

Distance is the Soul of Beauty:

How Nevermet Visitors Change Your Votes?

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Abstract

Would the lift of long-standing travel bans and exposure to unacquainted visitors affect party identification and political ideology? This paper uses the historical electoral results of Taiwanese presidential elections and the Annual Survey Report on Visitor Expenditure and Trends (ASRVET) between 1996-2020 to test how the shock of opening borders to Chinese tourists as a part of the preferential trade agreement with China, changes the political ideology and party recognition of the Taiwanese constituents across the electoral districts. I firstly build a new dataset by merging geographical information into the Taiwanese electoral database. 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. Finally, I run nonparametric regression discontinuity (RD) models based on a running variable of CTE to test the cutoff points of Chinese tourist exposure across different years. By testing various local polynomial functions in the RD model, 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 boundary between the Chinese tourist-exposed and no-exposed regions becomes distinct after the preferential trade agreement's shock.

Keywords: ECFA, Regional Integration, Services in Trade, Regression Discontinuity Design

JEL Codes: F5, F14, F15

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