Support for Comprehensive Trade Agreements in the European Parliament

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Abstract

Comprehensive trade agreements constitute a new generation of free trade agreements, which challenge traditional models of trade preferences. To understand preferences toward comprehensive trade agreements I present a new predictor, trust in government, that explains support for comprehensive trade agreements in the European Parliament. I develop a unified framework that includes economic and non-economic factors to explain trade preferences, and analyze support for three recent comprehensive trade agreements; the Transatlantic Trade and Investment Partnership (TTIP), Comprehensive Economic Trade Agreement with Canada (CETA), and the EU-Korea Free Trade Agreement. Using an original dataset on trade voting and a multilevel model, I show that higher levels of citizens' trust in government make Members of the European Parliament more likely to vote in favor of comprehensive trade agreements. My research offers a novel theoretical argument and insights to the connection between public trust and elite position-taking.

How do legislators in the European Parliament form policy positions on comprehensive trade agreements, a key part of the EU's trade strategy? The European Union has initiated an ambitious agenda to negotiate a series of deep and comprehensive trade agreements in the last ten years. Meanwhile, the European Parliament (EP) has become a veto player in the approval of EU trade agreements – some of which have potential of being the world's largest trade agreements. Yet, there is little empirical research on trade voting in the EP. My research analyzes voting on recent major trade agreements in the EP and provides a framework for understanding elites' policy positions on comprehensive trade agreements.

As trade liberalization through the WTO stalled in the early 2000s, a number of new trade agreements have been negotiated that differ in structure from traditional Regional Trade Agreements (RTAs). Official trade policy documents have outlined the new type of trade agreements and refer to them as Comprehensive Trade Agreements, or CTAs (European Commission 2006, 10; European Commission 2014, 30). They are deeper and more comprehensive in scope than RTAs, and cover market access, standards, regulations and rules (Buonanno 2016). Not only do they go beyond tariff reductions to include non-tariff barriers (NTBs), they go beyond trade in goods to include services and intellectual property rights (Rodrik 2018, 75; Hix and Hae-Won 2017, 2). They seek to liberalize trade further than WTO law and General Agreement on Trade in Services (GATS). Moreover, CTAs include provisions for sustainable development, labor standards and public procurement, which make the new type of agreement more complex than traditional free trade agreements. It has been suggested that they are so wide-ranging that the label "free trade" is questionable (Rodrik 2018, 74).

With these new, more complex trade agreements, ordinary citizens face a significant challenge of forming trade preferences based on economic and social indicators. More uncertainty surrounds costs and benefits of CTAs compared to agreements that simply reduce tariffs. Thus, comprehensive trade agreements generate a cognitive gap between elites who negotiate agreements – that is, the European Commission with instructions from European governments – and the general public who struggle to formulate coherent preferences, described in neo-classical trade models[1].

[1] A key characteristic of CTAs is that countries tend to be at similar levels of economic development. As a result, these agreements challenge traditional models of trade, which focus on relative

How do legislators, directly responsible for approving trade agreements, navigate this gap between the public and elites? Who supports comprehensive trade agreements in the European Parliament given the public's uncertainty? The complexities of CTAs underline the need for reevaluation of legislators' trade policy positions (Rodrik 2018, 75). Besides European governments, Members of the European Parliament (MEPs) have a direct responsibility for the approval of trade agreements in the EU. Accordingly, this paper focuses on MEPs' policy positions on comprehensive trade agreements.

I argue that MEPs consider public sentiment toward government when forming positions for or against comprehensive trade agreements. Previous research indicates that low levels of trust in government affect the public's policy mood negatively; the public has little appetite for policy activism such as new trade agreements when they do not trust those at the top who negotiate agreements. It is known that support for government activity is related to public trust in government (Chanley et al. 2000, 252), a famous example being the American public's reduced support for welfare programs in the 1990s, associated with a decline in political trust (Hetherington 2006). Thus, when legislators face an environment of voter uncertainty toward trade agreements, they use trust in government as an indicator of the public's appetite for new policy.

When trust is low, legislators prefer to uphold the status quo – that is, vote against a trade agreement – since voters with low trust in government do not favor adoption of new policies, including foreign trade policies such as CTAs. Otherwise, MEPs risk significant backlash (in terms of political career prospects) when effects of the agreement become apparent to voters. According to one of the loudest critics of the EU-Canada trade deal (CETA), French MEP Marine Le Pen, citizens' perception of government is central in the CETA debate: "You are giving away our rights to legislate, you are robbing

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abundance or scarcity of factors of production between trading partners. When trading partners are comparable in size and economic development, neither side can dominate negotiations (Akhtar and Jones 2014, 6). Furthermore, trading partners' advanced economic development and substantial market size make it more difficult to distinguish comparative advantages in the production of goods, relative to situations when countries are at different levels of economic development or vary in size and industry composition.

[2] Trade agreements often create Investor-State Dispute Settlement (ISDS) systems, allowing investors to sue states for discriminatory practices. The use of ISDS has raised criticism for not being democratic and transparent as it limits governments' ability to implement certain protections, such as labor and environmental regulations, and human rights.

[3] Two of the three CTAs considered in this study (CETA and EU-Korea Free Trade Agreement) were low-saliency issues in public debates. There is a lack of EU-wide public opinion data for these. TTIP has been included in one Eurobarometer survey and attitudes toward TTIP on the individual level has been studied

citizens the protection of their rights that they expect from their representatives" (Zalan 2017). Notably, France has a high level of government distrust. Concerns about public distrust in government was also present in debates during the 2012 vote on Anti-Counterfeiting Trade Agreement (ACTA): "The commission and the council will now be aware that they cannot overrun the Parliament, which represents and defends citizens" said the President of Socialists and Democrats group Hannes Swoboda after the EP's rejection of ACTA (Arthur 2012).

In contrast, when trust is high, citizens' uncertainty about trade agreements does not deter legislators from supporting CTAs. Citizens with high trust in government have a positive policy mood and will trust their government to negotiate good agreements, even as citizens are not able to independently evaluate its effects. Accordingly MEPs from high-trust countries are more likely to vote for these agreements. Government trust serves as an indicator for MEPs about the policy mood among the population, which helps them to take policy positions on CTAs in an environment of voter uncertainty. My argument does not exclude other sources of preferences for MEPs' voting rationale, established in existing literature.

I evaluate the explanatory power of my theoretical argument by integrating it in a unified framework of economic and non-economic predictors of trade policy preferences, identified in existing research. I apply this framework to study MEPs' trade voting: in the European Union, MEPs are the only officials elected directly by the people and given a veto role in trade agreement legislation (Van den Putte et al. 2015). The European Parliament is one of two veto players in EU trade legislation since the Lisbon Treaty of 2009. The European Council – that is, member states' governments – is the other. With the power to approve or reject trade agreements, MEPs act as intermediaries between elites and the public: while elites draft trade agreements (specifically, the Commission negotiates and drafts agreements following directives and advice from the Council), citizens have the power to remove MEPs every five years.

My empirical results show that members of the European Parliament are sensitive to their home publics' trust in government when voting on comprehensive trade agreements. In low-trust environments, MEPs are more likely to play it safe and prefer no agreement, compared to high-trust environments where MEPs have more leeway for

activist policy, showing that citizens' level of trust in government plays a role in legislators' voting decisions.

My research makes three contributions to the study of trade policy preferences. First, I present a novel theoretical argument about the role of government trust as a predictor of MEPs' trade policy positions. Second, I place government trust within a unified framework of economic and non-economic predictors – that is, an updated factor endowment model and a skeptics-inspired non-economic model – to explain MEPs' support for CTAs. Third, I offer insights to the connection between public trust and elite position-taking that could be substantiated with further research.

I test my theoretical expectations using multilevel logistic regression and data on EP votes on three recent trade agreements: the EU-US Transatlantic Trade and Investment Partnership (TTIP), the EU-Canada Comprehensive and Economic and Trade Agreement (CETA), and the EU-South Korea Free Trade Agreement. These are a "new generation of EU free trade agreements" (EAVA 2017), which came up for votes during the 8th European Parliament. My analysis reveals that public trust in government is a key predictor of MEPs' votes in favor of CTAs. This result lends support to my theoretical argument that MEPs prefer the safer option –the no-agreement status quo – in an environment of low public trust and a substantial level of citizens' uncertainty on CTAs.

Trade Policy Preferences and Their Determinants

Extensive research examines trade preference formation among legislators and voters. Several dominant economic and non-economic explanations of trade preferences have emerged from the literature. Economic cleavages are at the core of neo-classical models of free trade, including the factor specific Heckscher-Ohlin and Stolper-Samuelson models, and the industry specific Ricardo-Viner model. They informed a large number of studies of trade policy preferences (Alt et al. 1996). According to the Heckscher-Ohlin and Stolper-Samuelson models, class cleavages emerge in societies with high factor mobility when these countries open up to international trade. Trade liberalization increases revenues of economic actors that enjoy comparative advantage, and lowers revenues of actors without comparative advantage; consequently, the two groups'

interests will clash over trade liberalization (Rogowski 1989; Hiscox 2002). The Ricardo-Viner model, in contrast, assumes that factors of production are immobile between industries and predicts the rise of industry cleavages rather than class cleavages. More recent research refines these models in economic and political analyses (e.g., Baker 2005).

A key mechanism that aggregates economic preferences for or against free trade into trade policy is interest group politics. Groups that stand to lose from trade liberalization are more likely to overcome collective action problems and mobilize for political action compared to groups, which gain from free trade. These groups may include businesses, workers and farmers, which do not have competitive advantage vis-à-vis trading partners and, hence, expect to experience tangible economic losses. As Grossman and Helpman (1994) show, special interest groups that prefer protectionist trade policies tend to lobby legislators more frequently. Lobby groups' influence over trade policies depends on their organization and resources: businesses and trade associations enjoy a substantial resource advantage in lobbying, although trade organizations and citizens groups can be influential when they do lobby (Baumgartner and Leech 2001, 1206).

Theories emphasizing non-economic issues and sociotropic attitudes challenge neo-classical models (Mansfield and Mutz 2009). For example, studies identify political regimes and institutions (Mansfield, Milner and Rosendorff 2000; Milner and Kubota 2005), as well as attitudinal or symbolic predispositions (Rankin 2001; Edwards 2006; Mansfield and Mutz 2009), as factors that shape trade policy preferences. These studies re-assess the importance of economic self-interest for trade attitudes and use public opinion on a range of issues and individuals' sociotropic beliefs as determinants of trade attitudes (Mansfield and Mutz 2009). For example, social activists and citizen groups emphasize non-economic factors, such as a "race to the bottom" in labor rights, lack of transparency, environmental issues and the erosion of democratic governance through mechanisms for settling disputes between companies and governments.[2]

[2] Trade agreements often create Investor-State Dispute Settlement (ISDS) systems, allowing investors to sue states for discriminatory practices. The use of ISDS has raised criticism for not being democratic and transparent as it limits governments' ability to implement certain protections, such as labor and environmental regulations, and human rights.

Although pre-existing attitudes, values, predispositions and cues appear to dominate considerations of economic self-interest, uncertainty of the causal direction remains a weakness in these studies (Fordham and Kleinberg 2012, 317). Specifically, research does not explain which of the attitudes comes first. Moreover, they could constitute "different aspects of a single attitude" (ibid, 320) and show influence of group economic interests, where individuals in a group share the same economic stake in an issue. Despite political salience of certain trade agreements, most people "lack detailed knowledge about international trade" (Scheve and Slaughter 2001, 41) and form their opinions under influence from informal groups, such as family or colleagues, as well as organized interests. Assuming that this information is usually biased toward individual self-interest, the role of economic self-interest is still a key factor, directly or indirectly, in explaining trade attitudes (Fordham and Kleinberg 2012, 322).

Given the lack of consensus on the relative importance of economic and non-economic factors, I integrate the different approaches in a unified framework. While I draw on existing research in identifying sources of trade policy preferences, I point to the difficulty that citizens face in forming coherent preferences in the context of increasingly complex trade agreements. In this environment of high uncertainty, public trust in government emerges as a key determinant of support for trade agreements.

Numerous studies have analyzed trade voting in the US Congress (e.g. Brady and Bailey 1998; Schiller 1999; Weller 2009; Seo 2014). In contrast, few have studied trade voting in the European Parliament empirically: for instance, Hix (2002) includes trade voting in a larger study of parliamentary behavior, but does not address trade specifically. A reason for the lack of empirical studies is that in the past only a small portion of votes in the EP was taken by roll call where MEPs' names were recorded. In 2014 the EP amended its rules of procedure to require roll call voting for all final votes. Kaniok and Mocek (2017) find that roll call voting in the EP has become more reliable after Lisbon Treaty changes.

Trust and Trade Votes in the European Parliament

The new generation of free trade agreements – CTAs – strains citizens' ability to remain informed, compared to traditional RTAs that reduce tariffs and have more transparent effects on citizens' welfare. Consider TTIP (the agreement that was put on hold after US President Donald Trump took office) as an illustration of the complexity of CTAs. TTIP could become the largest trade agreement in the world in economic terms, covering more than a quarter of global GDP, and in terms of investment (Akhtar and Jones 2014, 3). The current version of the document consists of 24 chapters, divided into four parts: market access, regulatory cooperation, rules and institutional provisions (European Commission 2015). Some commitments, especially within regulatory coherence, had never appeared in free trade agreements before and were expected to pave the way for new global standards. TTIP also encompasses several sectors that are completely new in trade negotiations, such as barriers to digital trade and regulation of data flows. The EU's comprehensive trade agreements with South Korea and Canada, with 15 and 30 chapters respectively, cover similar sectors, such as intellectual property rights and digital rights, which require a much more detailed approach than reductions in tariffs. The scope and detail of the EU-South Korea agreement make it "the most comprehensive free trade agreement ever negotiated by the EU" (European Commission 2013).

The cognitive complexities of CTAs make it harder for citizens to calculate the agreements' impact on their welfare. While political elites seek to promote these agreements because of overall economic benefits, citizens are less certain whether they in fact stand to benefit. MEPs understand this uncertainty, and find themselves in a position of intermediaries between elites who negotiate the agreements (the European Commission with instructions from national governments) and citizens. This is where government trust becomes a part of MEPs voting rationale. As citizens' preferences are commonly uncertain toward CTAs,[3] MEPs take into account government trust levels

[3] Two of the three CTAs considered in this study (CETA and EU-Korea Free Trade Agreement) were low-saliency issues in public debates. There is a lack of EU-wide public opinion data for these. TTIP has been included in one Eurobarometer survey and attitudes toward TTIP on the individual level has been studied empirically (Jungherr et al. 2018; Steiner 2018). In Germany and Belgium TTIP became a salient issue, with large-scale protests and considerable media attention, described by Jungherr et al. (2018) who suggest that attitude formation on TTIP require different models than attitudes toward traditional free trade. While it is true that some members of the public have strong opinions on TTIP, especially in Germany and Belgium, which may influence MEPs voting rationale, CTAs in general are low-saliency issues in most

before deciding their vote. Higher trust in government indicates both a positive policy mood among the public (Chanley et al. 2000) and trust in those who negotiated the agreement (national governments have a key role in negotiations).[4] With high government trust, MEPs could take the risky option and vote for the agreement, based on the calculation that trade liberalization generally enhances economic growth and efficiency and will likely be beneficial to MEPs' constituents as well. Lower trust in government, on the flip side, comes with a low appetite for new policy in general among citizens. They do not trust their government to negotiate a good agreement and MEPs risk that voters' opinion will swing against the agreement. MEPs know that voters have little trust in those who negotiated the CTA and are less likely to be convinced of the benefits of the agreement, regardless of its economic performance. Thus, voting against the agreement is a safer option for MEPs as it supports the status quo.[5]

The idea that public trust matters for trade policy preferences is not completely new. Kaltenthaler and Miller (2014) show that the level of social trust in society is a predictor for individual-level trade policy preference. When analyzing EU citizens' support for TTIP, Steiner (2018) found that trust in government is positively related to supporting the agreement, although the causal direction remains unclear. Outside of trade policy, it has been showed that public trust in government is associated with more support for government spending and welfare programs (Rudolph and Evans 2005; Hetherington 2005; Hetherington and Husser 2011). This study is the first to my knowledge to analyze the role of trust in government on the legislative level to predict trade policy positions.

Legislators should be more willing to challenge the status quo and vote for trade agreements when there is higher government trust, as it provides more leeway for politicians to pursue policy activism. This is true "regardless of the performance" (Hetherington 1998, 803). Therefore, MEPs from countries with high public trust in

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member states. Moreover, uncertainty over the economic distributional effects of CTAs is not limited to citizens but even most economists (Rodrik 2018, 74).

[4] My argument is that government trust is used by MEPs as a proxy for citizens' policy mood and appetite for policy-making – it is not a proxy for citizens' attitudes toward CTAs.

[5] Status quo-bias is a phenomena that has been showed to prevent efficiency-enhancing reforms when there is uncertainty of gainers and losers of the reform, such as a trade agreements (Fernandez and Rodrik 1991, 1154).

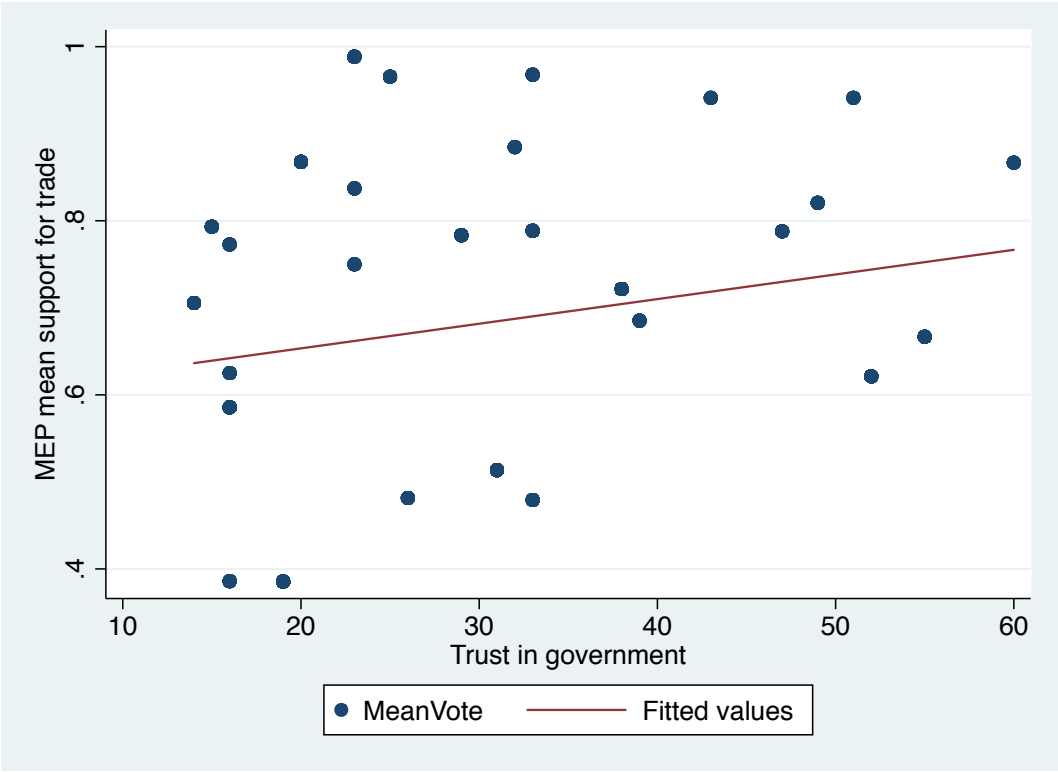
government are more willing to pursue the risky strategy of changing the status quo and supporting an agreement, whose implementation could impose costs on some of their constituents. For this reason, I emphasize the role of trust in government and institutions as a predictor of MEPs' preferences toward CTAs.

To motivate further investigation, Figure 1 shows a binary relationship between trust in government in a given country and the percentage of MEPs from that country voting in favor of free trade. While there are some outliers, such as Romania with a low level of government trust (23 percent) and the highest share of MEPs voting in support for free trade (99 percent), the trend line does suggest a positive relationship between the two. The case of France may serve to illustrate the point: French MEPs are highly skeptical of CTAs (only 39 percent support free trade), while French citizens display very low levels of government trust (19 percent). This suggests that in the face of citizens' distrust, French MEPs prefer to take the safe option of voting against free trade. Luxembourgian MEPs, on the other hand, show high support for CTAs (87 percent). Their citizens also have the highest level of government trust of all EU member states (60 percent), suggesting Luxembourgers are willing to let politicians pursue activist trade policy.

Even if voters' experience of free trade is positive, possibly from the EU's Single Market, they may still oppose free trade agreements if they have little trust in government: research shows that institutional trust is a factor that overrides policy experiences (Lieberman et al. 2017; Mettler 2011). Subsequently, MEPs face larger risks of favoring new trade agreements in a low-trust environment.

In addition, citizens with low trust in government are more susceptible to cues from organized interest groups. Groups with anti-free trade messages should be particularly effective in reaching citizens because they are better at organizing and mobilizing their supporters. In the situation of uncertainty in voter preference formation, MEPs use government trust as an indicator of how likely citizens are to turn to elites' assessments to inform themselves about CTAs or turn to an alternative source of information and take cues from interest groups (Lau and Redlawsk 2001, 953; Mansfield and Mutz 2013, 592, 594; Fordham and Kleinberg 2012, 316, 322).

Figure 1. Trust in Government and Support For Trade



MEPs with their long five-year terms may be less responsive to constituents compared to US House Representatives who are elected biannually, but MEPs' voting patterns provide some evidence of their concerns about their home countries' voters and their preferences. While not every MEP seeks reelection to the European Parliament, most will continue their political careers at home (as legislators, or government ministers) or elsewhere (e.g. take overseas government appointments) and therefore strive for a voting record that would satisfy constituents (Frech 2015). Notably, since the EP became a veto player on trade legislation in 2009, it rejected a major trade agreement, namely the ACTA in 2012. The rejection of ACTA was preceded by intensive efforts by EU citizens, including large scale protests and demonstrations in European cities, phone calls and e-mails to MEPs as well as a petition signed by 2.8 million citizens. This rejection goes to show that MEPs are willing to vote against the European Commission's proposal and against their home governments in response to public pressure, at least on high-profile issues such as international trade agreements.

The role of public trust in government contributes a novel theoretical insight into sources of support for free trade, but it needs to be considered in the context of other determinants of MEPs' trade policy preferences. To explain voting on CTAs, I use a framework of neo-classical economic trade theories combined with non-economic factors. Some previous research presents similar combined models to show correlation of various factors with trade preferences (Mayda and Rodrik 2005), but the process of formulating individual trade policy attitudes remains "poorly understood" (Fordham and Kleinberg 2012, 327). Therefore, including all factors, economic and non-economic, in a single model is still the most appropriate approach. This motivates my decision to place my argument linking MEPs' support for CTAs to their constituents' interests within a unified framework of economic and non-economic sources of trade policy preferences.

The causal effect of economic and non-economic predictors operates through interest group advocacy toward the public and toward legislators. Policymakers face pressure and influence from a broad range of actors, including their party, ideological base, constituents, political allies that help with mobilization of voters, and interest groups representing economic, social or cultural interests important to their constituency, the country, or the region. MEPs' consider economic and non-economic indicators among other issues, and their vote is ultimately an outcome of all influences on the legislator.

Lobbying activities, advocacy from NGOs, and party influences continue following economic interests for historical reasons. Only in the last decades have the traditional European class cleavages weakened and support for Western European-style Social Democratic parties has declined.[6] At the same time, non-economic interests became more prevalent and have aggregated in political parties and interest groups. Thus, it would be premature to reject the influence of economic and non-economic predictors for trade policy positions among MEPs.

[6] Class cleavages have traditionally dominated in European politics, explained by Lipset and Rokkan's (1967) structural theory on of voting and party systems in Europe.

Hypothesis and other expectations

In the following, I present a unified framework of economic and non-economic predictors with expectations of which determinants drive support for CTAs. I begin with a hypothesis for the key explanatory variable of this paper – public trust in government. I then outline expectations for the neo-classical economic and non-economic predictors included in the model.

As MEPs face a situation of uncertainty regarding voters' preferences toward CTAs, they will rely on public trust in government as an indicator of how politically risky a vote in support of a CTA may be. National governments promote trade agreements due to their involvement in negotiations and expectations of aggregate economic benefits, while MEPs find themselves between uncertain interests of citizens and the free trade agenda of governments. Hence, when trust is low, risks for MEPs increase and supporting the status quo (i.e., voting against the agreement) becomes a more preferable course of action. On the opposite side of the spectrum, high trust in government and institutions lowers political risks for MEPs and increases their willingness to support policy action liberalizing trade (i.e., vote in favor of a CTA).

Hypothesis 1: MEPs representing constituents with high trust in government will vote in favor of comprehensive trade agreements.

For the following economic predictors, I take inspiration from the proxies for factor endowments used by Hiscox (2002). I modify the measures to reflect contemporary economic interests that matter for CTAs. Notably I include high-technology manufacturing employment instead of the broader measure of manufacturing employment (in separate tests, the measure of manufacturing employment instead of high-tech manufacturing employment yields similar, but weaker, results in terms of significance).

Europe is relatively well endowed with labor; thus, I expect labor interests (workers) to be supportive of free trade. Capital owners (businesses) on the other hand may be well endowed with labor profits, but so are the trading counterparts in the US, Canada and Korea. Therefore, I expect capital owners' interests to favor protectionism.

To operationalize these two predictors, I expect MEPs representing constituents with high profits from manufacturing investment to be less likely to vote in favor of comprehensive trade agreements, and similarly MEPs with high levels of high-tech manufacturing employment should be more likely to vote in favor of CTAs.

Agricultural interests may be more complicated due to an East-West divide in Europe: Eastern European countries enjoy an abundance of farmland relative to capital, and Western Europe is relatively well-endowed with capital, but not farmland. In addition, the EU has a generous agricultural support policy, the Common Agricultural Policy (CAP), which should make farm interests more supportive of free trade, as the CAP gives them a competitive advantage relative to their trading partners. Thus, MEPs representing constituents with higher dependence on agriculture will vote in favor of comprehensive trade agreements.

Following Mansfield and Mutz (2009, 453), reporting that "sociotropic perceptions, isolationism and out-group anxiety" explain people's perceptions of free trade, I include two non-economic predictors in my models: citizens' environmental ambitions and immigration attitudes. Environmental concerns should correspond negatively with support for trade. The 2015-16 protests against TTIP in European cities illustrate environmental groups' opposition to free trade agreements (Steiner 2018). Likewise, anti-immigration groups are skeptical toward free trade. Mansfield and Mutz (2009) found that isolationism and ethnocentrism have strong bearings on reduced support for trade; thus, anti-immigration attitudes should correspond negatively with support for trade liberalization.

Existing studies indicate that these attitudes influence trade preferences (Mayda and Rodrik 2005; Hainmueller and Hiscox 2010; Mansfield and Mutz 2009). These attitudes also correspond to new national political parties with seats in the EP, serving constituents who care about environmental issues and anti-immigration issues, respectively. Representatives of these parties are often vocal in their disapproval of CTAs.

Empirical Analysis

Data and variables

To analyze predictors of support for comprehensive trade agreements in the European Parliament, I use voting records for three major agreements that have been recently negotiated and that include European trading partners similar in economic development and size: the U.S., Canada and Korea. Other trade agreements brought up for a vote in the EP during this period either do not meet the definition of a CTA, or do not involve partners of equal economic development. My data set includes results of the following votes:

- "Negotiations for the Transatlantic Trade and Investment Partnership – TTIP" on July 8th, 2015, which has 749 observations with 436 votes in favor and 241 against.[7]
- "EU-Canada Comprehensive Economic and Trade Agreement" on February 15th, 2017, which has 750 observations with 468 votes in favor and 118 against.
- "Implementation of the EU- Korea Free Trade Agreement" on May 18, 2017, which has 750 observations with 408 votes in favor and 254 against.

Dependent Variable

The European Parliament has the power to reject trade agreements through intermediary resolutions adopted in the plenary, at different stages of negotiations. It could reject an agreement before negotiations take place, denying the Commission a mandate to negotiate; or after the Commission presents an agreement; or as a follow-up as part of a continuous process. Regardless if the resolution is voted upon before the start of negotiations, after, or as a follow-up, I consider a vote against the resolution as a vote against free trade, and a vote for is considered a vote in favor of free trade. The three votes included in this study represent different stages of each trade agreement: the TTIP vote is an approval of negotiations; the CETA vote is an approval of the final trade agreement; and the EU-Korea vote is a resolution on the continuation of the agreement

[7] 32 MEPs abstained, twenty-four were absent and sixteen did not vote. I treat these as missing observations.

that was implemented five years earlier (and formally entered into force in 2015).[8] I have reviewed each resolution to ensure that it truly aims to increase trade between the negotiating partners through establishing rules, regulations and standards; that it fulfills the characteristics of a comprehensive free trade agreement; and that the EP has the power to reject it.

My dataset has 2,249 individual votes[9] and 28 countries, which constitute the first and second levels in the multilevel analysis. The vote is coded as a dummy variable where 1 is "In Favor" and 0 "Against." MEPs who abstained, were absent or did not vote are categorized as missing observations, which leaves 1,925 individual observations.

Explanatory Variables

A summary of all variables and their data sources is available in Table A1 in the appendix. To capture public trust in government and institutions, I include the share of the population who tend to trust the national government as the main independent variable, *Trust in government*. The mean of *Trust* is 28.1 percent, with the lowest level of trust recorded in Spain (14) and the maximum of 60 in Luxembourg. Notably, Mediterranean countries – Greece, Cyprus, Italy and Portugal –have low levels of trust in government (<20 percent). These were also financially distressed countries during the Eurocrisis that began in 2009, for which comprehensive trade agreements have been viewed as a remedy capable of boosting economy and jobs (Akhtar and Jones 2014, 3). Despite CTAs' anticipated benefits of greater job growth in these countries, I expect their citizens' low trust in government to dominate MEPs' decisions regarding CTA support.[10]

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[8] The resolution emphasizes that the EU-South Korea Free Trade Agreement is a "process and not a one-off transaction" and notes that further progress should be made in terms of trade liberalization, such as technical barriers to trade, intellectual property rights, and customs related matters including origin verification procedures (European Parliament Resolution 2015/2059(INI). For these reasons, voting for the implementation of EU-Korea the Free Trade Agreement in May 2017 is considered a vote in favor of trade, similarly to the TTIP and CETA votes. A vote for each of these agreements is used as a proxy for CTA support.

[9] TTIP has only 749 votes, while the other two have 750 votes each.

[10] I conduct a separate test using *Trust in the European Union* as a predictor, which yields similar results and is provided in the Appendix. Despite the perception of the EU as being unpopular among ordinary people, trust in the EU is slightly higher on average (33 percent) than trust in national governments (28 percent)[10].

The next set of variables captures economic factors that influence trade preferences. *Agricultural production value* measures value added by agriculture as a share of the country's total GDP. Among the twenty-eight member states, Romania and Bulgaria are the most dependent on agricultural production (5.3 percent of GDP each) and Luxembourg is the least dependent (0.3 percent of GDP). In Hiscox' study of US trade voting, agricultural output has a positive relationship with voting for trade liberalization, since the US is relatively well-endowed with farm land. Although farmland is relatively scarce in western Europe, the 2004 and 2007 EU enlargements brought Eastern European countries with their abundant farmland into the union. Thus, considering effects of the 2004 EU enlargement and the EU's generous agricultural policy, I expect *Agricultural production value* to correspond positively with trade voting.

The second neo-classical economic variable is a proxy for the importance of profits from manufacturing production. *Manufacturing production value* is expressed as a share of national GDP and should have a negative effect on MEPs' voting in favor of free trade when counterparts are relatively well endowed with capital investment. With equally advanced economies such as the US, Canada and Korea as trading counterparts to the EU, the predicted effect of manufacturing value becomes complicated. However, these countries tend to have advantageous taxation systems in terms of effective tax rates (Tax Policy Center 2016) and less regulation of the labor market, compared to European countries where companies may worry about increased competition. Therefore, I expect manufacturing value to have a negative effect on support for CTAs.

The third explanatory variable is employment in *High-technology manufacturing* as share of the total population. I include employment in high-tech manufacturing because CTAs' regulation of non-tariff barriers directly affects these sectors. Since Europe has traditionally been relatively well endowed with labor compared to the US, high-tech manufacturing employment is expected to relate positively to support for trade. This may be counterintuitive for some American observers, since US manufacturing employees and their unions often oppose trade agreements. However in Europe there is more variation among labor unions' support for trade deals. Certainly, there are unions that oppose the agreement such as in France and Germany, but both TTIP and CETA gained support from numerous nationwide labor organizations. For example, the Swedish

Trade Union Confederation has officially endorsed TTIP, arguing that it will create jobs and thus raise wages in their sectors. Following factor endowment trade models (Stolper-Samuelson) high-tech manufacturing employment should correspond positively to voting for trade in the European Parliament.

Finally, I include two variables representing non-economic factors that influence trade policy positions. I use questions from the Eurobarometer survey as proxies for the non-economic variables. With the exception of three countries (Cyprus, Luxembourg and Malta), each country has more than a thousand respondents, making the survey generalizable to the population. Correlations between these variables and the measure of government trust are less than 0.5, which suggests that multicollinearity is not a concern.

For environmental ambitions, I use *Ambitious environmental goals,* or the share of respondents that perceive the EU's ambitions to reduce greenhouse emissions as too modest. I expect representatives of environmentally ambitious countries to be less likely to vote for free trade. Of the 28 member states, Sweden has the most ambitious population (38%) in terms of reducing greenhouse emissions, whereas Latvia has the least ambitious (6%).

For immigration attitudes, respondents have stated whether immigration of people from outside the EU evokes a positive or negative feeling. *Negative view of immigrants* represents the total share of respondents with a negative view. Anti-immigration sentiments should be negatively associated with CTA support. Sweden and Spain have the least negative views of immigrants (27 and 38 percent, respectively), whereas Latvia and Slovakia have the most negative views (86 percent each).

Standard Control Variables

For additional control variables, I rely on findings from previous research, which identifies sources of trade policy preferences. I include total GDP (in current prices, purchasing power standards and logged to reduce skewness) and unemployment rates for 2014, which is the first year of the current European Parliament and the year when MEPs were elected. To measure economic output, I use total *GDP (logged*).[11] Including total

[11] Note that total GDP is a proxy for economic size and not average wealth, as GDP per capita. Since I include education level and unemployment as controls, both of which are related to economic development,

GDP is consistent with the gravity model of trade where size of the economy is an established predictor for trade. Large economies are expected to support trade following the gravity model, although the opposite relationship is also possible. That is, smaller European economies may be more trade dependent than large economies and thus more likely to support trade.

The effect of unemployment rates is similarly ambiguous as it depends on whether MEPs believe that CTAs will bring jobs: a positive association should exist if MEPs expect trade agreements to increase employment opportunities, and a negative association should emerge if MEPs view trade liberalization as a threat for jobs in their countries. I include *Unemployment* as a control following previous studies of trade preferences (Scheve and Slaughter 2001, 288), which report a negative correlation between unemployment and support for free trade.

My empirical models also control for *Education*, which should increase the probability of voting for free trade (e.g. Poole and Rosenthal 2000). All countries in my analysis are developed nations; therefore, instead of relying on literacy rates commonly used in cross-sectional studies of trade, I use percentage of the population in the age group between 15-64 with tertiary education, equivalent to levels 5-8 on UNESCO's International Standard Classification of Education (ISCED).

Another predictor of voting patterns, which holds consistently across all issues in the European Parliament, is MEPs' membership in transnational parties (Hix and Noury 2009, 171-2). MEPs are organized within political groups where national parties are members, thus their affiliation to a national party determines their party group. Among my 2,249 observations, only fifty-one MEPs did not belong to a party group.[12] *Left Ideology MEP* is a dummy variable, which takes the value of 1 for MEPs that belong to a left-leaning party group (S&D, GUE-NGL, Greens-EFA), and 0 otherwise.[13] Milner and Judkins (2004) find that right parties tend to be more supportive of free trade than left

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or GDP per capita, I consider total GDP more useful than GDP per capita in the model. Total GDP was also a measure that did not have a high correlation with other variables in the regression. In contrast, agriculture production per GDP was highly collinear with GDP per capita.

[12] Even after EU enlargement in the 2000s, party group cohesion has remained high. Scholars disagree over inclusion of party affiliation in models of EP voting. While Hiscox (2002, 599) did not include party affiliation due to concern that it would "muddy the water" of comparison between models studies of EP voting tend to use left-right ideology as predictor for votes (Hix and Noury 2009, 169-70).

[13] I assign missing values to non-affiliated MEPs.

parties; hence, left-leaning MEPs should be more likely to oppose CTAs. In the Appendix I report results for controlling for the three largest party groups in the European Parliament (EPP, S&D, ALDE) and combined far-right party groups.

Female MEP is another variable that is expected to be more likely to oppose free trade than male MEP as women have been found to be more protectionist than men (Ehrlich et al. 2014, 158). *High-Ranking MEP,* on the other hand, should be associated with supporting free trade following studies on electoral incentives, where politicians are deterred from supporting trade when they are of lower rank (Conconi et al. 2014). This variable is constructed based on the number of times an MEP has been *rapporteur*, which is an indicator of their seniority in the EP as well as their activity and loyalty to party (Yoshinaka et al. 2010). MEPs with a high number of *rapporteurships* should be safer when facing reelection and more willing to support trade agreements. The cut-off for *High-Ranking MEP* is three or more rapporteurships in the past.

Method

My data is based on both country characteristics (mean values at the country level), and individual characteristics (MEPs' ideology, gender and rank). As a consequence, an assumption for ordinary least squares – that errors are not correlated with each other – is violated. Variation is likely to be found both across and within countries, around the mean for trade voting. Therefore, I use a mixed model that includes both fixed effects and random effects to estimate coefficients for predictors of trade voting, allowing random variation between countries.

The fixed effects variables in the model are the level-2 predictors (i.e. country-level characteristics), of which six are as key predictors for trade voting in the European Parliament. However, I am not interested in the effect of countries on trade voting per se, but rather the variance among countries on trade voting, as a random effect. Since I assume ideology to be nested within countries (the fixed-effect variables), this variable is estimated with a random slope allowed to vary by country.

With a binary outcome variable for trade voting, I use multilevel logistic regression with random effects to estimate the models. The outcome *Trade Vote* is

assumed to have binary Bernoulli distribution. For the analysis I use Stata's QR decomposition, which allows for more than one level of random effects clusters.

My analysis also accounts for the impact of new EU members. Considering that Eastern European countries that became EU members in the 2000s share some important characteristics that are relevant to the above control variables, I conduct separate tests with and without the new EU members.[14] These countries are younger and have relatively new party systems and organizational traditions. At the same time, they differ from Western European countries in their farmland endowment, economic characteristics and non-economic attitudes.

Discussion

To estimate the effects of *Trust in government*, economic interests and non-economic attitudes on support for CTAs, I estimate three main models. Results show that trust in government, most of the neo-classical variables and the two non-economic indicators are statistically significant predictors of voting patterns in the EP. Table 1 presents the results of the estimations. Positive coefficients indicate that the associated independent variables increase the probability of voting in favor of CTAs.

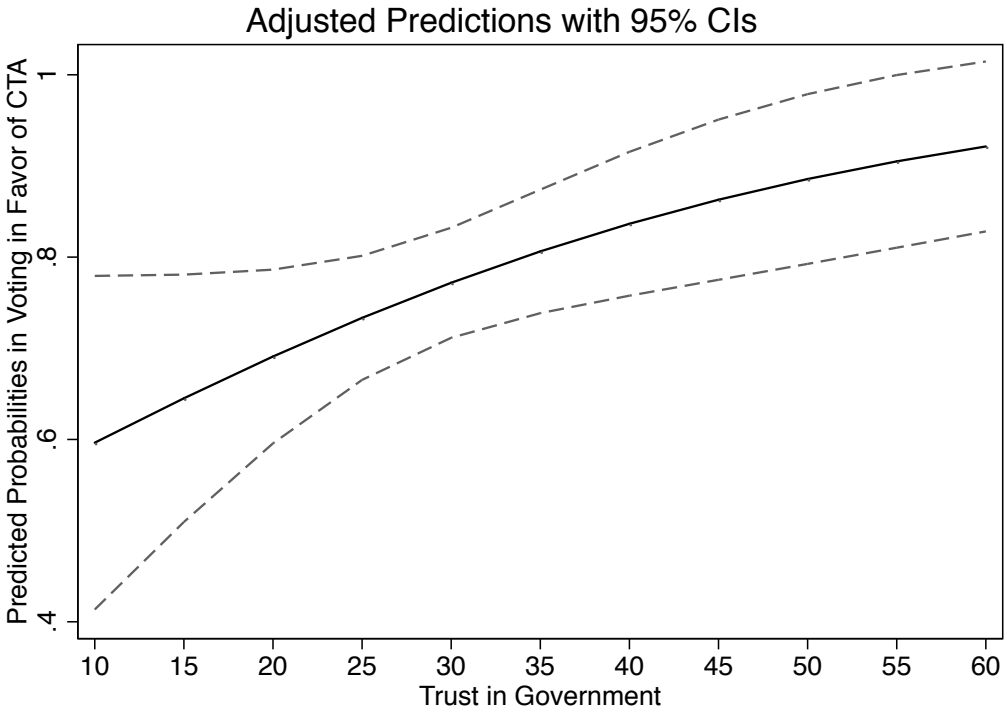
Trust in government is associated with support for free trade, thus providing support for my first hypothesis. An increase of one point in trust yields a 1.05 increase in the odds ratio of voting for trade, on average, and the result is statistically significant. findings lend support to my argument that MEPs rely on voters' trust in their governments when choosing whether to support CTAs. Low trust in government makes voting for comprehensive trade agreements too risky, since MEPs may become vulnerable to backlash from voters for upholding an activist policy associated with the (distrusted) government. High trust, in contrast, reduces risks associated with voting in favor of the agreement, since voters give MEPs more leeway to pursue a proactive policy agenda. The ACTA vote in 2012 showed that large public protests against a trade

[14] Instead of including a control for these countries, which would generate multicollinearity with agriculture (0.75), I find it theoretically justified to run separate tests for EU-28 and EU-17 to see how predictors are affected by their inclusion.

agreement could sway MEPs to vote against their home country party. Thus, both anecdotal and empirical evidence indicates that public attitudes matter for MEPs.

Figure 2 plots the predicted probabilities of voting in favor of CTAs at different levels of trust, with confidence intervals. An increase in *Trust in government* predicts a larger probability of voting for CTAs at every level of trust in government. In terms of substantive effects, the 95 percent-confidence interval for voting in favor of CTAs at a 20 percent trust-level ranges to a maximum .786 probability of MEPs voting in favor of free trade, while trust-levels at 50 percent has a minimum of .793 probability. Thus, there is a difference in the probability of supporting free trade between the lowest estimate of predicted probabilities at a high trust level (50 percent) and the highest estimate for a low trust level (20 percent). At the average level of trust, 28 percent, the predicted probability of voting for CTAs is just above 0.7, holding all other variables at their means. Countries close to this average level of trust include the UK, whose MEPs have an average predicted probability of voting for CTAs around 54 percent. Spain with the lowest recorded trust in government has an average support of CTAs at 71 percent, in contrast to Luxembourg with the highest government trust and a predicted probability of 84 percent of MEPs in support of CTAs.

Figure 2. Predicted Probabilities of Voting for CTAs and Confidence Intervals



Among the economic variables two were statistically significant at conventional levels ($p<0.05$) in the EU-wide model: agricultural production and employment in high-tech manufacturing have positive and significant effects on trade voting for CTAs. *Agricultural production value* is positively and significantly associated with voting for trade. The entry of eastern member states into the EU seems to have strengthened the overall competitiveness of EU agriculture. The CAP may also have an effect on the confidence of agricultural production; its generous agricultural support is not threatened by CTAs.

To evaluate the effect of new EU members, I re-estimate this model after dropping the eleven eastern EU states from the sample (Model 3). For western European countries, agriculture's share of the economy is not a predictor of voting for CTAs as it is on the full sample of EU members. Although many western European countries benefit from CAP which should have strengthened their confidence in agricultural production, CAP may counter traditional protectionist sentiments among farmers in these countries (e.g. France); without CAP, the coefficient for *Agriculture* may have been negative among western European countries.

Table 1. Multilevel logistic estimation of voting in the European Parliament on comprehensive trade agreements

	Model 1 (EU-28, High-tech manufacturing employment)	**Model 2 (EU-28, Manufacturing employment)**	**Model 3 (EU-17)**
Trust in government	0.0505**	0.051*	0.050**
	(0.020)	(0.023)	(0.017)
Agriculture production value	0.717**	0.558*	-0.676
	(0.221)	(0.242)	(0.374)
Manufacturing production value	-0.006	0.002	-0.010**
	(0.005)	(0.004)	(0.004)
Manufacturing employment	---	0.437**	---
		(0.153)	
High-technology manufacturing employment	0.994***	---	0.992***
	(0.23)		(0.194)
Ambitious environmental goals	-0.062**	-0.051	-0.086*
	(0.034)	(0.035)	(0.034)
Negative view of immigrants	-0.0636***	-0.054**	-0.083***
	(0.019)	(0.019)	(0.023)
GDP (logged)	-0.681***	-0.303	-0.838***
	(0.175)	(0.202)	(0.189)
Unemployment rate	0.123***	0.096	0.257***
	(0.0543)	(0.057)	(0.061)
Education level	0.046	0.029	0.025
	(0.036)	(0.050)	(0.026)
Left ideology MEP	-2.878***	-2.771***	-2.711***
	(-0.374)	(0.348)	(0.460)
Female MEP	-0.0604	---	---
	(-0.156)		
High-ranking MEP	-0.0577	---	---
	(-0.443)		
Random effects:			
Left ideology	2.156 (.849)*	1.864 (.731)*	2.307 (1.043)*
Female MEP	0.012 (0.141)	---	---
High-ranking MEP	3.01 (1.523)	---	---
No of observations	1868	1868	1354
No of groups	27	27	16
Log Likelihood	-836.632	-856.745	-710.080
Likelihood Ratio test (LR-test)	135.200***	128.56***	110.78***

Note: The dependent variable is a vote in favor of CTAs in the European Parliament. Coefficients indicate the result in terms of changes of the log of odds of a positive vote. All coefficients account for fixed effects in the multilevel model, except for the last three coefficients, which is indicated by *Random effects.*
* p<0.05, ** p<0.01, *** p<0.001
Standard errors are in parentheses

Manufacturing production value is not significant in the EU-wide models, against expectations of a negative association. In the limited model, however (Model 3), the coefficient on this variable takes a negative value, as expected. MEPs from Western European countries, with their relatively high effective tax rates and labor standards compared to partners in CTAs, are less likely to support free trade if they have higher levels of manufacturing production value – owners of manufacturing are likely to have smaller margins of profit compared to their US, Canadian or South Korean counterparts and may risk tougher competition with more liberalized trade. MEPs may also be concerned about potential race-to-the-bottom effects on behalf of workers and business owners in manufacturing.

High levels of employment in high-tech manufacturing have a positive and significant effect on voting for comprehensive trade agreements, following expectations. The coefficient on manufacturing employment (Model 2) is also significant. This supports the rather unconventional idea that manufacturing employment interests should favor trade liberalization. Both measures – manufacturing and high-tech manufacturing – show that economic predictors are relevant for trade voting. This finding is likely due to the fact that trade agreements include regulation and standardization between trade partners in the high-tech industry.

Moving to results of the non-economic predictors, both attitude-based measures are associated with trade voting as expected and reach statistical significance at conventional levels. MEPs representing countries with stronger pro-environment attitudes are less likely to vote in favor of free trade, as expected. This result lends partial support to previous studies (Bechtel et al. 2011; Steiner 2018), which identify pro-environment sentiment as an important source of trade policy preferences. Similarly, a population with negative views toward immigrants is associated with more protectionism among MEPs, i.e., MEPs representing such populations are more likely to vote against CTAs. It is a consistent and strong predictor across all four models.

Among the standard controls, GDP (logged) and unemployment were both significant but not across all models. The coefficient on *Unemployment* only reached statistical significance in two of three models reported here; its positive sign suggests that

MEPs from countries with high unemployment are motivated by trade agreements' promises of job growth to vote in favor of trade. MEPs from large economies are likely to show less support for CTAs. A reason for this result could be that large economies, such as the UK, tend to be less dependent on foreign trade than smaller economies, as their domestic markets are large enough to absorb a diversified supply of goods and services.

The *Left Ideology* indicator yields significant results as well. As expected, the control is negatively associated with voting in favor of trade (-2.9). The result is consistent with previous findings that left-wing parties are more skeptical of free trade than right-wing parties. This relationship clearly holds in the case of the European Parliament because MEPs in left-wing party groups are generally less supportive of free trade, as observed in EP party manifestos of Green parties, and demonstrated in statistical tests (Mayda and Rodrik 2005, 1404). The remaining individual-level variables, *Female MEP* and *High-ranking MEP,* did not provide significant results in any models. The random effects for *Left Ideology* level shows 2.15 in standard deviation, suggesting that the negative effect of ideology varies between countries but remains negative for all; there is some dependence on characteristics of national parties.

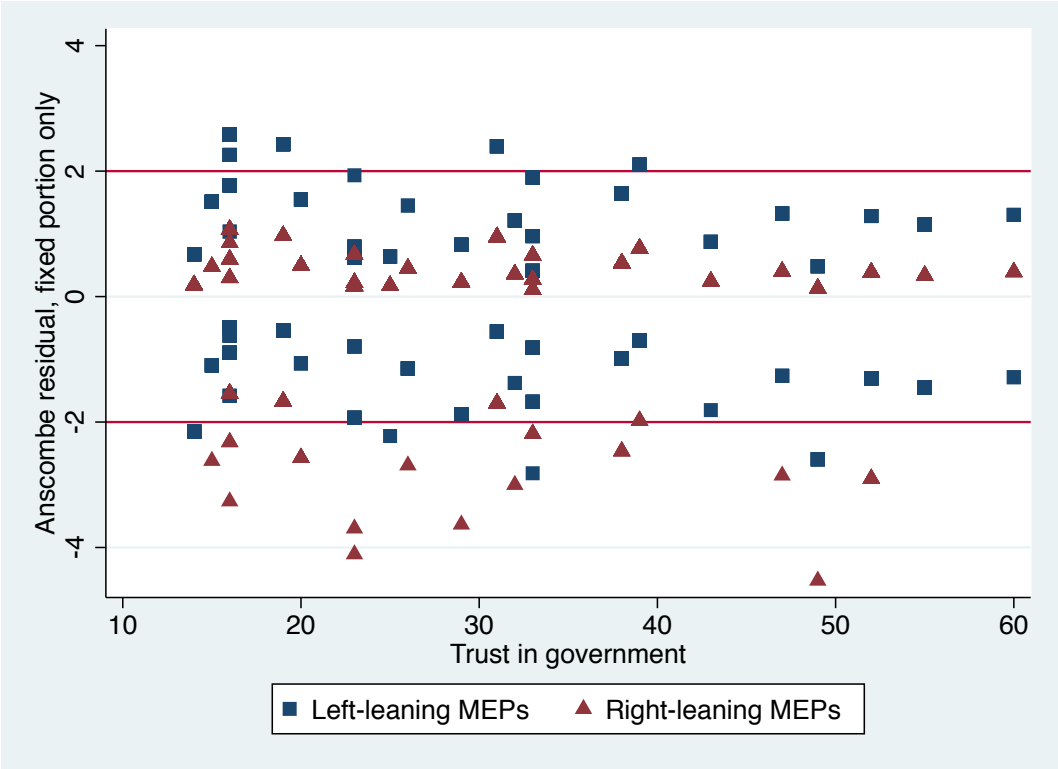
Additional models with more controls on the individual level (random effects), including more fine-grained party controls are reported in the Appendix. EP party group controls are based on the three largest party groups in the European Parliament (EPP, S&D, ALDE) and far-right party groups combined. The models with party group controls show similar results for the key variables. They are restricted to fewer control variables to check for parsimony (GDP, education level and unemployment is not included).

For goodness of fit measures, I calculated Anscombe residuals.[15] To check for outliers among Anscombe residuals, Figure 3 plots these residuals against the variable *Trust in government*. 86 percent of observations are within the acceptable range, that is, they are smaller than 2 in absolute value and are a good fit for the particular observation. Among the outliers, more residuals denote MEPs that belong to right-wing or center-right parties than left-wing parties, i.e. the model is better at predicting probabilities for MEPs belonging to left-leaning parties. I also checked if there is a difference in goodness of fit when MEPs are from Eastern or Western Europe but there was no large difference. For

[15] See Hardin and Hilbe (2007, 54), Hilbe (2009, 279) for general properties of Anscombe residuals.

comparison to the key variable I also estimated a model with *Trust in the EU* instead of *Trust in the Government*, which produced similar results; the higher trust in the EU, the more supportive are MEPs of free trade (reported in the Appendix). Finally, I calculated deviance residuals as additional goodness of fit measures (reported in the Appendix).

Figure 3. Anscombe residuals



Using a multilevel model by adding random effects to allow the slope for ideology to vary by country to predict voting for trade has improved the model from an ordinary logistic regression, showed in the likelihood ratio-test (LR test) which compares the random-effects model with ordinary logistic regression. The LR-test is highly significant; thus, it favors the random-intercept model. The LR-test suggests that the multilevel model is better than an ordinary logistic regression. At the same time, the Intraclass Correlation Coefficient (ICC) is rather low, suggesting that about 5 percent of variance is attributable to the country level. This is not a reason to abandon the multilevel approach; following Nezlek (2008, 857), an ICC that approaches 0 may still be useful when researchers are interested in relationships between measures. It is the presence of a multilevel data structure that justifies the use of multilevel modeling. In terms of policy

relevance, political scientists and legislators alike are well aware that a small marginal difference of votes, even a few percent, could sway a final vote result from "Yes" to "No.

Additional robustness tests provide similar results to those reported above.[16] Of the six key predictors included in my model, five find significant support in the majority of models where all EU countries are included. Only manufacturing production did not have a significant effect on voting in favor of free trade. Taken together, my results provide strong evidence that MEPs care about both economic and non-economic interests of their home country constituencies when casting votes on free trade.

Conclusion

How do legislators in the EP navigate the cognitive asymmetry between the public and elites in the EU regarding comprehensive trade agreements? While literature on trade preferences tends to focus on either traditional economic factors or non-economic determinants such as sociotropic attitudes, I present a new determinant and theoretical argument to explain voting on three CTAs that the EU has drafted in the last ten years. I show empirical support for a relationship between public trust in government and voting on CTAs in the European Parliament, in a framework of both neo-classical and non-economic trade determinants. A combined model has a greater explanatory power in a study of trade preferences than models emphasizing either neo-classical economic or skeptics' non-economic (post-materialist) predictors.

My research contributes to a deeper understanding of trade policy positioning among legislators on modern CTAs. The results may improve predictions of trade policy outcomes for the European Union. My argument is that citizens have a harder time to understand how CTAs will impact them due to their wide-ranging content compared to traditional trade agreements that reduce tariffs. This uncertainty, in turn, affects the way

[16] To check whether one of the three CTAs is driving the results, I included dummy variables for TTIP, CETA and the EU-South Korea Free Trade Agreement in the models. Coefficients for the reported variables remain mostly unchanged, and so do levels of significance. I also conducted separate tests for each CTA. For TTIP and CETA, the coefficient on *Trust in government* stays within a comparable range and is significant, while a regression using the EU-South Korea Free Trade Agreement generates a smaller coefficient in the same direction without significance. However, the smaller sample size may explain the lack of significance for this vote.

in which MEPs assess their expected utility of voting for or against these agreements. MEPs pay attention to public sentiment toward governments. Public trust in government is an indicator of the public's policy mood and trust for those who negotiate trade agreements. When trust in government is high, MEPs are more willing to support CTAs since the public accepts policy activism. This means that MEPs do not risk a significant backlash from voters when seeking reelection (or other types of career advancement). Low trust in government at home generates less legislative support for CTAs since MEPs want to play safe and maintain the status quo. Citizens with low trust in government are also more susceptible to taking cues from protectionist interest groups rather than cues from governments' pro-trade agenda, which MEPs may consider in their voting calculus.

Trust in government in MEPs home countries is positively associated with voting in support for CTAs. My results largely support inclusion of both neo-classical economic theory, and skeptics' non-economic factors. Traditional trade theories must be updated to account for comprehensive trade agreements that cover a wide variety of sectors of the economy. In particular, the role of high-tech industries appears to be a predictor for being in favor for free trade, since this sector is subject to a high level of standardization and regulation through CTAs. Thus, economic interests still matter for trade voting in Europe, while non-economic values – especially views on immigration – in MEPs' home countries also play a role.

My results apply to EU trade voting rather than voting in national legislatures. However, the EU is a diverse set of countries. It includes both Western European countries that have a long history of capitalism in combination with social democracy, and Eastern European countries that have developed rapidly and broken off with their communist past. Therefore, results should be generalizable to countries that are industrialized at different levels of wealth and have different political systems.

While the empirical scope of this study is limited to three of the largest CTAs, it is informative for the EU's recently negotiated wide-ranging trade agreements with Japan and Mercosur, a South American trading bloc. These agreements are yet to be approved by the EP and need to be ratified by each member state. My findings suggest that high government trust improves chances for a CTA to gain EP approval; hence, the new trade agreements face better odds of being approved because average government trust has

been on the rise in the EU after the downturn during 2011-2013 and the Euro crisis. However, national governments need to maintain citizens' trust. If public trust in government decreases, member governments cannot count on the European Parliament to approve CTAs that they have negotiated, even if a majority of MEPs are loyal to parties back home.

Ideological loyalty for MEPs is a strong determinant for voting in the European Parliament on trade – between 80 to 90 percent of MEPs typically vote along European political group lines – but it only takes a small margin of votes to reject an important agreement. It is for this reason that public trust in government becomes key to trade voting. With knowledge of asymmetry between citizens and governments regarding the impact of CTAs, MEPs handle this situation of uncertainty by relying on government trust as a policy mood indicator among citizens. Since MEPs are more likely to reject an agreement when there is low trust in government, national governments would be wise to earn and maintain the publics' trust if they aim to pursue ambitious trade agreements.

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Appendix

The dependent variable includes results of three votes on comprehensive trade agreements during the 8th European Parliament. The votes are the following:

- "Negotiations for the Transatlantic Trade and Investment Partnership – TTIP" on July 8th, 2015, which has 749 observations with 436 votes in favor and 241 against.
- "EU-Canada Comprehensive Economic and Trade Agreement" on February 15th, 2017, which has 750 observations with 468 votes in favor and 118 against.
- "Implementation of the EU- Korea Free Trade Agreement" on May 18, 2017, which has 750 observations with 408 votes in favor and 254 against.

Summary Statistics

Variable	Observation	Mean	Std. Dev.	Min	Max
Vote	1925	0.68	0.47	0.00	1.00
Trust in government	2249	28.10	11.84	14.00	60.00
Agriculture	2249	2.20	1.33	0.30	5.30
Manufacturing production	2231	159.96	39.54	125.20	412.80
High-tech manufacturing employment	2249	2.36	1.26	0.35	5.30
Manufacturing employment	2249	5.98	1.97	2.60	11.55
Green	2249	15.30	5.74	6.00	38.00
Negative view of immigrants	2249	60.43	12.22	27.00	86.00
Log GDP	2249	13.37	1.32	9.27	14.85
Unemployment	2249	10.34	5.69	5.00	26.50
Education	2249	26.01	6.99	14.20	39.60
Left	2198	0.40	0.49	0.00	1.00
Female	2249	0.37	0.48	0.00	1.00
High-Ranking MEP	2249	0.16	0.37	0.00	1.00

Variable	Source
Vote	VoteWatch Europe
Left	VoteWatch Europe
Female MEP	European Parliament

High-Ranking MEP	European Parliament
Agriculture	World Bank national accounts dataset, 2014
Manufacturing production	World Bank national accounts dataset, 2014
High-tech manufacturing employment	Eurostat 2013
Manufacturing employment	Eurostat 2013
Log GDP	Eurostat 2014
Unemployment	Eurostat 2014
Education	Eurostat 2014
Trust in government	Eurobarometer 2015
Green	Eurobarometer 2015
Negative view of immigrants	Eurobarometer 2015

Anscombe Residuals

Percentiles	
1%	-2.595
5%	-1.881
10%	-1.546
25%	-0.547
50%	0.475
75%	0.948
90%	1.641
95%	2.399
99%	2.576

Observations	2180
Sum of Wgt.	2180
Mean	0.250
Std. Dev.	1.168
Variance	1.364
Skewness	-0.460
Kurtosis	3.278

Smallest	Largest
-4.528	2.576
-4.108	2.576
-3.696	2.576
-3.634	2.576

Deviance Residuals

Percentiles	
1%	-2.157
5%	-1.652

10%	-1.388	Observations	2180
25%	-0.512	Sum of Wgt.	2180
50%	0.4454974	Mean	0.230
		Std. Dev.	1.018
75%	0.876		
90%	1.465	Variance	1.037
95%	2.027	Skewness	-0.483
99%	2.145	Kurtosis	2.926

Smallest	Largest
-3.132	2.145
-2.962	2.145
-2.776	2.145
-2.745	2.145

Appendix Table 1.
Multilevel logistic estimation of voting in the European Parliament on comprehensive trade agreements with party group controls

	Model 1 Restricted model	**Model 2 Far-right parties in EP (ENF, EFDD)**	**Model 2 EPP-group in EP (centre-right)**	**Model 3 S&D-group in EP (centre-left)**	**Model 4 ALDE-group in EP (liberal-centre)**
Trust in government	0.0525** (2.93)	0.0312** (2.78)	0.0497*** (3.29)	0.0475*** (3.86)	0.0266* (2.38)
Agriculture production value	0.847*** (4.23)	0.448*** (3.85)	0.559*** (3.52)	0.527*** (4.00)	0.512*** (4.48)
Manufacturing production value	-0.00218 (-0.53)	-0.00505* (-2.05)	-0.00943* (-2.33)	-0.00287 (-1.06)	-0.00338 (-1.38)
High-technology manufacturing employment	0.324 (1.88)	0.180 (1.72)	0.122 (0.85)	0.199 (1.71)	0.233* (2.25)
Ambitious environmental goals	-0.0617 (-1.66)	-0.0753*** (-3.39)	-0.0797** (-2.64)	-0.0857*** (-3.48)	-0.0695** (-3.15)
Negative view of immigrants	-0.0409* (-2.22)	-0.0172 (-1.63)	-0.0236 (-1.64)	-0.0139 (-1.18)	-0.0205* (-1.96)
GDP (logged)	---	---	---	---	---
Unemployment rate	---	---	---	---	---
Education level	---	---	---	---	---
Left ideology	2.629*** (-8.24)	---	---	---	---
Far-right party	---	-3.871*** (-3.86)	---	---	---
EPP party group	---	---	8.114** (3.20)	---	---
S&D party group	---	---	---	0.762 (1.58)	---
ALDE party group	---	---	---	---	5.425* (1.97)
Random effects:					
Left ideology	S.d. 1.4861 (.5590)*	S.d. 6.1043 (5.017)	S.d. 19.559 (23.1482)	S.d. 3.9152 (1.763)	S.d. 10.561 (13.3797)
No of obs.	1868	1908	1908	1908	1908
No of groups	27	27	27	27	27
Log Likelihood	-861.79369	-1035.631	-845.662	-1035.631	-1035.829
Likelihood Ratio test (LR-test)	146.92 ***	115.32***	96.53 ***	115.32 ***	44.68***

Note: The dependent variable is a vote in favor of CTAs in the European Parliament. Coefficients indicate the result in terms of changes of the log of odds of a positive vote. All coefficients account for fixed effects in the multilevel model, except for the last coefficient, which is indicated by *Random effects.*
* p<0.05, ** p<0.01, *** p<0.001
Standard errors are in parentheses

Appendix Table 2.
Multilevel logistic estimation of voting in the European Parliament on comprehensive trade agreements

	Model 1 (EU-28, Trust in national government)	Model 2 (EU-28, Trust in EU)

Trust in government	0.041* (0.020)	---
Trust in EU	---	0.050* (0.025)
Agriculture production value	0.612** (0.209)	0.520* (0.225)
Manufacturing production value	-0.006 (0.004)	-0.007 (0.004)
High-technology manufacturing employment	0.902*** (0.204)	1.088*** (0.215)
Ambitious environmental goals	-0.074* (0.031)	-0.045 (0.028)
Negative view of immigrants	-0.074*** (0.018)	-0.065** (0.020)
GDP (logged)	-0.696*** (0.173)	-0.637*** (0.186)
Unemployment rate	0.079 (0.046)	0.095 (0.052)
Education level	0.039 (0.035)	0.089* (0.036)
Left ideology	-2.801*** (0.348)	-2.801*** (0.348)
Random effects:		
Left ideology	Standard deviation 1.766 (.6738)*	1.839 (.708)*
No of observations	1868	1868
No of groups	27	27
Log Likelihood	-852.863	-852.997
Likelihood Ratio test (LR-test)	135.200***	130.94***

Note: The dependent variable is a vote in favor of CTAs in the European Parliament. Coefficients indicate the result in terms of changes of the log of odds of a positive vote. All coefficients account for fixed effects in the multilevel model, except for the last coefficient, which is indicated by *Random effects.*

* p<0.05, ** p<0.01, *** p<0.001