

Topic

Distance is the soul of beauty: How do acquaintances reform political ideology?

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Abstract

This empirical paper tests whether the shock of tourism policy, as a part of the trade agreement between two long-separated political identities, changes the constituents' political ideology. First, we construct a new data set by merging geographical information into the Taiwanese electoral database. Then, we run a non-parametric regression discontinuity (RD) model to test how the influx of Chinese tourists affects the election results. Specifically, we use district-level electoral data from multiple highest-level elections in Taiwan and take the travel time to the primary airport as a proxy of tourist exposure. With appropriate assumptions on the RD model, we show that electoral districts with more exposure to tourists coming from the conflict region have encountered larger scale ideological realignments over the past decade.

We interpret the empirical results of the policy experiment at two levels. In general, our results challenge the contact hypothesis advocated by the socialist Gordon W. Allport as well as prevailing economic integration theory. First, from the micro perspective, according to our results, greater interactions between the conflicted groups do not help alleviate the stereotype between them nor help form a new sense of belongingness. Instead, they enhance prejudice, perhaps due to the representative bias of the tourists or the existing cultural distinctions. Secondly, from the relatively macro perspectives, our results demonstrate that more economic integration, such as the trade agreement and international tourism, does not necessarily bring about more institutional integration, let alone the existing advocate-formed theory that economic integration would further help political convergence. On the contrary, districts with higher exposure to Chinese tourists are statistically encountering larger scale political-ideological realignment after the policy shocks starting in 2008. A few northern cities in Taiwan gradually swung their votes to favor the parties and distanced themselves from China after the first direct Presidential election in Taiwan in 1996.

As our data and results display, either the higher voting rate or the border margin on the outcomes of the latest elections show that the pro-China and economic-oriented policies are not as attractive as they were before. Furthermore, the higher degree of integration across the strait and the increased profits that China has surrendered to Taiwan have not created the consequence that Beijing expected. In contrast, the policies further help delineate the pro-separation and pro-independence generations in modern Taiwan.

JEL Category

F15 Trade Liberalization and Economic Integration