

The Curse of Proximity:

How Exposure to Chinese Visitors Changes Your Votes?*

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Abstract

How would the lift of long-standing travel bans and different levels of exposure to unacquainted visitors affect party identification and political ideology? This paper uses the results of the presidential elections and the Annual Survey Report on Visitor Expenditure and Trends (ASRVET) in Taiwan between 1996 and 2020 to test how the shock of open policy to Chinese visitors started from 2010 changes the party recognition among the Taiwanese constituents. Firstly, I build a new dataset by merging geographical information into the Taiwanese electoral database. Then, following the tourism literature, I construct an index to measure Chinese tourists' exposure (CTE) in each electoral district by combining the relative visits and travel time to the top-ranked tourist attractions and run the baseline regression model. Finally, I utilize regression discontinuity (RD) models based on the CTE index to test the significance of the cutoff points between the high- and low-Chinese visitors exposure regions across different years. By testing various local polynomial functions in the RD model for the robustness check, I show that, after the policy shock, the electoral districts exposed to more Chinese tourists have encountered a larger scale of ideological realignment. Moreover, the hypothetical boundary between the high and low-Chinese visitors traveled regions becomes more significant after the bilateral trade agreement went into effect.

Keywords: Regional Trade Agreement; Tourism Trade; Regression Discontinuity Design

JEL Classification Codes: F5, F14, F15

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