WHO MAKES U.S. TRADE POLICY?

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The foreign policy literature typically sees Congress abdicating its policy making role to the executive, implying a presidential dominance model is superior to other policy process models (joint participation, congressional dominance, and bureaucratic dominance). This article uses two theoretical approaches to investigate who actually makes U.S. trade policy: a political economy approach and an institutional approach. We look at the 1985–96 period and at individual presidencies: Reagan (1985–88), Bush (1989–92), and Clinton (1993–96). Contrary to the literature, we find strong evidence that Congress is an active participant in the trade policy making process. Using a variety of empirical techniques (crosstabs, the Index of Revealed Comparative Advantage, pairwise correlations, and stepwise logistic regressions), we confirm that the trade policy process for product-industry-specific policies tends to be dominated by Congress whereas the executive branch is more influential in the policy process

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for country-specific policies. We conclude by noting the advantage of integrating aspects of both the political economy of trade and institutional literatures to understand the nuances of U.S. foreign trade policy making.

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I. INTRODUCTION

Trade policy is a significant point of congressional–executive relations and public concerns in the United States.[1] Given the rise in importance of an issue area once considered "low politics" (Cooper 1972–73), the research question is posed: Who makes U.S. trade policy?[2] Like many other foreign policy issues, is this policy making process most influenced by the president? Does Congress take the lead in this process, based on its explicit constitutional powers? Do the branches share these policy making powers, or do both branches delegate such policy making to bureaucratic officials? There are various models in the literature suggesting which of these actors should be most likely to dominate the trade policy making apparatus.

In this article, we employ two different theoretical approaches to investigate the trade policy making process. First, trade policy making can be examined from an institutional theory approach. The conventional wisdom of the U.S. foreign policy literature sees congressional delegation of trade policy making to the executive branch, with Congress playing a largely symbolic role (Destler 1995, 1994a; Gold-

[1] See, for example, Destler (1992, 1995), Paarlberg (1995), Pastor (1983), Garten (1992), Bergsten (1990), Choate (1990), or Prestowitz (1988).

[2] Note that this question is not the same as whose preferences get written into policy—that is, who wins at the outcome stage. Thus, we focus on activities, rather than outcomes, in this article.

stein 1988; Haggard 1988; Margolis 1986; Pastor 1980, 1983). This literature also sees the presidency as being more pro-free trade, with Congress being more protectionist. Thus, trade policy outcomes, and in particular pro-trade policies, should be dominated by the presidency.

Second, a political economy approach examines trade policy from the standpoint of who benefits from the policy output (Baldwin 1985, 1989; Bhagwati 1988; Jones and Krueger 1990; Kalt 1996; Krueger 1996). To the extent that organized groups have their greatest access to policy makers in Congress, this approach hypothesizes that vested interest groups pressure congressional representatives to adopt policies favorable to their interests. Thus we expect product-specific trade policies to be made largely on Capitol Hill. To the extent that country-specific trade policies tend to reflect national rather than particular interests, we expect them to be dominated by the White House.

Though both approaches focus on the *outcomes* of trade policy debates, in this article we use insights from this literature to address three questions about the trade policy *process*:

1. Who dominates the U.S. trade policy process: Congress, the presidency, the bureaucracy, or some combination of these institutions?
2. Are policy processes with a pro-trade or anti-trade bias more or less likely to be dominated by particular institutions?
3. Are product-specific or country-specific trade policy processes more or less likely to be dominated by particular institutions?

We develop a database of the universe of U.S. trade policy actions over the 1985–96 period, encompassing three presidential terms: Reagan's second term (1985–88), Bush's term (1989–92), and Clinton's first term (1993–96). The events are coded in terms of institutional dominance, type of trade policy, and impact on U.S. trade flows. We

employ a variety of statistical techniques to analyze these events, including crosstabs, the index of Revealed Comparative Advantage, pairwise correlations, and logistic regression analysis. We examine the period as a whole, and each of the individual presidencies.

Our findings indicate that Congress is actively involved in over 75 percent of the 118 trade cases in our data set, either dominating (36%) or jointly participating in (42%) the policy making process. Only 10 percent of our cases show a dominant role played by the president or other White House officials while the remaining 13 percent are largely determined by the bureaucracy. Thus our answer to the first question "Who dominates the U.S. trade policy process?" is Congress, either alone or acting jointly with the presidency. This conclusion is contrary to the notion of presidential dominance of the trade policy process, so widely seen in the U.S. foreign policy literature.

Sixty percent of our cases are biased toward increasing U.S. trade flows, either exports or imports (i.e., they are pro-trade). Although differences can be found across the three administrations involved, total trade activity decreases over the 12-year period but the proportion of trade policy making activity that is pro-trade rises over the entire period. Our empirical tests show no simple relationship between pro-trade or anti-trade policies and institutional dominance of the policy making process. We therefore conclude that policy dominance does not depend on whether trade policies are pro- or anti-trade biased. This finding is contrary to the general literature which suggests that Congress has a protectionist bias whereas the White House tends to promote free trade.

Eighty-seven percent of the cases in our universe are relatively evenly split between country-specific and product-specific cases, with the remainder composed of trade administration cases. The product-specific cases (tariff/NTB cases, agriculture/environment cases, and military/related trade cases) show the heaviest congressional involve-

ment; while country-specific cases (MFN cases, trade sanctions cases, and FTA/GATT cases) tend to be dominated by the presidency. Based on our empirical tests, our answer to the third question, "Does dominance vary depending on whether the policies are product-based or country-based?" is yes, the White House tends to dominate country-specific policy debates whereas Congress dominates specific-product debates. Thus, our answer to the third question does concur with the political economy literature on this subject.

The article is organized as follows: Section II reviews the institutional and political economy literatures on U.S. trade policy. Since both approaches focus on trade policy outcomes and not on the policy process per se, we use insights from these approaches to develop seven hypotheses about institutional dominance of the trade policy process. In Section III we explain our data set and methodology. Section IV outlines the results from four different empirical tests of our hypotheses. Section V summarizes and discusses the implications of our results. Section VI concludes.

II. DEVELOPING HYPOTHESES ABOUT THE TRADE POLICY PROCESS

In this section, we use two different theoretical approaches to investigate the trade policy making process. The institutional theory approach sees Congress delegating foreign trade policy making to the executive branch so that policy outcomes are dominated by the presidency. The political economy approach examines the choice of trade policy outcomes from the standpoint of who expects to benefit from the policy output. Each approach, although focused on policy *outcomes*, can provide a useful lens through which to view the issue of who dominates the U.S. trade policy *process*.

An Institutional Approach to the Trade Policy Process

The notion of congressional delegation of trade policy making to the executive branch is conventional wisdom in institutional theory

(Destler 1995; Goldstein 1988; Haggard 1988; Margolis 1986; Pastor 1983, 1980). This view is rooted in the legacy of the 1930 Smoot–Hawley tariff bill. Faced with growing interest group pressures during the Great Depression, Congress set tariffs at all-time highs (Schattschneider 1935). These protectionist measures caused U.S. trading partners to raise their tariffs, making the depression worse. Members of Congress changed course with the 1934 Reciprocal Trade Agreements Act, delegating the negotiation of specific tariff levels to the presidency as a result of their recognition "that they were pathologically incapable of resisting the importuning of special interests on trade legislation" (Tierney 1993, p. 100).

From an institutional theory perspective, the congressional role in U.S. trade policy is seen as largely symbolic, manifested by a "cry-and-sigh" syndrome. Responding to congressional cries for protectionist measures, presidents press trading partners to lower their trade barriers, lest Congress impose more punitive trade policies. The result is a continuance of liberal trade policy and a "sigh" of relief from all concerned (Pastor 1983). Members of Congress can appear to act on behalf of special interests, but they do not assume the final responsibility for trade policy outcomes. The result is political "protection for Congress" (Destler 1994a, p. 243). This institutional view of trade policy outcomes suggests that the presidency should also dominate the U.S. trade policy process—that is, a *presidential dominance (PD)* model.

On the other hand, "[t]he highest, most open, decision mechanism in trade matters is, of course, Congress" (Finger, Hall, & Nelson 1982, p. 452). The Constitution assigns Congress the power to regulate foreign commerce. Thus members of Congress are on solid legal ground when exercising their right to shape U.S. trade policy (O'Halloran 1993). As the new economics of organizations literature (Lindsay 1994; McCubbins, Noll, & Weingast 1987, 1989; Moe 1984; Weingast 1984) suggests, Congress relies on its control of procedures to put its institutional imprint on policy. In trade policy making, Congress may

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be seen as "neither held captive by pressure groups nor dominated by the executive branch" (O'Halloran 1993, p. 284). Thus, there is a contrary view to the PD model which hypothesizes that the Congress is actively involved in trade policy outcomes. Corresponding to this view would be the hypothesis that the Congress dominates the U.S. trade policy process, the *congressional dominance (CD)* model.

An intermediary position would argue for *joint participation or dominance (JD)*. Congress does not abandon influence attempts when it delegates trade matters to the president. Instead, it institutionalizes procedures, creates new executive branch actors with specific trade responsibilities, and involves its members in trade negotiations. Thus, Congress participates in a process in which both branches are actively involved in trade policy making.

Several factors reinforce the notion of a JD model. Congress is most comfortable dealing with structural policy issues (Ripley & Franklin 1991), and trade policy includes a structural as well as a strategic element (Lindsay & Ripley 1993). Moreover, trade policy is a prime example of "intermestic" policy, matters seen by Congress as primarily domestic in nature but by presidents as primarily international (Barilleaux 1988; Manning 1977). According to this joint dominance model, Congress and the executive branch find themselves subject to similar domestic political pressures (Nivola 1990). From a rational choice perspective, both legislators and executive branch officials may at times perceive themselves as agents for the principals they represent—that is, organized interests (Morrow 1994). Facing similar political pressures, there may be incentives for each branch to cooperate, so each can "win" as much as possible in a non-zero-sum game.

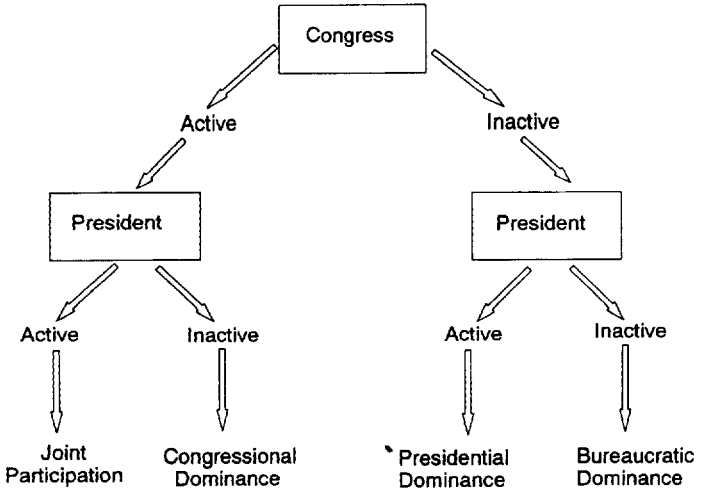
A final procedural pattern can be identified. *Bureaucratic dominance (BD)* occurs in those instances in which both the president and Congress delegate policy making to lower-level executive branch actors. Such largely *status quo* or "low policy track" processes involve either the implementation of existing policy or only incremental

changes from established precedents (Bendor 1995; Cooper 1972–73; Lindblom 1959).

Based on our interpretation of the foreign trade policy literature, we argue that four possible activity patterns can characterize presidential–congressional foreign policy interactions. The first sees an active president and an inactive Congress, the second an active president and an active Congress, the third an inactive president and an active Congress, and the fourth with both the president and Congress essentially inactive, thereby maintaining *status quo* policies (Hinckley 1994). In Figure I, we reconfigure these four patterns as our four policy process models: presidential dominance (PD), congressional dominance (CD), joint participation or dominance (JD), and bureaucratic dominance (BD).

In answer to our first question, Who dominates U.S. trade policy?, two contrasting hypotheses can be derived from this literature. The foreign policy approach's conventional wisdom suggests presidential dominance (PD) processes should be most frequent, as Congress

Figure I
Policy Making Activity Patterns and Dominance Models



delegates trade policy making to the president. Yet, based on constitutional powers and the congressional fondness for structural policy making, congressional dominance (CD), or joint participation/dominance (JD) processes could also be expected to be seen most frequently in trade policy cases. These are restated below.

H1: Trade policy processes are dominated by the presidency (the PD model).
H2: Trade policy processes are dominated by Congress (the CD model) or jointly by the congressional and executive branches (the JD model).

A second question we would like to address is the issue of pro-trade versus anti-trade policies. Who dominates pro-trade debates? Anti-trade debates? Are policy processes with a pro-trade or anti-trade bias more or less likely to be dominated by particular institutions?

According to much of the trade policy literature, we expect that the PD model should be the most pro-trade and the CD model the least (see, for example, Destler 1995; Kalt 1996; Pastor 1980, 1983). After the protectionist 1930 Smoot–Hawley tariff triggered similar protectionist measures on the part of other U.S. trade partners which reduced global exports for everyone, presidents came to appreciate the value of a free or freer-trade system. Beginning with Franklin Roosevelt, each post-Depression president has been seen as striving to preserve a liberal, freer-trade environment which benefits the U.S. economy as a whole (Destler 1995; Pastor 1980). Because presidents represent national interests, they are often thought to see the advantages of a more liberal, free or freer trade system (Destler 1995; Pastor 1983).

Being more influenced by special interests, however, members of Congress are often expected to lean more toward protectionist trade policies (Tierney 1993; Schattschneider 1935). By representing specific districts or states, what must be of prime consideration to

legislators is the effect of trade legislation on specific constituencies back home. Being more susceptible to such special interest groups, Congress is viewed as responding to populist and protectionist pressures. For example, if the North American Free Trade Agreement (NAFTA) is good for the country as a whole but bad for a local factory, local pressures may demand an anti-NAFTA vote. Thus, a prudent legislator will want to be seen as responding to the needs of local constituents, even if that may not be in the national interest (Destler 1995; Pastor 1980). Partisan pressures can reinforce congressional protectionism, particularly to the degree Congress is controlled by Democrats, because those who have previously benefited from the political support of organized labor cannot afford to endorse legislation which the labor movement defines as exporting jobs (Nivola 1990; Tierney 1993).[3]

In general, one would expect bureaucratic dominance (BD) cases to also have a pro-trade bias, similar to the PD cases. It seems likely the appointed leadership of the major bureaucratic actors involved (the Commerce and State departments, for example) would take their cues from presidents, who generally favor free or freer trade. The only exception would be the cases of administered protection via the escape clause and less-than-fair-value mechanisms. Although these are biased toward protectionism, they constitute only a small proportion of total U.S. trade activity (Finger, Hall, & Nelson 1982) and thus should not change the overall pro-trade bias of the bureaucracy.

These pro- and anti-trade biases can be expressed in the form of hypotheses:

H3: Pro-trade policies are positively correlated with presidential dominance of the policy process.

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[3]This partisan connection helps explain President Clinton's difficulty in getting congressional Democrats to agree to expand NAFTA to include Chile or even to give him fast-track negotiating authority.

H4: Anti-trade policies are positively correlated with congressional dominance of the policy process.

H5: Pro-trade policies are positively correlated with bureaucratic dominance of the policy process.

A third issue we address is possible differences between product-specific and country-specific trade policy processes in terms of institutional dominance. For insights on this question, we turn to the political economy literature on U.S. trade policy.

A Political Economy Approach to the Trade Policy Process

The political economy or public choice approach (Baldwin 1985, 1989; Bhagwati 1988; Jones and Krueger 1990; Kalt 1996; Krueger 1996) to U.S. trade policy suggests that political outcomes are explained by the different impacts (positive, negative) that a policy will have on the various stakeholders and the relative costs of organizing political lobbies to affect the policy outcome. Because the benefits of protectionism are seen as concentrated in particular interest groups, while its costs are distributed over the general population, the public choice approach predicts that trade policy making that directly affects specific products and/or industries, in a democratic system, should tend to be protectionist (Finger, Hall, & Nelson 1982).

The political economy model therefore has implications for the trade policy process because, implicitly, it suggests that the processes for different types of trade policies may be dominated by different institutions. For example, by lending themselves to vested interest groups (e.g., industry associations, labor coalitions, and political action committees [PACs]), product-specific trade policies may lead to dominance of the trade policy process by Congress as members push for legislation favoring local interests and constituents. Significant linkages between product- or industry-based interest groups and Congress have been observed for years (Krueger 1996; Tierney 1993; Pastor 1980; Schattschneider 1935). Krueger (1996, p. 438) suggested that when

trade policy is made on an "on-off basis towards individual sectors" it is more susceptible to interest group pressures for protection. In effect, Congress becomes captured by vested interest groups. Thus the political economy approach also suggests the anti-trade policy processes will be dominated by the Congress, similar to the prediction of the institutional approach and providing additional support for H4.

On the other hand, broad country-level trade policies, such as granting various countries MFN status, may not affect particular interest groups. In such cases, trade policy outcomes may be more reflective of White House activities. For example, MFN status can be used as an incentive to accomplish an administration's other foreign policy objectives. Early in the Clinton administration, the White House sought to link China's cooperation on issues like human rights abuses, the use of prison labor, and the piracy of intellectual property (e.g., music CDs, computer software, and movie videos) to that country's desire for MFN status. Similarly, cases involving national security, such as country trade sanctions, may be dominated by the White House. As Pastor (1983, p. 184) noted, "The president is the protector of national rather than specific interests," and free trade and national defense are among the most important U.S. national interests.

Interestingly, the political economy approach therefore does not imply that pro- or anti-trade policies will be dominated by the presidency, since country-specific policies can be either pro-trade (e.g., MFN accords) or anti-trade (e.g., trade sanctions). Thus, the political economy approach provides no insight into H3 and H4.

The political economy model has additional implications in terms of dominance of the U.S. trade policy process. First, if we find that the whole sample (e.g., the universe of 118 cases) was dominated by one institution (Congress, for example), we cannot infer that each trade policy category within that sample was equally dominated by Congress because different types of trade policies may have different propensities for institutional dominance.

Second, assume for example that the process for policy A tends to be presidentially dominated (PD) whereas process for policy B tends to be congressionally dominated (CD). If in one time period there is a higher proportion of policy A cases than in a second time period, then we will see a higher percentage of PD cases in the first period than in the second, not because the president was stronger in the first time period, but because there was a greater proportion of PD-biased cases in that period. Thus, our general analysis of a particular time period may be driven by differences in trade policy types, not by any inherent differences in the activities of Congress, the presidency and/or the bureaucracy. Consequently, it is important to determine whether there are regularities within trade policy types, and differences between them, in terms of their propensities for institutional dominance because this speaks directly to the robustness of our conclusions.

In summary, in terms of our third question as to whether particular trade policies tend to be dominated by particular institutions, two hypotheses can be proposed, drawing on the political economy approach:

H6: Product-specific trade policies are positively correlated with congressional dominance of the policy process.
H7: Country-specific trade policies are positively correlated with presidential dominance of the policy process.

The seven hypotheses are reproduced in Box I.

III. RESEARCH METHODOLOGY

Choice of Time Period

As a case study of the U.S. trade policy process, we restrict our analysis to the 1985–96 period, which includes three presidencies: Ronald Reagan's second term (1985–88), George Bush's term (1989–92), and Bill Clinton's first term (1993–96).

BOX I

Who Makes U.S. Trade Policy?

Who dominates U.S. trade policy debates?

H1: Trade policy processes are dominated by the presidency (the PD model).

H2: Trade policy processes are dominated by Congress (the CD model) or jointly by the legislative and executive branches (the JD model).

Is dominance related to whether trade policies are pro-trade or anti-trade?

H3: Pro-trade policies are positively correlated with presidential dominance (PD) of the policy process.

H4: Anti-trade policies are positively correlated with congressional dominance (CD) of the policy process.

H5: Pro-trade policies are positively correlated with bureaucratic dominance (BD) of the policy process.

Is dominance related to whether trade policies are product- or country-specific?

H6: Product-specific trade policies are positively correlated with congressional dominance (CD) of the policy process.

H7: Country-specific trade policies are positively correlated with presidential dominance (PD) of the policy process.

This period in the history of U.S. trade policy can be seen as "the years of trade," a term I. M. Destler first applied to the 1985–88 period (Destler 1992, p. 88). Destler stated that "the years 1985 through 1988 would be the *years* of trade, the period of greatest congressional trade intensity since the 1930s." As national security threats lessened with the demise of the Soviet Union during the Bush administration, the importance of economic issues and the place of

the United States in the world economy became central to U.S. foreign policy discussions. The fact that Bill Clinton was better able than George Bush to address such concerns had a major impact on his subsequent election in 1992 (Destler 1994b). Consequently this period is significant for both the increased frequency of foreign trade activity and its increased importance.[4]

However, the number of changes hides the *importance* of individual actions. For example, implementation of NAFTA and of the GATT Uruguay Round, both of which occurred during Clinton's first term, must be considered among the most significant trade policy events of the 1985–95 period. The 1988 Omnibus Trade Act must also be considered a key legislative achievement:

> The 1988 law was the culmination of four years of congressional activity. It was the first major trade bill initiated by the Congress since the days before Smoot–Hawley [1930]. And it was by far the *longest* trade bill passed by the postwar Congress. (Destler 1992, p. 95)

Thus, our focus on 1985–96 isolates a time period rich with complex trade policy making activities, both in number and in impact. Moreover, it includes the period when the international system was evolving, moving away from economic interactions driven by Cold War mercantilist concerns and toward a more liberal economic environment dominated by freer trade. This period should provide a sound basis for generalizations about post-Cold War foreign trade policy making.

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[4]As we show in Table I, there are 59 trade policy actions (17 of these are part of the Omnibus Trade Act of 1988) in 1985–88, 40 actions in 1989–92, and 19 in 1993–96. The level of trade policy making, as measured by the *number* of trade law changes, is particularly high during Reagan's second term and Bush's presidency; the number drops significantly during Clinton's first term.

Trade Policy Categories

Trade policy can be defined as "the sum total of actions by the state intended to affect the extent, composition, and direction of its imports and exports of goods and services" (Pastor 1983, p. 161). It can include policies that directly affect trade (tariffs and non-tariff barriers [NTBs] such as quotas, voluntary export restraints, export taxes and subsidies) and policies indirectly affecting trade (price supports, health and safety standards, local content rules). In fact, there are few policies that do not have some impact on trade flows; as Pastor (1983, p. 160) noted, "trade [has become] intertwined with virtually all economic policies."

We use a narrower definition than Pastor's and include only those policies that have a direct impact on U.S. trade. Box II outlines our nine major categories of trade policies; these can be grouped into three major headings: administrative, product/industry-specific, and country-specific trade policies. Under the Constitution, Congress has the power to impose product-specific trade barriers (Destler 1992, p. 66), although it can and has delegated broad powers to the executive branch (e.g., "fast track" negotiating authority for free trade agreements).[5] Our list of trade policies is then codified as shown in Box II.

Coding Methods

The source for our database is a series of *Congressional Quarterly* publications.[6] These represent the universe of major congressional

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[5]Fast-track cases were coded according to the decision rules just like any other case. In other words, the mere fact that they were fast-track did not imply an assumption of congressional delegation leading to presidential dominance. Instead, the details of each case were examined to make an appropriate decision regarding the activity levels of each institution. Members of Congress could be highly involved prior to the formal introduction of the legislation.

[6]*Congress and the Nation, Vol. VII 1985–1988* for the second Reagan term, *Congress and the Nation, Vol. VIII 1989–1992* for the Bush administration, *Congressional Quarterly Almanacs 1994* and *1995* for the first two years of the Clinton administration, and the *Congressional Quarterly Weekly Report* for 1995–96.

BOX II
U.S. Trade Policy Categories

ADMINISTRATIVE TRADE POLICIES
- *trade administration/support* (e.g., the 1985 Export Administration Act, reverse fast track authorization in 1988)

PRODUCT-SPECIFIC TRADE POLICIES
- *product- and industry-specific tariffs and nontariff barriers* (NTBs include, e.g., 1988 gray-market auto import restrictions, 1991 semiconductor chip protection)
- *agricultural and environmental trade policies* (e.g., 1988 citrus and pasta agreement, 1994 farm exports promotion, Ozone Pact ratification in 1988)
- *military and related trade policies* (e.g., 1992 Saudi Arabian arms sales, 1986 drug export bill, 1986 ammunition import restrictions)

COUNTRY-SPECIFIC TRADE POLICIES
- *most-favored-nation (MFN) country accords* (e.g., 1986 Romanian MFN, 1990 trade pact with Czechoslovakia)
- *country-specific trade sanctions* (e.g., 1985 Nicaraguan trade embargo, 1986 Libyan trade embargo, 1986 South African sanctions)
- *Free Trade Agreements (FTAs) and GATT Accords* (e.g., 1993 NAFTA implementation, 1992 Enterprise of the Americas Bill)

trade activities for the period, not a sample thereof. Each source reports on the details of the policy making process and on the outcomes of the process. Thus we have a list of trade policies been passed into law over the 1985–96 period. This represents our data set. We then procedurally categorize these trade policy cases according to our four institutional models.

To operationalize the models, we turn to a classification scheme that focuses on activity levels. By its nature, policy making is a

labor-intensive activity. The White House can either go through the pro forma motions of what is expected in a trade case without expending any significant energy or it can expend additional effort to try to influence the process. The same can be said for Congress as an institution. Thus, activity levels become crucial to understanding who most influences the policy making process.

A president is considered active if the record indicates presidential lobbying, presidential statements of intent, or indications of lobbying by other White House personnel. Activity coming out of the White House is assumed to be presidentially directed. If references to activity by White House personnel are missing or are limited solely to other Cabinet departments, the president is considered inactive. The motivations for executive branch personnel located outside the White House may be more local to their departments or agencies, and presidential activity cannot be assumed without some reference to the president or White House personnel.

Thus, we associate the PD model with cases where presidential activities dominate the trade policy making process, while the Congress and bureaucracy are inactive. An example may be helpful. In 1986, President Reagan decided to continue Romania's MFN status for another year, going out of his way to waive rules that would prohibit MFN status for communist countries without satisfactory emigration policies (which applied to Romania). The House of Representatives chose not to overturn his decision. With the president active and the Congress inactive, the Romanian MFN case was coded as PD (presidential dominance). Reagan's choice to waive standing rules prevented this case from being coded as one of bureaucratic dominance, as he overrode the bureaucratic use of standard operating procedures. The congressional decision to approve the president's choice without floor debate or significant committee hearings prevented the case from being coded as either congressional dominance or joint participation. Hence, this case was an instance of presidential dominance.

For Congress, merely passing a bill does not guarantee significant congressional activity, and failing to pass a bill does not denote congressional inactivity. Rather, congressional activity is determined by the expenditure of significant time resources. Congress is active if its members conduct hearings which go beyond pro forma expectations, engage in oversight activities, or press the administration to act in a preferred way. If Congress does not do the above, or if it passes measures by voice vote or by substantial margins without floor debate or significant hearings, the congressional role is considered inactive.

Thus, we apply the CD model as cases where congressional activities dominate the process while the White House and bureaucracy are inactive. As an example, in 1985 Congress concluded a 2 1/2-year effort to rewrite the many provisions of the Export Administration Act. The final version deleted several controversial proposals that had prevented House and Senate agreement on the bill in 1984. Congress was actively involved in writing this legislation; there was no reference to the president, his preferences, or White House lobbying (see *Congressional Quarterly* 1990, pp. 144–45). Thus, we consider this case an example of CD.

Where both the president and Congress jointly are actively involved in the process, we have the joint participation or dominance (JD) model. As an example, in 1985 the agricultural export programs authorization bill featured a tug-of-war between the House and Senate at one level and between Congress and the president on the other. The coverage in *Congress and the Nation* (*CQ* 1990, p. 501) makes this interaction explicit: "Repeated stalemates within the House and Senate and between Congress and the White House were broken only after arduous legislative compromises that pleased few but strongly angered fewer." With both Congress and the president active, we have a JD case.

And, lastly, where neither institution is active, the bureaucracy directly dominates the activities; the BD model. The bureaucracy is considered active when (1) references are made to either Cabinet

department representatives or officials from other executive branch agencies testifying before Congress, lobbying members of Congress, or otherwise endorsing particular policy stances, *without any additional references to similar activities on the part of the president, vice president, or other White House officials*; or (2) the issue is referred to, not as the president's or White House's request, but instead as a Cabinet department's or agency's request. Typically, the bureaucracy is considered active when both the White House and Congress are considered inactive. For example, the 1986 Export Administration Act authorization features no reference to activity on the part of the president or any White House personnel. The Senate passed the Commerce Department's request by voice vote, and the House passed it by a 366-0 margin. No debate on the matter occurred in either chamber (*CQ* 1990, pp. 144–45). This case is a clear example of Congress merely ratifying what the Commerce officials had already worked out—that is, a case of BD.

Using the ninefold classification scheme for trade policies illustrated in Figure I, we then categorized each legislative change according to this classification. The specific process involved one author initially coding the cases and the other checking the results. When cases were coded differently by the authors, the particulars of the case were re-examined until both authors agreed on the coding of the case.

Also to ensure the maximum comparability of cases, "omnibus" trade bills were disaggregated into their major substantive components, which were then coded as cases in their own right. For example, the 1988 Omnibus Trade Bill was coded as 17 separate trade policy cases, 14 of which reflected CD and three of which reflected JD.

From the descriptions in *CQ*, we determined whether the policy action was pro-trade (i.e., trade-increasing) or anti-trade (i.e., trade-decreasing). Pro-trade cases involved the promotion of bilateral or regional trade, the extension of trade benefits, and so on. Anti-trade cases typically involved tariffs or trade sanctions.

IV. EMPIRICAL RESULTS

To test our seven hypotheses we use four separate approaches. First, we do simple crosstabs of the 118 trade policy actions by dominance category. Second, we use an old empirical tool—the Index of Revealed Comparative Advantage (RCA)—in a new way, to test whether or not particular trade policy types are more or less correlated with particular dominance categories. Third, we supplement the RCA index with pairwise correlations between the dominance and trade policy variables. Lastly, we use maximum-likelihood logistic regressions to test the relationships between policy dominance and trade policy categories.

Crosstabulations

Table I can provide some answers to our three research questions. The table shows the raw scores and percentage distributions by trade policy category, and by time period.

First, on the question of who dominates U.S. trade policy debates, note that the highest percentage of cases are jointly dominated (JD = 49 of 118 cases, or 42%), followed by congressional dominance (CD = 42 of 118 cases, or 36%). Because only 12 cases (10% of the total) reflect presidential dominance of the policy process, H1 (the president dominates trade policy debates) is not confirmed. On the other hand, H2 (the Congress either alone or jointly dominates the policy process) is confirmed.

Reading down the columns, the same question can be addressed for each presidential period. In Reagan's second term, for example, 46 percent of the trade debates are dominated by Congress (CD) with another 39 percent jointly dominated (JD). Forty percent of the cases are jointly dominated during Bush's presidency; this figure rises to 53 percent in Clinton's first term. Even during Bush's presidency, the highwater of presidential dominance, only 15 percent of trade policy processes are dominated by the executive branch. Thus, for the

Table I
Percent Distribution of Trade Policy Categories, by Dominance Type and Time Period, 1985–96

Policy Dominance Category	Sum all Trade Cases	% Dist All Trade Cases	General Trade Policy Stance: Anti-Trade Cases	% Dist Anti-Trade	Pro-Trade Cases	% Dist Pro-Trade	#1 Admin & Support	Product-Specific Trade Policies: #2 Tariffs & NTBs	#3 Ag & Env Trade	#4 Military & Related	Sum	% Dist	Country-Specific Trade Policies: #5 MFN Accords	#6 Trade Sanctions	#7 FTAs & GATT	Sum	% Dist
All Years 1985–96																	
PD	12	10.17%	6	12.77%	6	8.45%	0	0	1	2	3	6.12%	2	6	1	9	16.67%
CD	42	35.59%	16	34.04%	26	36.62%	8	4	6	11	21	42.86%	6	3	4	13	24.07%
JD	49	41.53%	21	44.68%	28	39.44%	4	5	5	10	20	40.82%	11	9	5	25	46.30%
BD	15	12.71%	4	8.51%	11	15.49%	3	1	3	1	5	10.20%	6	1	0	7	12.96%
Total	118	100.00%	47	100.00%	71	100.00%	15	10	15	24	49	100.00%	25	19	10	54	100.00%
Reagan's Second Term 1985–88																	
PD	5	8.47%	3	10.71%	2	6.45%	0	0	1	0	1	3.70%	1	3	0	4	20.00%
CD	27	45.76%	10	35.71%	17	54.84%	8	4	1	8	13	48.15%	1	2	3	6	30.00%
JD	23	38.98%	13	46.43%	10	32.26%	3	3	2	6	11	40.74%	0	6	3	9	45.00%
BD	4	6.78%	2	7.14%	2	6.45%	1	0	1	1	2	7.41%	0	1	0	1	5.00%
Total	59	100.00%	28	100.00%	31	100.00%	12	7	5	15	27	100.00%	2	12	6	20	100.00%
Bush's Term 1989–92																	
PD	6	15.00%	2	13.33%	4	16.00%	0	0	0	2	2	13.33%	1	2	1	4	18.18%
CD	9	22.50%	4	26.67%	5	20.00%	0	0	3	1	4	26.67%	4	0	1	5	22.73%
JD	16	40.00%	7	46.67%	9	36.00%	1	2	2	3	7	46.67%	6	2	0	8	36.36%
BD	9	22.50%	2	13.33%	7	28.00%	2	1	1	0	2	13.33%	5	0	0	5	22.73%
Total	40	100.00%	15	100.00%	25	100.00%	3	3	6	6	15	100.00%	16	4	2	22	100.00%
Clinton's First Term 1993–96																	
PD	1	5.26%	1	25.00%	0	0.00%	0	0	0	0	0	0.00%	0	1	0	1	8.33%
CD	6	31.58%	2	50.00%	4	26.67%	0	0	2	2	4	57.14%	1	1	0	2	16.67%
JD	10	52.63%	1	25.00%	9	60.00%	0	0	1	1	2	28.57%	5	1	2	8	66.67%
BD	2	10.53%	0	0.00%	2	13.33%	0	0	1	0	1	14.29%	1	0	0	1	8.33%
Total	19	100.00%	4	100.00%	15	100.00%	0	0	4	3	7	100.00%	7	3	2	12	100.00%

1985–96 period as a whole, and for each of the three subperiods, H2 is confirmed and H1 is rejected. This result suggests that the accuracy of the presidential dominance literature has to be questioned.

In terms of our second question on the difference between pro- and anti-trade policy processes, of the anti-trade policies adopted over the whole period, the highest percentage (45%) of the policy processes are jointly dominated (JD), followed by CD (34%). In terms of pro-trade policies, dominance is relatively evenly split between JD (39%) and CD (36%). Apparently, both pro-trade and anti-trade processes tend to be dominated by Congress, either acting alone or jointly with the White House. Neither H3 (presidential dominance of pro-trade policy debates) nor H5 (JD of pro-trade) receives any support here; whereas H4 (congressional dominance of anti-trade) receives some support. Looking within each presidency, this result generally holds. Both pro-trade and anti-trade policies have active congressional involvement, either as CD or JD.

In terms of our third question on differences between product-specific and country-specific policies, we see that product-specific policies have active congressional involvement (CD 43%, JD 41%) whereas country-specific policies tend to be jointly dominated (JD 46%). Looking across the three presidencies, this is also the case. This suggests support for H6 (congressional dominance of product-specific trade debates), but no support for H7 (presidential dominance of country-specific trade debates).

Our analysis so far has addressed the general question: For a particular trade policy category, which institution tends to dominate debates about this trade policy? Another way to address the issue is to reverse the direction of causation: For a particular dominance category, what types of trade policies are most frequent? The latter question is addressed in Table II which shows the percentage distribution of policy dominance categories by time period. This table allows us to address the issue of whether particular dominance categories, or

Table II
Percent Distribution of Policy Dominance Categories, by Time Period 1985–96

Policy Dominance Category	Sum all Trade Cases	General Trade Policy Stance: Anti-Trade	General Trade Policy Stance: Pro-Trade	#1 Admin & Support	Product-Specific Trade Policies: #2 Tariffs & NTBs	#3 Ag & Env Trade	#4 Military & Related	Sum Product-Specific	Country-Specific Trade Policies: #5 MFN Accords	#6 Trade Sanctions	#7 FTAs & GATT	Sum Country-Specific
All Years 1985–96												
PD	12	50.00%	50.00%	0.00%	0.00%	8.33%	16.67%	25.00%	16.67%	50.00%	8.33%	75.00%
CD	42	38.10%	61.90%	19.05%	9.52%	14.29%	26.19%	50.00%	14.29%	7.14%	9.52%	30.95%
JD	49	42.86%	57.14%	8.16%	10.20%	10.20%	20.41%	40.82%	22.45%	18.37%	10.20%	51.02%
BD	15	26.67%	73.33%	20.00%	6.67%	20.00%	6.67%	33.33%	40.00%	6.67%	0.00%	46.67%
Total	118	39.83%	60.17%	12.71%	8.47%	12.71%	20.34%	41.53%	21.19%	16.10%	8.47%	45.76%
Reagan's Second Term 1985–88												
PD	5	60.00%	40.00%	0.00%	0.00%	20.00%	0.00%	20.00%	20.00%	60.00%	0.00%	80.00%
CD	27	37.04%	62.96%	29.63%	14.81%	3.70%	29.63%	48.15%	3.70%	7.41%	11.11%	22.22%
JD	23	56.52%	43.48%	13.04%	13.04%	8.70%	26.09%	47.83%	0.00%	26.09%	13.04%	39.13%
BD	4	50.00%	50.00%	25.00%	0.00%	25.00%	25.00%	50.00%	0.00%	25.00%	0.00%	25.00%
Total	59	47.46%	52.54%	20.34%	11.86%	8.47%	25.42%	45.76%	3.39%	20.34%	10.17%	33.90%
Bush's Term 1989–92												
PD	6	33.33%	66.67%	0.00%	0.00%	0.00%	33.33%	33.33%	16.67%	33.33%	16.67%	66.67%
CD	9	44.44%	55.56%	0.00%	0.00%	33.33%	11.11%	44.44%	44.44%	0.00%	11.11%	55.56%
JD	16	43.75%	56.25%	6.25%	12.50%	12.50%	18.75%	43.75%	37.50%	12.50%	0.00%	50.00%
BD	9	22.22%	77.78%	22.22%	11.11%	11.11%	0.00%	22.22%	55.56%	0.00%	0.00%	55.56%
Total	40	37.50%	62.50%	7.50%	7.50%	15.00%	15.00%	37.50%	40.00%	10.00%	5.00%	55.00%
Clinton's First Term 1993–96												
PD	1	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
CD	6	33.33%	66.67%	0.00%	0.00%	33.33%	33.33%	66.67%	16.67%	16.67%	0.00%	33.33%
JD	10	10.00%	90.00%	0.00%	0.00%	10.00%	10.00%	20.00%	50.00%	10.00%	20.00%	80.00%
BD	2	0.00%	100.00%	0.00%	0.00%	50.00%	0.00%	50.00%	50.00%	0.00%	0.00%	50.00%
Total	19	21.05%	78.95%	0.00%	0.00%	21.05%	15.79%	36.84%	36.84%	15.79%	10.53%	63.16%

particular presidencies, are positively linked to particular types of trade policies.

Looking first at the question of pro- versus anti-trade policies for the whole time period, 60 percent of the 118 cases are pro-trade cases; the other 40 percent are anti-trade. Within the PD category, for example, half the cases are pro-trade; half are anti-trade. This fact, however, does not provide us with any evidence vis à vis H3. Because 60 percent of all cases can be classified as pro-trade, only where *more than* 60 percent of cases within a particular dominance category are classified as pro-trade, can one suggest evidence of a positive relationship between pro-trade policies and a form of institutional dominance.[7] The table therefore suggests only one strong, positive relationship: within the BD category, 73 percent of the cases are pro-trade policies, providing support for H5 (pro-trade policies positively related to BD). There is no support for H3 because only 50 percent of the PD cases are pro-trade; nor for H4 because only 38 percent of the CD cases are anti-trade.

Looking next within each presidential period, we see large differences. In Reagan's second term, a much higher percentage of cases are anti-trade (47%), higher than in either of the other presidencies (Bush 38%, Clinton 21%). In addition, 60 percent of the PD cases are anti-trade, suggesting the White House had a strong anti-trade bias in this period, which is the complete reverse of H3 (PD of pro-trade cases). In fact, of the congressionally dominated cases, 63 percent are pro-trade, suggesting the Congress dominated pro-trade debates dur-

[7]Similarly, in terms of H4, since 40 percent of the cases are anti-trade, only where dominance categories exceed 40 percent by a large margin can we suggest evidence of a positive relationship between anti-trade policies and that form of institutional dominance.

ing the Reagan presidency; which is also the reverse of H4. Reagan's second term may be an anomaly, however, because Bush's presidency does provide support for H3 (PD tend to be pro-trade), H4 (CD tend to be anti-trade), and H5 (BD tend to be pro-trade). There are far fewer total cases during Clinton's first term so it is harder to do comparisons; however, of the six CD cases, 33 percent are anti-trade compared to 21 percent overall, suggesting some support for H4.

In terms of our third research question on product- versus country-specific policies, Table II shows that over the whole time period, 42 percent of the cases are product-specific trade, 46 percent are country-specific cases, and the remaining 13 percent are general administrative and support policies. Therefore, only where a particular dominance category exceeds by a large margin the percentage for all years can we argue there is a positive relationship between the policy type and the dominance category. In the case of 1985–96, because 50 percent of the CD cases are product-specific, compared to an overall percentage of 42 percent, there is some support for H6 (congressional dominance of product-specific trade debates). In addition, since 75 percent of the PD cases are country-specific (the overall percentage is 46%), there is strong support for H7 (presidential dominance of country-specific debates). Thus, both H6 and H7 are supported. Looking within each of the presidencies, both hypotheses are also supported in each subperiod, providing us with additional evidence in favor of these two hypotheses.

Crosstabulations of policy dominance category by trade policy type show us that there are two ways to examine the relationship. The first focuses on a particular trade policy category and looks for evidence of dominance by a particular institution. The second focuses on a particular institution and looks for evidence of frequency of particular trade policies. Is there some way to integrate these two approaches? The answer is yes; the index of Revealed Comparative Advantage incorporates both measurements.

The Index of Revealed Comparative Advantage

The index of Revealed Comparative Advantage (RCA) (Balassa 1965; Eden and Molot 1992; Vollrath 1985, pp.12–13) was developed by trade economists to measure the comparative advantage one country has in a particular commodity compared to all other countries. Indexes over 1.00 indicate areas of trading strength for a country; indexes below 1.00, areas of weakness.

We can use the RCA index to address our research questions. The RCA index is:

$$(1) \qquad \text{RCA} = \frac{X_{ij}/\Sigma_i X_{ij}}{\Sigma_j X_{ij}/\Sigma_i \Sigma_j X_{ij}}$$

where we let i be the trade policy type ($i = 1, 2, \ldots, 9$) and j be the political dominance category ($i = 1, 2, \ldots, 4$). The numerator of RCA is the number of times a particular trade policy type in a particular dominance category occurs (X_{ij}) divided by the sum of all trade policy types in that particular dominance category ($\Sigma_i X_{ij}$). The denominator is the ratio of the total number of times that particular trade policy occurs for all dominance categories ($\Sigma_j X_{ij}$) to the total number of trade policies in the whole set ($\Sigma_i \Sigma_j X_{ij}$).

An example may help. Reading vertically down the columns in Table II shows that 50 percent of the PD cases can be classified as anti-trade policies, whereas 39.8 percent of all cases are anti-trade. The ratio of these two numbers, the RCA index, is 1.255 (greater than one), implying that the PD model has a higher-than-average propensity to generate trade-reducing policies.

Alternatively, we can understand the ratio as saying that anti-trade policies have a higher-than-average propensity to be PD cases. Reading horizontally across the PD row in Table I, we see that 12.77 percent of the anti-trade policies are PD cases, compared to 10.17 percent of all cases. The ratio of 12.77/10.17 is the same as 50/39.8 so the RCA

index allows us to amalgamate the information in Tables I and II, and therefore answer both sides of our research questions.[8]

In Table III, we have calculated RCA indexes for each type of trade policy and dominance category, for each presidential term, and for the whole period. In addition, we have computed RCA indexes for each presidency relative to the 1985–96 period.[9]

Table III can be read two ways. First, reading vertically down a column shows whether a particular trade policy type is more or less likely to be institutionalized in a particular policy making process. Second, reading horizontally across a row shows how the propensity for a particular type of institutional dominance varies across trade policy categories.

In terms of our research question on pro- versus anti-trade policies, Table III shows that there are clear differences in the pro-trade stance of the presidents, with Reagan's second term being the most anti-trade (47% anti-trade), while trade policy making during Bush's term was primarily pro-trade (62.5%), and Clinton's was dramatically pro-trade (79%). This suggests that the commitment to liberalized trade has increased over the past 10 years, in spite of the rhetoric of Congress. Thus Robert Pastor's (1983) cry-and-sigh syndrome appears to still hold in the mid-1990s.

Over the whole period, anti-trade policies are most likely to be dominated by the presidency (RCA 1.255). Relatively more of these anti-trade PD cases occur during Reagan's second term (RCA 1.191), and during his term, anti-trade policies tended to be PD cases (RCA

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[8]This is because the ratio (A/B)/(C/D) is the same ratio as (A/C)/(B/D); both yield AD/BC.

[9]In this case, the RCA index should be read as saying, for example, the percent of anti-trade cases in the Reagan presidency (47.5%) divided by the percent of anti-trade cases for the whole period (39.8%), which yields an RCA index of 1.19. That is, there were relatively more anti-trade cases in Reagan's second term than in the period as a whole.

Table III
The Index of Revealed Comparative Advantage, 1985–96

Policy Dominance Category	Anti-Trade	Pro-Trade	#1 Admin/ Support	Type of Trade Policy, by Category: Product-Specific Trade Policies #2 Tariffs & NTBs	#3 Ag & Env Trade	#4 Military & Related	Sum Product-Specific	Country-Specific Trade Policies #5 MFN Accords	#6 Trade Sanctions	#7 FTAs & GATT	Sum Country-Specific
RCAs—All Years 1985–96											
RCA-PD	1.255	0.831	0.000	0.000	0.656	0.819	0.602	0.787	3.105	0.983	1.639
RCA-CD	0.956	1.029	1.498	1.124	1.124	1.288	1.204	0.674	0.444	1.124	0.676
RCA-JD	1.076	0.950	0.642	1.204	0.803	1.003	0.983	1.060	1.141	1.204	1.115
RCA-BD	0.670	1.219	1.573	0.787	1.573	0.328	0.803	1.888	0.414	0.000	1.020
Comparison of RCAs by Presidential Term											
RCA-Reagan	1.191	0.873	1.600	1.400	0.667	1.250	1.102	0.160	1.263	1.200	0.741
RCA-Bush	0.941	1.039	0.590	0.885	1.180	0.738	0.903	1.888	0.621	0.590	1.202
RCA-Clinton	0.529	1.312	0.000	0.000	1.656	0.776	0.887	1.739	0.981	1.242	1.380
RCAs—Reagan's Second Term 1985–88											
RCA-PD	1.264	0.761	0.000	0.000	2.360	0.000	0.437	5.900	2.950	0.000	2.360
RDA-CD	0.780	1.198	1.457	1.249	0.437	1.165	1.052	1.093	0.364	1.093	0.656
RCA-JD	1.191	0.827	0.641	1.099	1.026	1.026	1.045	0.000	1.283	1.283	1.154
RCA-BD	1.054	0.952	1.229	0.000	2.950	0.983	1.093	0.000	1.229	0.000	0.738
RCAs—Bush's Term 1989–92											
RCA-PD	0.889	1.067	0.000	0.000	0.000	2.222	0.889	0.417	3.333	3.333	1.212
RCA-CD	1.185	0.889	0.000	0.000	2.222	0.741	1.185	1.111	0.000	2.222	1.010
RCA-JD	1.167	0.900	0.833	1.667	0.833	1.250	1.167	0.938	1.250	0.000	0.909
RCA-BD	0.593	1.244	2.963	1.481	0.741	0.000	0.593	1.389	0.000	0.000	1.010
RCAs—Clinton's First Term 1993–96											
RCA-PD	4.750	0.000	n.a.	n.a.	0.000	0.000	0.000	0.000	6.211	0.000	2.185
RCA-CD	1.583	0.844	n.a.	n.a.	1.583	2.111	1.810	0.452	1.056	0.000	0.528
RCA-JD	0.475	1.140	n.a.	n.a.	0.475	0.633	0.543	1.357	0.633	1.900	1.267
RCA-BD	0.000	1.267	n.a.	n.a.	2.375	0.000	1.357	1.357	0.000	0.000	0.792

1.264). Thus, the RCA index provides no support for H3 (PD cases are pro-trade).

Several factors explain why the PD model for these years tends to be anti-trade. The RCA for the trade sanctions-PD combination is very high (3.105), implying that the propensity for trade sanctions cases to be PD is triple the normal average. After all, trade sanctions represent half the PD cases (6 of 12) and trade sanctions are by definition trade-reducing. Although both Presidents Reagan and Bush were committed to freer trade in general, they were confronted with the dilemmas of dealing with a variety of "outlaw" regimes (in Nicaragua, Libya, Iraq, Iran, and South Africa). In these cases, they found trade sanctions to be a readily available policy instrument. If trade sanctions were a smaller percentage of the trade cases (as might be the case in another time period), the PD model might not have an anti-trade bias.

In terms of our hypotheses about pro-trade biases, Table III shows that pro-trade policies are most likely bureaucratic dominance (RCA 1.219). This is also true for Bush's presidency (RCA 1.244) and Clinton's first term (RCA 1.267). On the other hand, during Reagan's second term pro-trade policies tend to be congressionally dominated (RCA 1.198). These numbers provide some support for H5 (BD cases tend to be pro-trade cases) but not for H4 (CD cases have an anti-trade bias).

Exploring our product-specific and country-specific hypotheses, the table shows that product-specific policies tend to be congressionally dominated (RCA 1.204). During both the Bush and Clinton presidencies, the RCA indices for product-specific trade are also well above unity for the CD model, suggesting support for H6 (CD of product-specific trade).

Within the product-specific category, military and related trade cases are most strongly associated with the CD model during the Reagan period, with the PD model during Bush's years, and with the CD model during Clinton's first term. The connection with the CD and JD models is easy to understand. Congress is active in these

matters, because members of Congress tend to view military trade as domestic jobs bills. Both defense contractors and unions push Congress to promote the sales of military goods overseas. The connection of the PD model during the Bush administration is the result of two Mideast arms sales pushed by the president following the Persian Gulf War. Arguably, Bush saw arms sales to both Saudi Arabia and Pakistan as contributing to the stability of the region.

Similarly, tariff and NTB cases are most strongly linked with the CD and JD models. In line with earlier expectations, such product-specific matters tend to involve Congress. Also, there is an RCA index of 1.481 for the BD model during the Bush administration. This finding represents the bureaucratic implementation or extension of prior congressionally enacted policies. There were no tariff or NTB trade policies passed into law during Clinton's first term; hence the "n.a." for this category.

The agricultural and environmental trade cases are most strongly associated with the CD and BD models during Clinton's first term, the CD model during the Bush years, and the PD and BD models during Reagan's second administration. The linkage between the CD and BD models and this trade area is similar to the above. Reacting to product-specific or industry-specific interests, Congress makes policies that later are implemented or extended by the bureaucracy.[10]

In terms of our last hypothesis, Table III shows that country-specific policies tend to be PD (RCA 1.639). The RCA indexes for country-specific trade are also well above unity for all three presidency periods, implying strong support for H7 (PD cases are country specific).

Within the country-specific category, the MFN cases under Reagan were dominated by the presidency whereas the bureaucracy exerts a

[10] The association of this type of issue with the PD model during Reagan's second term is less intuitive, but as it represents only one case, it may just be an outlier.

much stronger influence during the Bush and Clinton terms. The BD cases indicate the pro-forma extension of MFN status in noncontroversial instances (typically involving more minor trade partners like Romania, Hungary, Czechoslovakia, Albania, Mongolia, and the Baltic states).

Cases involving country trade sanctions are almost entirely a result of the PD model. As noted earlier, presidents use trade sanctions as leverage to seek broader foreign policy goals in U.S. relations with the concerned regime. Although the other policy process models occasionally exceed RCAs values of 1.0 for trade sanctions cases, the size of the RCAs for the PD model dwarf all the rest, ranging from a low of 2.950 for Reagan to a high of 6.211 for Clinton. Trade sanctions appear to be a largely presidential domain.

Finally, the role of Congress is pronounced in FTA and GATT-related cases. During the Reagan years, the JD and CD models are strongly linked to these cases. In the Bush administration, the PD and CD models are linked to these cases, while in the Clinton years the cases fall into the PD and JD models. The congressional role is easy to understand in these cases. They involve product-specific or industry-specific matters, thereby ensuring a strong interest group push on Capitol Hill. The PD linkage for the Bush administration is the result of only one case—the Enterprise of the Americas Bill which Bush wanted. However, this legislation did not provoke any significant congressional activity. Any political battles to be fought over this issue had either already been decided during the passage of Reagan's prior Caribbean Basin Initiative or were being held in reserve for the upcoming, highly controversial NAFTA vote.

The index of Revealed Comparative Advantage is a new way to examine the trade policy making process in the United States. It provides an empirical method to bring the political economy model of trade policy into an otherwise institutional approach to the trade policy process.

Table IV
Pairwise Correlations

	PD	CD	JD	BD	REAGAN	BUSH	CLINTON
REAGAN	−0.0561	**0.2124****	−0.0516	**−0.1781***	1.000		
BUSH	0.1144	**−0.1958****	−0.0222	**0.2104****	**−0.7161****	1.000	
CLINTON	−0.0725	−0.0396	0.1039	−0.0302	**−0.4441****	**−0.3113****	1.000
ANTI	0.0699	−0.0264	0.0521	−0.1026	**0.1558***	−0.0341	**−0.1717***
ADMIN	−0.1284	0.1414	−0.1151	0.0835	**0.2290****	−0.1120	**−0.1689***
PRODUCT	−0.1128	0.1278	−0.0121	−0.0634	0.0860	−0.0585	−0.0450
COUNTRY	**0.1975****	**−0.2210****	0.0889	0.0069	**−0.2381****	0.1328	**0.1580***
TARIFFS	−0.1024	0.0280	0.0523	−0.0248	0.1217	−0.0251	−0.1346
AG & ENV	−0.0454	0.0398	−0.0664	0.0824	−0.1246	0.0470	0.1071
MILITARY	−0.0307	0.1081	0.0014	−0.1296	0.1263	−0.0950	−0.0515
MFN	−0.0372	−0.1255	0.0260	**0.1757***	**−0.4355****	**0.3297****	**0.1781***
SANCTION	**0.3103****	**−0.1812****	0.0519	−0.0980	0.1153	−0.1189	−0.0054
FTAS	−0.0017	0.0280	0.0523	−0.1161	0.0609	−0.0893	0.0312

Note. *$p < .10$; **$p < .05$. Not all correlations are reported.

Pairwise Correlations

As a third empirical method for examining trade policy dominance, we turn to regression analysis. First we show the pairwise correlations between our variables in Table IV.[11]

First note that ANTI is not significantly correlated with any of the institutional dominance variables. Since PRO is the inverse of ANTI, pairwise correlations do not enable us to make any predictions concerning dominance categories and pro/anti-trade policies, so we cannot make any comments on H3-H5.

In terms of our hypotheses about country- and product-specific trade, PD is positively and significantly correlated with COUNTRY and

[11] Many of the significant correlations come by construction and are therefore not interesting. For example, PRODUCT consists of TARIFFS, AGENV, and MILITARY so PRODUCT should be highly correlated with its components, similarly for COUNTRY and its components MFN, SANCTIONS, and FTAS.

SANCTION. This suggests that debates over country-specific trade policies, and in particular over trade sanctions, tend to be dominated by the presidency. These correlations provide support for H7 (country-specific cases are PD). The CD dummy variable is negatively and significantly correlated with COUNTRY and SANCTION, suggesting that country-specific trade debates, especially about trade sanctions, are seldom dominated by Congress. On the other hand, the correlation between CD and product-specific policies is not significant and is the wrong sign, suggesting no support for H6.

Differences across the three presidential terms clearly exist, according to Table IV. In Reagan's second term, CD is positively and significantly correlated with REAGAN while BD is negatively correlated, suggesting that Congress dominated trade policy debates in Reagan's second term. The correlation between REAGAN and ANTI is also significant and positive, suggesting that Reagan's second term is generally biased toward anti-trade policies. His term is also positively and significantly correlated with ADMIN cases and negatively and significantly correlated with COUNTRY and MFN.

The Bush presidency, however, is positively and significantly correlated with BD and negatively correlated with CD, suggesting a higher than usual propensity for the bureaucracy to dominate trade policy debates during Bush's presidency. BUSH is also positively correlated with MFN; during Bush's term, there was an above-normal number of MFN cases (e.g., post-breakup of the Soviet Union).

In contradiction to Reagan's second term, Clinton's first term is biased toward pro-trade policies (the correlation between CLINTON and ANTI is negative and significant). Positive, significant correlations are recorded with COUNTRY and MFN, while ADMIN is negatively correlated with CLINTON.

Pairwise correlations are useful indicators of individual relationships, but to take other factors into account we need to use multiple regression analysis.

Multiple Regression Analysis

As our last statistical test of our hypotheses, we turn to multiple regressions. Because our dependent variables (PD, CD, JD, and BD) are dummy variables taking the outcomes zero or one, the appropriate technique is maximum-likelihood logit estimation. We use logistic regression with 0.4 as the significance level for removal from the model. We test two separate regression models. The first includes the individual trade policies as explanatory variables for the four policy dominance dependent (Y) variables:

$$(2) \quad Y = \text{CONSTANT} + [\text{PRO} + \text{ANTI}] + [\text{REAGAN} + \text{BUSH} + \text{CLINTON}] + \text{TARIFFS} + \text{AGENV} + \text{MILITARY} + \text{SANCTIONS} + \text{MFN} + \text{FTAS}$$

The second regression model drops the individual trade policies and replaces them with the three general trade policy category variables (ADMIN, PRODUCT, COUNTRY):

$$(3) \quad Y = \text{CONSTANT} + [\text{PRO, ANTI}] + [\text{REAGAN, BUSH, CLINTON}] + [\text{ADMIN, COUNTRY, PRODUCT}]$$

In each case, the logistic regression technique eliminates the within-group multicollinearity.[12] Our results are summarized in Table V. Because only one of the four dominance regressions using the grouped trade policy variables has any significant variables (the CD regression), the others are omitted from the table.

In the PD model, the only significant explanatory variable is SANCTIONS which has a positive sign suggesting that trade sanctions

[12] For example, trade policies can be either PRO or ANTI so PRO and ANTI are negatively and perfectly correlated with one another. Stepwise logistic regression drops an in-group variable in such cases.

Table V
Results of Logistic Regressions for Trade Policy Dominance

		CD			
Variables	PD	INDIV	GROUP	JD	BD
PROTRADE	1.731				
	(0.145)				
REAGAN	0.358	0.657	0.337		−0.240
(1985–88)	(0.303)	(0.252)	(0.565)		(0.817)
BUSH	1.747	−0.502	−0.545		0.904
(1989–92)	(0.142)	(0.428)	(0.392)		(0.295)
CLINTON					
(1993–96)					
ADMIN			0.292	−0.825	**17.726***
			(0.633)	(0.185)	**(0.059)**
COUNTRY		X	**−0.754***		
			(0.087)		
PRODUCT		X			
TARIFFS			X		
AGENV			X	−0.507	1.415
				(0.390)	(0.118)
MILITARY	1.096		X		
	(0.266)				
SANCTIONS	**3.903*** **	**−1.455** **	X		
	(0.004)	**(0.032)**			
MFN			X		**1.464***
					(0.073)
FTAS			X		
Constant	−5.430***	−0.603	−0.320	−0.187	−3.163***
	(0.001)	(0.233)	(0.568)	(0.389)	(0.001)
No of Obs.	116	116	117	116	116
Chi2	14.99	10.77	9.66	2.38	11.20
Prob > Chi2	0.0104	0.0131	0.0465	0.3049	0.0475
Pseudo R2	0.1943	0.0715	0.0633	0.0151	0.1254
Log Likelihood	−31.085	−69.965	−71.549	−77.484	−39.066
% of cases classified correctly	88.79%	66.38%	66.67%	58.62%	87.07%

Notes. The number in brackets below each coefficient is the significance score P > |z|.

Significant levels are indicated by *** (< .001), ** (< .05), and * (< .1).

cases tend to be dominated by the presidency. The model is able to explain 89 percent of the cases and is overall statistically significant at the 0.0104 level. Note that neither COUNTRY nor PRO remain in the model, suggesting no support for either H3 (PD cases are positively associated with pro-trade) or H7 (PD cases are country-specific).

In the CD model using the individual trade policies, SANCTIONS is also significant but with a negative sign, implying that the Congress seldom dominates trade sanctions debates. The model is able to correctly classify 66 percent of the cases, and is significant at the 0.0131 level. When the trade policies are grouped into three categories, COUNTRY is a negative and significant predictor of congressional dominance. That is, country-specific trade policy debates tend not to be dominated by Congress. Note that neither PRODUCT nor any of its components remains in the logistic regressions for CD, suggesting that product-related trade policies are not closely tied (either positively or negatively) to congressional dominance of trade policy debates, contrary to the international political economy literature on this topic. Thus our analysis provides no support for H6 (CD of product-specific trade). Nor is there support for H4 (CD of anti-trade policies).

The least satisfactory of our regression results is the Joint Dominance category where none of the possible predictor variables is significant. However, the regression does manage to correctly classify 59 percent of the JD cases. A stronger result occurs in the BD regression where ADMIN and MFN are both significant and positively related to bureaucratic dominance. The regression correctly classifies 87 percent of the cases, and is significant at the 0.0475 level.

Note that none of the presidential terms is a significant predictor of any of the four dominance categories. The terms do remain in several of the regressions, but are not statistically significant.

As an interesting aside, we "turn the tables" and attempted to predict presidential term based on the trade policy debates. These results are shown in Table VI.

Table VI
Results of Logistic Regressions for Presidential Terms

Variables	REAGAN (1985–88)	BUSH (1989–92)	CLINTON (1993–96)
PD			
CD	1.180	**−1.964****	
	(0.117)	**(0.019)**	
JD	0.512	**−1.381***	
	(0.475)	**(0.074)**	
BD	−0.1921	−0.471	
	(0.840)	(0.608)	
PRO	0.469	**−1.101****	**1.273****
	(0.369)	**(0.049)**	**(0.035)**
ADMIN			
TARIFFS			
AGENV	**−1.862*****	0.715	
	(0.009)	(0.282)	
MILITARY	−0.649		
	(0.259)		
SANCTIONS		**−1.377***	
		(0.094)	
MFN	**−3.637*****	**1.974*****	
	(0.000)	**(0.001)**	
FTAS	−1.102		
	(0.203)		
Constant	0.186	0.907	−2.303***
	(0.781)	(0.291)	(0.000)
No of Obs.	117	117	101
Chi2	37.28	24.83	5.15
Prob > Chi2	0.0000	0.0008	0.0232
Pseudo R2	0.2299	0.1652	0.0528
Log Likelihood	−62.452	−62.729	−46.255
% of cases classified correctly	71.79%	69.23%	81.19%

Notes. The number in brackets below each coefficient is the significance score $P > |z|$.

Significant levels are indicated by *** (< .001), ** (< .05), and * (< .1).

Looking at President Reagan's second term (1984–88), the logistic regression technique explains 72 percent of the cases, at the one-percent significance level. Reagan's term is negatively and significantly related to two variables: AGENV and MFN, suggesting there were very few agricultural and environmental and MFN cases during that term.

President Bush's term is particularly interesting because the coefficients of CD and JD are both significant and negative, implying that trade policy debates during his term were seldom dominated by Congress or jointly by the executive and legislative branches. The coefficient on PRO is also significant and negative, suggesting an overall anti-trade bias to debates during this presidency. Despite the overall anti-trade bias, relatively fewer SANCTIONS and relatively more FTAS occurred during this term. The equation is able to correctly classify 69 percent of the cases, at an overall significance level of 0.0008.

The logistic regression predicting the Clinton presidency leaves us with only PRO as a positive and significant explanatory variable. Despite the simplicity of the regression, the equation accurately classifies 81 percent of the cases at an overall significance level of 0.0232.

V. IMPLICATIONS OF THE RESULTS

Summary of Our Results

In this article we have addressed three research questions:

- Who dominates U.S. trade policy debates?
- Does institutional dominance vary depending on whether the policies proposed are either trade-increasing or trade-decreasing?
- Does dominance vary depending on whether the policies are product-specific or country-specific?

Our answers to these questions receive support from four different statistical techniques: crosstabs, the RCA index, pairwise correlations, and multiple regression analysis. In general, we reached four conclusions. First, U.S. trade policy debates over the 1985–96 period are dominated by Congress, either acting alone or jointly with the executive branch. This finding is contrary to the institutional literature, which argues that the executive branch should dominate trade policy debates. Second, the evidence on pro- versus anti-trade policies is inconclusive. There is weak support for bureaucratic dominance of pro-trade policy debates and for presidential dominance of anti-trade debates. The latter finding is contrary to the institutional literature. Third, the evidence on product- versus country-specific trade is strong and does accord with the literature. Product-specific trade debates tend to be dominated by Congress, either acting alone or with the executive branch; country-specific trade policy debates are dominated by the White House. In addition, Congress seldom dominates country-specific debates. And, lastly, there is variation in these results across the three presidencies, but in general our conclusions for the whole time period are supported within each presidency.

Research Implications

One implication of our analysis is that the institutional model of foreign policy decision making may simply be wrong. The institutional literature typically sees Congress as abdicating its policy making role to the White House. However, when Congress plays an active role in more than three-quarters of trade policy cases, considerable doubt is cast on the relevance of the presidential dominance model. Two explanations for the discrepancy between our results and the predictions of institutional theory can be suggested.

First, the PD model may have been accurate for the pre-1985 period but not for the post-1985 period. With trade dominating much of the foreign policy agenda, it is not surprising that Congress was more actively involved in the policy process. Moreover, much of the

literature associated with the presidential dominance model dates from the early 1980s or before, and most of the joint participation literature is more recent (Choate 1990; Czinkota 1986; Lindsay and Ripley 1993; Nivola 1990; O'Halloran 1993; Tierney 1993). Yet, some observers still proclaim the relevance of the presidential dominance model in the 1990s, the most prominent example being Destler (1994a, 1995). So more is at work here than just a change in political eras.

The second explanation is one of subjective interpretation. Many who tout the presidential dominance model equate congressional delegation with an abdication of a meaningful congressional role (Destler 1994a, 1995; Pastor 1980, 1983). However, members of Congress can send a host of signals, both overt and covert, to presidents, special trade representatives, secretaries of state, and other executive branch officials in an attempt to influence the details of trade policy before the official congressional trade policy-making phase starts. For example, the fast-track procedures created by the Trade Reform Act of 1974 are often cited as evidence of congressional abdication. After all, these procedures allow trade measures to come to the floor of each chamber after abbreviated hearings and with no possibility of amendment; Congress just votes the measure up or down (Destler 1995). However, the way fast-track works in practice actually institutionalizes a strong congressional role (Carter 1996). Other examples also suggest that Congress now plays an active role in the trade policy process.[13]

Second, have Congresses since 1985 been marked by liberalism or protectionism? The answer is both. The data suggest that Congress is willing to endorse free trade principles in the abstract. However once matters become industry-specific, members of Congress resort to representing the needs of their local constituents. This suggests that it is *not* whether the trade policy is pro- or anti-trade that matters, but whether it is product- or country-specific. Thus, both Republicans and Democrats from farm-belt states typically endorse agricultural export

programs (see the annual farm bills) and normally resist the importation of "cheap" foreign agricultural products (see the side agreements regarding Mexican produce in NAFTA). Legislators from rust-belt industrial areas typically are leery of free trade, preferring some form of protectionism for local industry, whereas those representing suburban areas seem somewhat more likely to see the consumer advantages of free trade. Further, Congress is quick to apply country-specific economic sanctions for violators of both international norms and American sensibilities (such as Libya or China) or those which offend powerful local interests (like Cuban–American or pro-Israel lobbies).

> In short, when Congress tinkers with general trade statutes—as it did in 1988 with passage of the Omnibus Trade and Competitiveness Act—it jiggles the regulatory and administrative remedies in ways guaranteed to be politically profitable to special claimants. (Tierney 1993, p. 102)

These cases appear to reaffirm the adage that, in foreign trade like other policy arenas, "all politics are local." The U.S. trade policy making process is clearly influenced by the *type* of trade policy. Product-/industry-specific policies are more likely to be congressionally dominated while country-specific policies have heavier involvement from the White House. Pro- versus anti-trade policy processes, on the other hand, appear not to be biased toward either institution.

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[13] In a study of even-numbered Congresses from 1967–68 to 1983–84, Sharyn O'Halloran (1993) found that representatives introduced an average of 480 trade bills per Congress, 23 such trade bills per Congress on average reached the House floor, and nine of them per Congress became public laws. Further, congressional negotiators were actively involved in substantive details included in the Tokyo Round of the GATT talks during the Carter administration (Lindsay 1993), and in 1981 congressional pressures forced President Reagan to press the Japanese to accept "voluntary" export controls on autos shipped to the U.S. market (Nivola 1990).

VI. CONCLUSIONS

This article has addressed the research question, Who makes U.S. trade policy? Using a combination of political economy and institutional theory, we developed seven hypotheses about dominance of the trade policy process in the United States. We examined the 1985–96 period and three individual presidencies: Reagan (1985–88), Bush (1989–92), and Clinton (1993–96). Contrary to the literature, we found strong evidence that Congress is actively involved in the trade policy making process. Using a variety of empirical techniques (cross-tabs, the Index of Revealed Comparative Advantage, pairwise correlations, and stepwise logistic regressions), we confirmed that the process for product-/industry-specific policies tends to be dominated by Congress whereas the executive branch is more influential in the policy process for country-specific policies. We found no conclusive evidence that pro- or anti-trade debates tend to be dominated by either institution.

This article contributes to the literature in several ways. First, we build on the political economy and institutional theory approaches to trade policy outcomes to develop new hypotheses about dominance of the policy process. This fills in a "missing link" between institutions and interests (the actors) and policy outcomes (the results of policy debates). Second, we develop a new data set of U.S. trade policy debates that can be used to test a variety of hypotheses about policy dominance. Third, we use a variety of old and new statistical techniques to test our hypotheses; most of these techniques (e.g., the RCA index, logistic regressions) have seldom been applied in this context. Fourth, our findings in some cases support the prevailing literature (e.g., on product- versus country-specific trade) and in other cases contradict existing literature (e.g., congressional dominance of trade policy debates contradicts the institutional approach to U.S. foreign policy). These findings are generally robust across our various empirical tests. We conclude that neither the expectations derived from the

political economy literature nor those from the foreign policy/institutional literature are totally supported. Instead, each literature can complement the other in terms of explaining the nuances of U.S. foreign trade policy making. Our work builds on, integrates, and extends earlier work in these two theoretical areas.

Several directions for future research are suggested by this preliminary study. First, our analysis is restricted to U.S. trade policy debates over the 1985–96 period. It would be interesting to extend this analysis to other time periods (e.g., pre-1985), other types of trade policies (e.g., anti-dumping and countervailing duties), and other countries with democratically elected governments (e.g., Germany, France). Second, the interaction of partisanship and ideology in U.S. trade policy debates needs further examination. How do partisan splits (e.g., a Democrat presidency and a Republican Congress) affect trade policy decision making compared to joint control of the executive and congressional branches? Some scholars have associated protectionism with congressional Democrats and free-trade liberalism with congressional Republicans (O'Halloran 1993; Nivola 1990). Political splits may be a fruitful avenue to explore.

Lastly, our article has focused on institutional dominance of the U.S. trade policy *process*. How are policy outcomes or *wins* linked to the policy process? Are the actors who dominate the policy process always the winners? Does winning or losing trade policy debates depend on the type of trade policy? These are questions that remain to be answered.

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