of AD if the decision involves a key industry in their state.<sup>17</sup>

To match senators' trade policy interests to a given AD vote, the products under investigation had to be mapped into the industry ( $k$ ) they belong to. To do that, I used the concordance provided by [Schott \(2008\)](#) and assigned 3-digit industries to the HS6 codes of each AD investigation reported by [\(Bown, 2017\)](#). For the cases in which the HS6 product could be mapped into more than one 3-digit NAICS industries (20% of the sample), I followed [Conconi et al. \(2017\)](#) and assigned the most frequently matched 3-digit NAICS code within each AD petition.

In constructing the pressure variables I exploit several sources of variation. First, the composition of the Trade sub-committee varies according to which states are represented and to which parties represent them. So, for example, when comparing two votes in a given case, say on a steel-related product, one may happen when a senator from a steel producing state (like Pennsylvania) sits in the Trade sub-committee and one when there is no senator from that state. The maps in Figure 1 show there is a considerable amount of cross-state variation in the number of times a state had a stake over the sample (Figures 1a and 1d), distinguishing between Democratic and Republican interests (Figures 1b-1e).

Second, within-state changes in employment, over time, determine whether a given industry is key for Trade sub-committee senators. For example, in two votes on the same product at two different times, the same state may be represented in the Trade sub-committee but employment in the industry to which the product belongs might not be high enough for that industry to be ranked in the top ones. This is for instance the case for the votes on automotive glass windshields in 2000 and 2002: while Senator Lott, a republican from Mississippi, was representing his state in the Trade sub-committee in both years, only in 2002 the level of employment in the transportation equipment manufacturing industry was such that the industry was ranked as key.

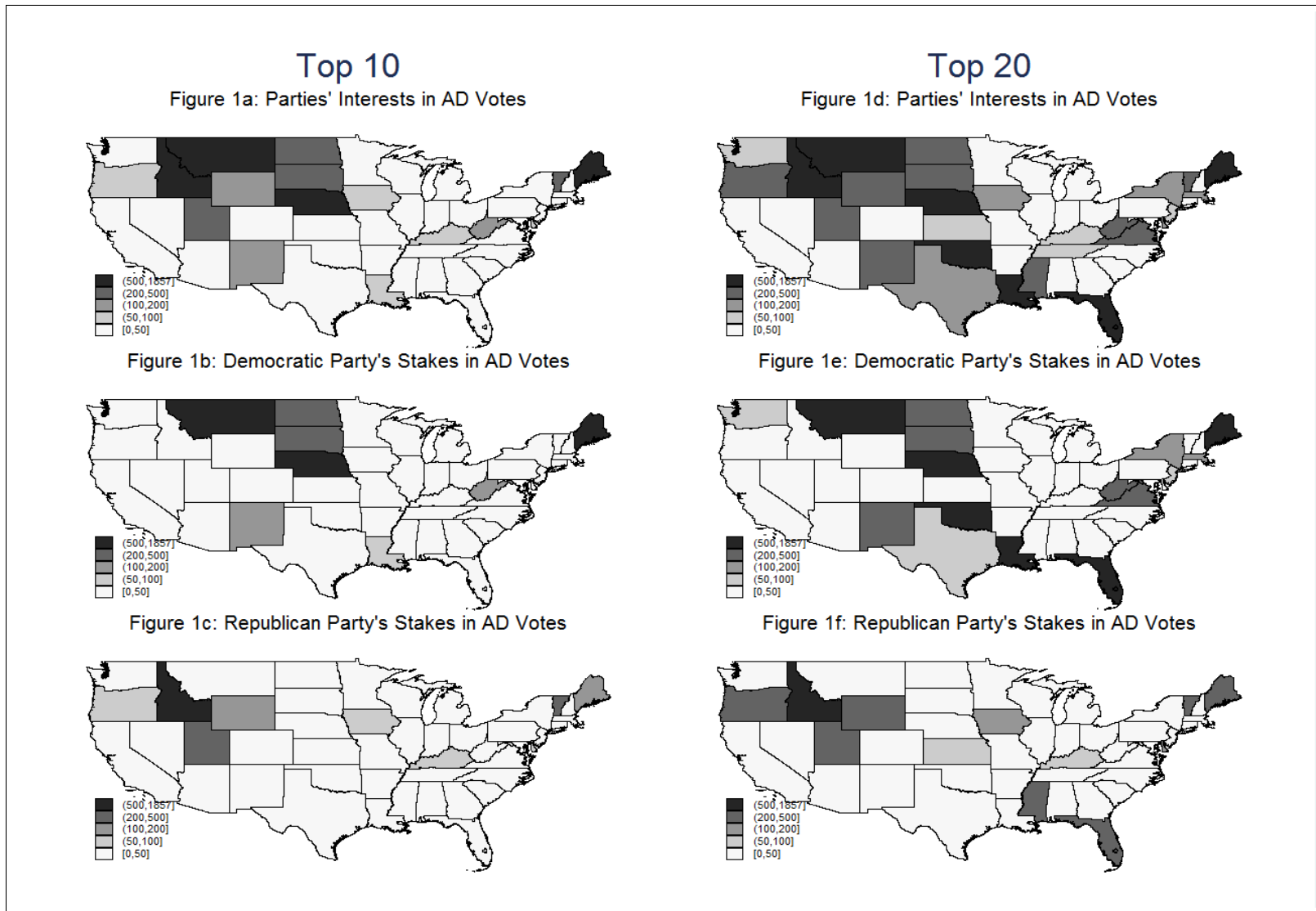
Finally, the size and the composition of the Trade sub-committee vary over time: the Standing Rules of the Senate do not explicitly limit the size of sub-committees which are determined by the full Finance committee. So, for instance, during 1989-2010 it has changed considerably, ranging from a minimum of 11 members to a maximum 17 (Table 3).

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<sup>16</sup>Other papers (e.g. [Moore, 1992](#)) have highlighted that the Senate can put pressure on the ITC when AD measures protect key industries of senators: the main novelty in this paper is to model this channel as being party-specific.

<sup>17</sup>Industries are identified based on 3-digit NAICS codes to ensure data comparability over time. State-level employment is available at 4-digit SIC for years between 1986 and 1997 and at 6-digit NAICS from 1998 onwards, while for years before 1986 it is only available at 2-digit SIC. However, mixing detailed NAICS and SIC employment data might be problematic, while it is preferable to stick to one classification or the other (see [Pierce and Schott, 2012](#)). Given the time span of the data at hand (1989-2010), whatever the classification one chooses the sample is reduced but preferring NAICS over SIC allows to work with a larger sample (23 vs. 16 years).

Figure 1: Parties' Stakes in US AD Votes (1989-2010)



The maps show the number of commissioner-level votes in which political parties had a stake. For Alaska (not plotted)  $S_{kt,10}^{Dem}=0$ ,  $S_{kt,10}^{Rep}=55$ ,  $S_{kt,20}^{Dem}=0$  and  $S_{kt,20}^{Rep}=0$ ; there was instead no Trade sub-committee senator with a stake representing Hawaii over 1989-2010.

Table 1 reports the summary statistics for  $N_{kt,e}^\alpha$  and  $S_{kt,e}^\alpha$ : the relatively low values of the averages (0.085 and 0.048 when the variables are computed relative to the top 10 industries; 0.198 and 0.096) indicate that only in a few cases there are Trade sub-committee senators whose trade policy interests are heavily linked to the ITC vote.

**Table 3:** Size of the Trade sub-committee

# of senators	Period
11	2007-2010
14	1995-1996, 2005-2006
15	2003-2004
16	2001-2002
17	1989-1994

*Source:* Author's elaboration on Congress Directory data.

## 5 PARTY AFFILIATION AND VOTES ON AD

In this section, I look at the relation between the political party affiliation of the appointed ITC commissioners and their final votes on AD by estimating Linear Probability (LP) models of the following form:<sup>18</sup>

$$g(\mathbb{E}(V_{ikct} | \mathbf{Z}_i, Age_{it}, \xi_p)) = \beta_1 D_i \quad (2)$$

The dependent variable,  $V_{ikct}$ , is the vote of commissioner  $i$ , at time  $t$ , on whether to protect industry  $k$  from products allegedly unfairly imported from country  $c$ . It equals 1 if the commissioner votes in favor of AD and 0 otherwise. The dummy  $D_i$  is the variable of interest and captures the party affiliation of commissioners.  $\mathbf{Z}_i$  contains a set of time-invariant commissioners' characteristics (i.e. gender and the employment background of commissioner and the affiliation of the president who appointed them).<sup>19</sup>  $Age_{it}$  is the age of commissioner  $i$  at the time  $t$ . Importantly, in each specification I also include  $\xi_p$ , AD case fixed effects, which are key to make sure the effect of party affiliation on AD votes is well identified. In fact, they absorb the variation in any case-specific determinant of commissioner votes on AD, including statutory ones, i.e., a set of economy-wide, industry and case-level indicators (e.g. changes in employment, capacity utilization, dumping margin, etc...) that ITC commissioners must consider when

<sup>18</sup>When the dependent variable is binary, estimating linear models might give rise to several issues, like dealing heteroscedastic errors and predicted probabilities are not bounded between 0 and 1. However, when specifications include a large amount of dummies as in my case, estimating with probit induces sample selection: the observations for which the outcome does not vary at some levels of the independent variables are lost (roughly 50% in my case). Moreover, as argued by Angrist and Pischke (2008), if one is interested in marginal effects rather than structural parameters of a binary choice model, a probit model will not necessarily beat a LP model. For these reasons, I will only report results of LP estimations.

<sup>19</sup>See Section 4 for a detailed description of the variables used in the regressions of this section.

evaluating the impact of allegedly dumped imports on domestic industries (Public law 96-39, 93 Statute 162).<sup>20</sup> Finally, all the baseline estimates are obtained computing heteroskedasticity-robust standard errors as suggested, again, by Angrist and Pischke (2008).<sup>21</sup> The results can be found in Table 3.

**Table 4:** Commissioners' Characteristics and Votes on AD

$V_{ikct}$	(1)	(2)	(3)	(4)	(5)
$D_i$	0.133*** (0.014)	0.131*** (0.015)	0.131*** (0.015)	0.116*** (0.015)	0.113*** (0.016)
$Female_i$		-0.017 (0.016)	-0.018 (0.017)	0.084*** (0.021)	0.091*** (0.024)
$President_i$			0.005 (0.023)	-0.047** (0.023)	-0.048** (0.023)
$Legislative_i$				0.215*** (0.045)	0.237*** (0.062)
$Private_i$				0.334*** (0.050)	0.356*** (0.061)
$Executive_i$				0.244*** (0.046)	0.264*** (0.057)
$Age_{it}$					0.001 (0.001)
AD Case FE	Yes	Yes	Yes	Yes	Yes
Observations	2,608	2,608	2,608	2,608	2,608
$R^2$	0.447	0.447	0.447	0.460	0.461

The table reports coefficients of a LPM Significance: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Heteroskedasticity-robust standard errors are in parentheses.  $V_{ikct}$  is 1 if commissioner  $i$ , at time  $t$ , votes in favor of granting AD to a product belonging to industry  $k$ , imported from country  $c$ ; it is 0 otherwise.  $Republican_i$  is omitted. Employment background categories are mutually exclusive.  $Academia_i$  is omitted.

In the first column, I report the results of a minimalist specification, in which I include only the key regressor of interest AD case fixed effects. I then report the results of specifications where I also control for other commissioner-level characteristics.

Irrespective of the set of controls included, I find that the estimated coefficient for the variable  $D_i$  is always positive and highly significant. Thus, Democratic-appointed commissioners are always more protectionist than Republican-appointed ones. Moreover, the size of the effect does not vary much across specifications, ranging from 11 to 13 percentage points. Interestingly, when significant, the coefficient on  $Female_i$  is positive and significant, potentially indicating that female commissioners are more protectionist than male commissioners. Furthermore, commissioners whose last employment was in academia are the least protectionist. Finally, the age of commissioners seem not to affect their voting behavior on

<sup>20</sup>In the robustness section, I will show that results hold also when including petition fixed effects. Including petition fixed effects accounts for the whole variation in characteristics of requests for AD protection that have been filed against a specific country. The difference with AD case fixed effects included in the baseline results is that the latter control instead for the characteristics of petitions that have been filed, for the same product, against more than one country, at the same time. A list of the petitioning industries can be found in Table A1 of the Appendix, while list of target countries is in Table A2 of the Appendix.

<sup>21</sup>In Section 7 I will show that results are robust to changes in the clustering assumptions and dimensions.

AD while having been appointed by a Democratic president reduces, the probability of voting in favor of AD.<sup>22</sup>

All in all, the results of Table 3 suggest that political parties can affect AD policy by appointing ITC commissioners who have similar views on trade policy. I refer to this as the *selection effect* of political parties.

## 6 PARTY PRESSURE AND VOTES ON AD

In the previous section, I have shown that Democratic-appointed commissioners are more protectionist than Republican-appointed ones. This result suggests that one channel through which political parties can influence ITC voting on AD is by selecting commissioners whose stance on trade policy is similar to theirs.

In this section, I show that a second channel might also be at work: parties can exert their influence on ITC commissioners when they are in office. To show this, I include in the regressions the interactions between commissioners' party affiliation,  $D_i$ , and the pressure variables discussed in Section 4.3:

$$P_{kt,e}^\alpha = \{S_{kt,10}^{Dem}, S_{kt,10}^{Rep}, N_{kt,20}^{Dem}, N_{kt,20}^{Rep}\}. \quad (3)$$

This allows me to link the interests of leading Democratic and Republican senators of the Senate Trade sub-committee to AD votes, by estimating the following LP models:

$$g(\mathbb{E}(V_{ikct} | \mathbf{Z}_i, Age_{it}, \xi_p)) = \beta_1 D_i + \beta_2 D_i \times P_{kt,e}^{Dem} + \beta_3 D_i \times P_{kt,e}^{Rep}. \quad (4)$$

$\mathbf{Z}_i$ ,  $Age_{it}$  and  $\xi_p$  are defined as in the previous section. The results are reported in Table 5: the pressure variables (shares and number of senators with a stake in AD votes) are computed using the top-10 (top-20) threshold within each state, and interacted with  $D_i$ , the variable capturing the party affiliation of commissioner. In all specifications, the probability that ITC commissioners vote in favor of (against) protection is significantly higher (lower) when leading senators in the party that appointed them might support this measure, possibly indicating that political parties can have a *pressure effect* on AD vote. Notice that, though their magnitude is reduced, the coefficients on  $D_i$  remain systematically positive and significant, confirming the selection effect described in Section 5.<sup>23</sup>

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<sup>22</sup>This result might seem somewhat counterintuitive since Democratic politicians have been found to be systematically more protectionist than their Republican counterparts (Baldwin and Magee, 2000; Conconi et al., 2014; Hiscox, 2002). However, as argued by Baldwin and Steagall (1994), presidents do not normally seek to appoint commissioners with polarized trade views: they would be seen as catering to special interest groups rather than apply the US trade law and this could undermine their domestic political agenda.

<sup>23</sup>Notice that, in Table 5, the main effect of the pressure variables are picked up by the AD case fixed effects.

**Table 5: Party Pressure and Votes on AD**

$V_{ikct}$	(1)	(2)	(3)	(4)
$D_i \times S_{kt,10}^{Dem}$	0.667*** (0.227)			
$D_i \times S_{kt,10}^{Rep}$	-0.408** (0.176)			
$D_i \times N_{kt,10}^{Dem}$		0.043*** (0.014)		
$D_i \times N_{kt,10}^{Rep}$		-0.028** (0.012)		
$D_i \times S_{kt,20}^{Dem}$			0.362*** (0.137)	
$D_i \times S_{kt,20}^{Rep}$			-0.475*** (0.135)	
$D_i \times N_{kt,20}^{Dem}$				0.022*** (0.008)
$D_i \times N_{kt,20}^{Rep}$				-0.033*** (0.009)
$D_i$	0.080*** (0.020)	0.080*** (0.021)	0.092*** (0.026)	0.098*** (0.025)
Observations	2,608	2,608	2,608	2,608
$R^2$	0.462	0.462	0.462	0.462
AD Case FE	Yes	Yes	Yes	Yes
Commissioner-Level Controls	Yes	Yes	Yes	Yes

The table reports coefficients of a LPM. Significance: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Heteroskedasticity-robust standard errors are in parentheses.  $V_{ikct}$  is 1 if commissioner  $i$ , at time  $t$ , votes in favor of granting AD to a product belonging to industry  $k$ , imported from country  $c$ ; it is 0 otherwise.

## 6.1 HIGHER PRESSURE WHEN IT MATTERS?

In the previous section, I have shown that ITC commissioners tend to protect the trade policy interests of the party that appointed them. One related question is whether their voting behavior changes depending on type of AD case they face. In particular, some votes on AD might be more clear-cut than others and thus lead commissioners to vote unanimously in favor or against imposing AD. It can be argued that in these instances, the vote of a single commissioner is less relevant to determine the outcome of an ITC vote. However, if Trade sub-committee senators put pressure on them, this is likely to be more effective when their vote matters more. To test this hypothesis, in Table 6 I show the results of the same kind of analysis discussed in the previous section, this time dropping the cases of unanimity (1,140 votes).

Both the selection and pressure effect are strengthened, suggesting that commissioners might be more responsive to political pressure when their vote weighs more on the ITC final decisions on AD. The size of coefficients on  $D_i$  are on average more than twice larger than those obtained estimating on the full sample (Table 5). Moreover, irrespective of the threshold used to compute the pressure variables, Democratic-

appointed commissioners are significantly more likely to vote in favor of AD if the petitioning industry employs a large share of people in states represented by Democratic Trade sub-committee senators. Also in this case, the effects are larger than those in Table 5. Interestingly, while commissioners seem to pander to key senators of the party that appoint them, they do not seem to vote against the interest of the other party: all the interactions between party affiliation and pressure variables, though negative, are not significant when the party of the commissioner and the one of the senator who has a stake in the AD vote do not coincide. This also tells that the results in table 5 are actually driven by non-unanimity vote do not coincide.

**Table 6:** Unanimity

$V_{ikct}$	(1)	(2)	(3)	(4)
$D_i \times S_{kt,10}^{Dem}$	0.820** (0.380)			
$D_i \times S_{kt,10}^{Rep}$	-0.578 (0.391)			
$D_i \times N_{kt,10}^{Dem}$		0.051** (0.024)		
$D_i \times N_{kt,10}^{Rep}$		-0.042 (0.027)		
$D_i \times S_{kt,20}^{Dem}$			0.463** (0.234)	
$D_i \times S_{kt,20}^{Rep}$			-0.433 (0.336)	
$D_i \times N_{kt,20}^{Dem}$				0.028* (0.014)
$D_i \times N_{kt,20}^{Rep}$				-0.031 (0.022)
$D_i$	0.208*** (0.046)	0.211*** (0.047)	0.202*** (0.054)	0.211*** (0.054)
Observations	1,168	1,168	1,168	1,168
$R^2$	0.261	0.261	0.261	0.261
AD Case FE	Yes	Yes	Yes	Yes
Commissioner-Level Controls	Yes	Yes	Yes	Yes

The table reports coefficients of a LPM. Significance: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Heteroskedasticity-robust standard errors are in parentheses.  $V_{ikct}$  is 1 if commissioner  $i$ , at time  $t$ , votes in favor of granting AD to a product belonging to industry  $k$ , imported from country  $c$ ; it is 0 otherwise.

## 7 ROBUSTNESS ANALYSIS

To assess the strength of the results presented earlier, in this section, I perform a number of robustness checks. First, I assess the robustness of the baseline selection-effect results by clustering errors at different dimensions.



**Table 7:** Selection Effect: Robustness

$V_{ikct}$	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
$D_i$	0.133*** (0.042)	0.131*** (0.040)	0.131*** (0.040)	0.117*** (0.037)	0.113** (0.041)	0.133*** (0.013)	0.131*** (0.013)	0.131*** (0.013)	0.117*** (0.013)	0.113*** (0.014)
$Female_i$		-0.017 (0.039)	-0.018 (0.042)	0.084* (0.047)	0.091 (0.060)		-0.017 (0.012)	-0.018 (0.012)	0.084*** (0.016)	0.091*** (0.018)
$President_i$			0.004 (0.055)	-0.047 (0.041)	-0.049 (0.042)			0.004 (0.019)	-0.047*** (0.018)	-0.049*** (0.018)
$Legislative_i$				0.215*** (0.048)	0.238* (0.126)				0.215*** (0.037)	0.238*** (0.049)
$Private_i$				0.335*** (0.061)	0.356*** (0.122)				0.335*** (0.041)	0.356*** (0.049)
$Executive_i$				0.244*** (0.055)	0.264** (0.121)				0.244*** (0.035)	0.264*** (0.044)
$Age_{it}$					0.001 (0.003)					0.001 (0.001)
Observations	2,608	2,608	2,608	2,608	2608	2,608	2,608	2,608	2,608	2,608
$R^2$	0.446	0.446	0.446	0.460	0.460	0.446	0.446	0.446	0.460	0.460
AD Case FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clustering (Commissioner)	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Clustering (Petition)	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes

The table reports coefficients of a LPM. Significance: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Standard errors, clustered at commissioner level in columns (1)-(5) and at petition level in columns (6)-(10) are in parentheses.  $V_{ikct}$  is 1 if commissioner  $i$ , at time  $t$ , votes in favor of granting AD to a product belonging to industry  $k$ , imported from country  $c$ ; it is 0 otherwise.

In Section 5, given the presence of a binary dependent variable, estimates are obtained using heteroskedasticity-robust standard errors. However, in this case, one of the assumptions that must hold to obtain reliable standard errors, is the independence of observations.

In Table 7, I relax this assumption and allow for intra-cluster correlation at the commissioner (columns (1)-(5)) and at the petition level (columns (6)-10)). The results are very much in line those reported in Table 3, with  $D_i$  being strongly significant in all the specifications.

Second, the pressure variables used in Section 6 are constructed as number or shares of Democratic/Republican Trade subcommittee senator has a stake in a given AD vote at time  $t$ . However, one could argue that even senators who do not belong to the Trade sub-committee could put pressure on ITC commissioner via their colleagues who sit in it. To check if this is the case, I construct new pressure variables that capture the policy interests of all the US senators and use them run the placebo test reported in Table 9, i.e. the same type of regressions presented in Table 6 using the re-defined pressure variables.

**Table 8:** Summary statistics (Whole Senate)

Variable	Mean	Std. Dev.	Min.	Max.	Observations
$N_{kt,10}^{Dem,Whole}$	4.433	5.46	0	36	2,608
$N_{kt,10}^{Rep,Whole}$	5.359	6.005	0	42	2,608
$N_{kt,20}^{Dem,Whole}$	12.033	8.068	0	48	2,608
$N_{kt,20}^{Rep,Whole}$	12.708	8.765	0	46	2,608

**Table 9:** Pressure Effect: Placebo Test

$V_{ikct}$	(1)	(2)
$D_i \times N_{kt,10}^{Dem,Whole}$	-0.004 (0.006)	
$D_i \times N_{kt,10}^{Rep,Whole}$	0.005 (0.005)	
$D_i \times N_{kt,20}^{Dem,Whole}$		0.004 (0.004)
$D_i \times N_{kt,20}^{Rep,Whole}$		-0.002 (0.004)
$D_i$	0.106*** (0.019)	0.102*** (0.024)
Observations	2,608	2,608
$R^2$	0.461	0.461
AD Case FE	Yes	Yes
Commissioner-Level Controls	Yes	Yes

The table reports coefficients of a LPM. Significance: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Heteroskedasticity-robust standard errors are in parentheses.

Table 10: Pressure Effect: Robustness

$V_{ikct}$	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$D_i \times S_{kt,10}^{Dem}$	0.642*** (0.246)		0.656*** (0.214)					
$D_i \times S_{kt,10}^{Rep}$	-0.395* (0.207)		-0.397** (0.163)					
$D_i \times N_{kt,10}^{Dem}$		0.043*** (0.016)		0.042*** (0.014)				
$D_i \times N_{kt,10}^{Rep}$		-0.028** (0.014)		-0.028*** (0.011)				
$D_i \times S_{kt,20}^{Dem}$					0.392*** (0.152)		0.324** (0.130)	
$D_i \times S_{kt,20}^{Rep}$					-0.455*** (0.163)		-0.281** (0.128)	
$D_i \times N_{kt,20}^{Dem}$						0.024** (0.010)		0.019** (0.008)
$D_i \times N_{kt,20}^{Rep}$						-0.031*** (0.011)		-0.018** (0.008)
$D_i$					0.082*** (0.019)	0.081*** (0.019)	0.075*** (0.024)	0.078*** (0.024)
Commissioner-level								
Controls	No	No	No	No	Yes	Yes	Yes	Yes
Commissioner $\times$								
Time FE	Yes	Yes	Yes	Yes	No	No	No	No
AD Case FE	Yes	Yes	Yes	Yes	No	No	No	No
Petition FE	No	No	No	No	Yes	Yes	Yes	Yes
$R^2$	0.510	0.510	0.635	0.635	0.510	0.511	0.634	0.634
$V_{ikct}$	(1a)	(2a)	(3a)	(4a)	(5a)	(6a)	(7a)	(8a)
$D_i \times S_{kt,10}^{Dem}$	0.667** (0.292)		0.667*** (0.256)					
$D_i \times S_{kt,10}^{Rep}$	-0.408 (0.251)		-0.408** (0.169)					
$D_i \times N_{kt,10}^{Dem}$		0.043** (0.020)		0.043*** (0.016)				
$D_i \times N_{kt,10}^{Rep}$		-0.028 (0.016)		-0.028** (0.011)				
$D_i \times S_{kt,20}^{Dem}$					0.362** (0.155)		0.362** (0.161)	
$D_i \times S_{kt,20}^{Rep}$					-0.475** (0.184)		-0.475*** (0.170)	
$D_i \times N_{kt,20}^{Dem}$						0.022** (0.010)		0.022** (0.010)
$D_i \times N_{kt,20}^{Rep}$						-0.033** (0.012)		-0.033*** (0.012)
$D_i$	0.085** (0.038)	0.084** (0.038)	0.085*** (0.022)	0.084*** (0.023)	0.090** (0.037)	0.095** (0.038)	0.090*** (0.027)	0.095*** (0.027)
Observations	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608
$R^2$	0.462	0.462	0.462	0.462	0.462	0.462	0.462	0.462
Commissioner-Level								
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AD Case FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clustering (Commissioner)	Yes	Yes	Yes	Yes	No	No	No	No
Clustering (Petition)	No	No	No	No	Yes	Yes	Yes	Yes

The table reports coefficients of a LPM. Significance: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Estimates in columns from (1) to (8) are obtained with heteroskedasticity-robust standard errors. In columns from (1a) to (4a) errors are clustered at the commissioner level; in columns from (5a) to (8a) at the petition level.  $V_{ikct}$  is 1 if commissioner  $i$ , at time  $t$ , votes in favor of granting AD to a product belonging to industry  $k$ , imported from country  $c$ ; it is 0 otherwise.

Summary statistics for these variables are reported in Table 8: the number of senators who could be interested in the outcome of AD votes is, overall, obviously much higher in this case.<sup>24</sup>

In Table 9 only the selection effect is confirmed while the pressure effect disappears, indicating not only that the channel through which parties can put pressure on ITC commissioners is the Trade-subcommittee, but also that its senators only put pressure when an affirmative vote on AD protects key sectors in their constituency and not in those of other party members.

Third, in Table 10 I report the results of estimations where I run more demanding versions of the the baseline specifications or allow for different within-cluster correlation dimensions with respect to those reported in Table 5 (pressure effect results).

In columns from (1) to (4) of Table 10, commissioner-time fixed effects are included on top if AD case fixed effects (as in the baseline results). The inclusion of the former set of fixed effects allows to control for any commissioner-specific factor that might affect commissioners' voting behavior on AD and be correlated with the pressure variables. In columns from (5) to (8), I instead retain commissioner-level controls, drop AD case fixed effects and include petition fixed effects which account for the whole variation in characteristics of requests for AD protection that have been filed against a specific country: the pressure effect is strongly confirmed and the magnitudes of the coefficients are quite comparable to those obtained in Section 6. The selection effect holds too (columns (5) to (8)).<sup>25</sup> Finally, the general picture, both for the selection and pressure effects, is broadly confirmed when estimates are obtained clustering the errors at the commissioner (columns 1a to 4a) or petition level (columns 5a to 8a).

In columns from (1) to (4) of Table 10, commissioner-time fixed effects are included on top if AD case fixed effects (as in the baseline results). The inclusion of the former set of fixed effects allows to control for any commissioner-specific factor that might affect commissioners' voting behavior on AD and be correlated with the pressure variables. In columns from (5) to (8), I instead retain commissioner-level controls, drop AD case fixed effects and include petition fixed effects which account for the whole variation in characteristics of requests for AD protection that have been filed against a specific country: the pressure effect is strongly confirmed and the magnitudes of the coefficients are quite comparable to those obtained in Section 6. The selection effect holds too (columns (5) to (8)).<sup>26</sup> Finally, the general picture, both for the selection and pressure effects, is broadly confirmed when estimates are obtained clustering the errors at the commissioner (columns 1a to 4a) or petition level (columns 5a to 8a).

## 8 DISCUSSION

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<sup>24</sup>Notice that in this case I do not computed the shares of senators. This is because the size of the US Senate is constant over time and thus including them instead of the number of senators in the regressions would just have a scale effect on coefficients.

<sup>25</sup>The pressure effect, normally captured by the coefficient on  $D_i$ , is absorbed by commissioner-time fixed effects in columns (1) to (4) of Table 10

<sup>26</sup>The pressure effect, normally captured by the coefficient on  $D_i$ , is absorbed by commissioner-time fixed effects in columns (1) to (4) of Table 10

In the previous sections, I have presented evidence that political partisanship affects US AD policy: Trade sub-committee senators might put pressure on the commissioners appointed by their party to protect the constituency they represent. However, an open debate is why this is this case. Below, I discuss two possible channels which are not necessarily mutually exclusive.

**Career concerns.** One issue is that while the votes of commissioners can be influenced by their previous employment experience, future job perspectives can influence their voting behavior on AD too. In particular, once their mandate at the ITC comes to an end, commissioners might have a higher chance of finding certain types of jobs depending on the protectionist attitude they have had during their time at the ITC. Some commissioners had indeed influential “political” jobs after the ITC. This is the case of commissioner Hillman who became a member of the WTO Appellate Body. Others, like commissioner Pearson, joined the CATO institute, a think tank that is often associated with the Republicans. So, knowing (in some detail) what commissioners do once they leave the ITC, could help explaining their voting behavior on AD. Unfortunately, this information is only available for a few of them and cannot be used to systematically analyze the effect of commissioners’ career concerns on their votes on AD.

**Reciprocity.** There is evidence that individuals reward kind actions and punish unkind ones (e.g. [Charness and Dufwenberg, 2006](#); [Fehr et al., 1997](#)), i.e. reciprocity seems to be an important determinant of human behavior. The concept has also penetrated the political economy literature: [Finan and Schechter \(2012\)](#), for example, show that voters like to help politicians who have been kind to them, and to punish politicians who have been unkind to them. Analogously, [Conconi et al. \(2017\)](#) use a model in which voters have reciprocal preferences (kindness) to rationalize the fact that U.S. presidents are more likely to initiate a dispute in the year preceding their re-election. My findings instead could be seen in light of the literature on “instrumental” reciprocity ([Sobel, 2005](#)) where selfish forward-looking career-concerned commissioners optimize by pleasing the politicians (those of the party that appointed them) that are most likely to reciprocate in the future.

## 9 CONCLUSIONS

This paper studies the effect of partisanship on US AD policy. I focus on the voting behavior of the ITC, a quasi-judicial agency composed by six non-elected commissioners who are supposed to conduct material injury investigations in a fair and objective manner.

Using a newly collected dataset containing all ITC commissioners’ votes on AD over the period 1980-2010, this study shows that political parties can affect the ITC voting behavior. While other studies have emphasized that Congress can influence the ITC, the novelty of this paper is to show that this influence is party-specific. Political parties can influence AD policy mainly in two ways.

First, Democratic-appointed commissioners are consistently more protectionist than Republican-appointed ones. This effect is sizable (the probability of voting in favor of AD is from 8 to 39 percentage points higher for Democratic-appointed commissioners) and suggests that political parties can play an

important role on AD policy by selecting ITC commissioners who have a similar stance on trade policy as their own (selection effect). This result is insensitive to several changes in the econometric specifications and to the use of different methodologies.

Second, whether ITC commissioners vote in favor of AD depends crucially on whether the petitioning industry is key (in terms of employment) in the states represented by leading Trade sub-committee senators in the party that appointed them (pressure effect). Interestingly, pressure seems to be more effective when the case for voting in favor or against AD is less clear-cut, suggesting that ITC commissioners are more likely to vote in line with political parties' interests when it matters more

More research is needed to further detect the mechanisms behind the voting behavior of the different commissioners. As mentioned in the previous section both career concerns and reciprocity motives could help shedding light on what drives the effectiveness of party-specific political pressure on ITC commissioners votes on AD.

## 10 APPENDIX

### 10.1 THE US AD PROCEEDINGS

In the US, dumping and material injury investigations are respectively the tasks of the US Department of Commerce (Commerce hereafter) and the ITC. The process leading to the imposition of an AD measure consists of five stages.

The first stage is the filing of an AD petition, that is a request of protection against alleged dumped imports of a given product from a given country. Petitions must be filed by interested parties (i.e. firms, trade or business associations and unions of workers) on behalf of a US industry which is allegedly materially injured (or threatened to) by reason of imports that are being, or are likely to be, sold in the US at less than fair value (LTFV).<sup>27</sup> Once a petition has been filed, Commerce has 20 days to decide whether petitioners' claims are sufficiently reasonable for the dumping investigation to start. If this is the case, Commerce initiates the investigation; if not, all the proceedings terminate.

The second stage involves the *preliminary injury decision* by the ITC. Once Commerce decides that petitioners' allegations are reasonably grounded, the ITC has 45 days to determine whether there is convincing indication that an industry in the US is materially injured (or is threatened with material injury) by imports of the product under investigation. The determination is affirmative if the number of commissioners who find material injury is larger than (or equal to) the one of those who do not (evenly divided votes are counted as affirmative ones). If the ITC vote on material injury is negative, proceedings are ended.

The third stage and fourth stages are respectively the *the preliminary dumping decision* and the *final dumping decision* of Commerce.<sup>28</sup> The preliminary (final) decision must be taken within 160 (235) days after the date on which the petition was filed. A negative preliminary decision on dumping does not stop the investigation process, which goes on until the final decision. If this is negative, the entire proceedings ends.

Finally, the fifth stage is the *final material injury decision* by the ITC. This has to be taken within 280 days from the date when the petition was filed. If the vote is affirmative, an AD measure is imposed.<sup>29</sup>

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<sup>27</sup>According to the AD agreement (1994), a product is sold to a price that is below the fair value if a foreign firm sells at home, the same product (or a similar one) at a higher price or it sells abroad the product at a price which does not cover the cost of production plus a reasonable addition for the cost of selling and profits.

<sup>28</sup>With the *the preliminary dumping decision*, the magnitude (margin) of the dumping margin is also computed. If the dumping margin is very small (less than 2% of the export price of the product) the so called *de minimis* rule applies and the investigation has to be terminated immediately.

<sup>29</sup>AD measures can take the form of an ad valorem duty (i.e. a tax on exports of the product under investigation) or of price undertaking (i.e. an increase in the price of the product that was unfairly exported to the US).

## 10.2 FURTHER DATA INFORMATION

**Table A1:** List of Target Countries

Argentina	42	Hungary	6	Russia	56
Australia	12	India	117	Singapore	6
Austria	16	Indonesia	72	Slovakia	4
Bangladesh	5	Israel	12	South Africa	54
Belarus	10	Italy	69	South Korea	165
Belgium	32	Japan	228	Spain	47
Brazil	121	Kazakhstan	22	Sweden	17
Canada	74	Latvia	6	Taiwan	112
Chile	9	Malaysia	32	Tajikistan	6
China	606	Mexico	87	Thailand	73
Colombia	6	Moldova	6	Trinidad & Tobago	3
Czech Republic	6	Netherlands	29	Turkey	25
Ecuador	12	New Zealand	5	Ukraine	44
Egypt	6	Norway	6	United Arab Emirates	6
Finland	16	Philippines	5	United Kingdom	47
France	83	Poland	12	Venezuela	37
Germany	91	Romania	30	Vietnam	21

**Table A2:** List of Petitioning Industries

NAICS Code	Industry Group	# of votes
111	Crop Production	23
112	Animal Production and Aquaculture	6
114	Fishing, Hunting and Trapping	52
212	Mining	10
311	Food Manufacturing	76
313	Textile Mills	22
314	Textile Product Mills	41
322	Paper Manufacturing	125
323	Printing and Related Support Activities	6
325	Chemical Manufacturing	418
326	Plastics and Rubber Products Manufacturing	90
327	Nonmetallic Mineral Product Manufacturing	58
331	Primary Metal Manufacturing	1,211
332	Fabricated Metal Product Manufacturing	241
333	Machinery Manufacturing	66
334	Computer and Electronic Product Manufacturing	28
335	Electrical Equipment, Appliance, and Component Manufacturing	79
336	Transportation Equipment Manufacturing	14
337	Furniture and Related Product Manufacturing	12
339	Other Miscellaneous Manufacturing	36



**Table A3:** Definition of Variables and Sources

<b>Variable</b>	<b>Definitions</b>	<b>Source</b>
$V_{ikct}$	AD vote of commissioner $i$ , at time $t$ , for industry $k$ , against country $c$	ITC reports and EDIS
$Democrat_i$	Dummy equal to 1 if the ITC commissioner is Democratic-appointed	ITC commissioners' biographies
$Republican_i$	Dummy equal to 1 if the ITC commissioner is Republican-appointed	ITC commissioners' biographies
$Female_i$	Dummy equal to 1 if the ITC commissioner is female	ITC commissioners' biographies
$Age_{it}$	Age of commissioner $i$ at time $t$	ITC commissioners' biographies and <i>Who's Who</i>
$Legislative_i$	Dummy equal to 1 if the commissioner's last employment, before joining the ITC, was in a legislative body	ITC commissioners' biographies and <i>Who's Who</i>
$Executive_i$	Dummy equal to 1 if the commissioner's last employment, before joining the ITC, was in an executive body	ITC commissioners' biographies and <i>Who's Who</i>
$Academia_i$	Dummy equal to 1 if the commissioner's last employment, before joining the ITC, was in academia	ITC commissioners' biographies and <i>Who's Who</i>
$Private_i$	Dummy equal to 1 if the commissioner's last employment, before joining the ITC, was in the private sector	ITC commissioners' biographies and <i>Who's Who</i>
$President_i$	Dummy equal to 1 if the commissioner was appointed by a Democratic president and <i>Who's Who</i>	ITC commissioners' biographies
$N_{tk,e}^\alpha$	Number ( $N$ ) of Democratic/Republican ( $\alpha$ ) Trade sub-committee senators who represents a state where, at time $t$ , the product under investigation belongs to the top 10/20 industries in terms of employment ( $e$ )	Quarterly Census of Employment and Wages and Congress Directory
$S_{tk,e}^\alpha$	Share ( $S$ ) of Democratic/Republican ( $\alpha$ ) Trade sub-committee senators who represents a state where, at time $t$ , the product under investigation belongs to the top 10/20 industries in terms of employment ( $e$ )	Quarterly Census of Employment and Wages and Congress Directory
$N_{tk,e}^{\alpha,Whole}$	Number ( $N$ ) of Democratic/Republican ( $\alpha$ ) Trade senators who represents a state where, at time $t$ , the product under investigation belongs to the top 10/20 industries in terms of employment ( $e$ )	Quarterly Census of Employment and Wages and Congress Directory

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