

Research Statement

My research interrogates two related questions: whether, how, and to what extent political regimes shape economic policies and in turn, how economic conditions and policies stabilize or destabilize democracies. By leveraging contemporary economic developments and novel methodological tools, my research agenda explores the advantages and disadvantages of democratic governance, democratization and autocratic stability, policy responses to exogenous shocks, and delegation of economic policies.

In the first study of my three-article dissertation, **Democracy and Macroprudential Banking Regulation** (under review at the *International Organization*), I investigate the conditions that exacerbate the democratic disadvantages of regulatory implementation. The study extends the growing debate about whether authoritarian or democratic governance best addresses contemporary global issues such as financial crises, contagious disease outbreaks, or climate change. Building on the existing literature on the short-termism of democratic decision-making and policy stagnation stemming from veto players, I argue that democratic governance limits the implementation of macroprudential regulation. While macroprudential policies impose short-term negative impacts on the economy by preemptively restricting credit expansion, voters do not realize the policy benefits without the occurrence of the crisis, and thus, retrospective policy evaluation is difficult. I also argue that banking regulation increases the cost of veto bargaining in democracies. In particular, because the regulation creates a highly heterogeneous distribution of benefits, macroprudential regulation leads to fragmented preferences over regulation within the financial sector. Empirically, using a panel dataset of macroprudential policies in 126 countries from 1990-2020, I deploy event history and synthetic control models to uncover that democracies are less likely to adopt macroprudential policies.

In the second study in my dissertation, **Estimating Waves of Temporal Heterogeneity: A Time-Varying Parameter Model Approach** (with Jouchi Nakajima, Hitotsubashi University), I revisit the canonical debate on the relationship between democracy and development. Because prior findings are contingent on the window of time studied, the causal association between economic development and democracy remains unsettled. Recent methodological developments in changepoint models have successfully identified structural changes in time-series cross-sectional data analysis. However, these models ignore gradual changes that happen over prolonged periods. To help researchers better analyze gradual changes, I propose the use of a Bayesian methodological strategy for time-varying parameter models to identify slow-moving structural changes. Specifically, I develop a time-varying parameter probit (TVPP) model, which estimates a time-varying relationship between a binary response (e.g., democratization) and explanatory variables (e.g., income). I find that the magnitude of the relationship between income and democracy gradually wanes over time, showing the gradual structural changes that occurred during the first and second reversals of democratization. Most strikingly, the relationship becomes statistically insignificant after the demise of the So-

viet Union and the end of the Cold War. The empirical results partly support the theories in the previous democratization studies, in which change in the international system influences the democracy-income relationship.

The third study, **Democracy-at-Risk: Estimating Resilience and Vulnerability of Democracy**, examines the asymmetric effect of economic factors on democracy. While qualitative studies have empirically tested the asymmetric relationships, quantitative empirical tools to adequately address them are limited because standard regression models rely on a *linear* assumption. To address asymmetric hypotheses, I propose a method that estimates the conditional distribution, rather than just the mean, of the outcome variable as a function of explanatory variables using quantile regression and the skewed *t*-distribution. By focusing on conditional distribution, researchers can analyze the effects across the lower and upper tails of the probability distribution, capturing asymmetry through the empirical shape of the full distribution. Using this new approach, I explore the risks of democratic vulnerability and resilience and their association with two economic drivers: income levels and income distribution. To quantify the asymmetric risks from the conditional distribution, I estimate the probability of changing the level of democracy at a certain level. I find the effect of income inequality is asymmetric: while rising income inequality moderately increases the risk of democratic regression, it significantly decreases the probability of increasing the level of democracy.

Beyond my dissertation, my interest in the relationship between political institutions and policy outcomes led me to analyze policy responses to the COVID-19 pandemic within an interdisciplinary team. Collecting data on the adoption of social distancing policies in US states in real time, we tested the determinants of social distancing policy introduction. I led the processing and managing of the dataset, which includes more than ten thousand interconnected policy items, developing tools to prepare this data for empirical analysis. In this research, we first found the partisanship of the governor and the political composition of the state were stronger predictors of social distancing policy adoption than public health or economic indicators. These analysis were published in *Perspectives on Politics*, the *Journal of Health and Public Policy Law*, and *State Policy & Politics Quarterly*.

My research agenda on the politics of finance informs another ongoing project, where I bring together my expertise in text analysis and central banks. In a co-authored project entitled **Driving Forces of Diversification in Central Banks' Functions: Global Textual Analysis of Central Bank Laws** (with Masaaki Higashijima, University of Tokyo), we explore the influence of political regimes on delegating non-monetary functions to the central bank. While existing scholarship on central banks centers on their role in achieving price stability, the diversification of central bank functions and mandates after the Great Financial Crisis has received little scholarly attention, leaving gaps in our understanding of both the content and political determinants of these changes in central banks' role. To empirically capture the diversification of central bank functions, we apply topic models to originally collected central

bank legislative data. We find in preliminary analyses that autocratic governments are likely to permit the central bank to take on broader policy roles than democracies. In addition, I am developing a theory of governments' delegation strategies by focusing on the tradeoff between central bank autonomy and the breadth of its policy functions under different political institutions and regimes. The theoretical contribution of this project will help investigate the conditions under which policy innovation and delegation occur and how it depend on political regimes. The project will expand the legislative database, which aims to be a central bank version of the Comparative Constitution Project, and will advance our understanding of the evolution of central bank functions and delegation mechanisms including the international diffusion process. The project is funded by the Japan Society for the Promotion of Science, which is equivalent to the National Science Foundation in the United States.

In addition to cross-national analysis, my expertise in Japanese politics contributes to the field of comparative political economy. In ongoing projects with Saori N. Katada at the University of Southern California, I explore why some democratic governments stay in their powers under the structural changes in international economic relations and domestic industrial developments, even though the spatial theory of party competition expects changes in the governing party. Using the electoral dominance of the Liberal Democratic Party (LDP) in Japan as a case, we argue that the LDP weakens opposition parties by exploiting the opposition parties' own policy space, and thus, the LDP's strategy produces less competitive elections. To illustrate economic policy space, we define the economic policy choices as supply-side growth strategy, distribution, and fiscal stability, and propose the theory of economic policy trilemma where the government can pursue only two of these three goals. To empirically capture the changes in policy goals, we analyze policy debate data in the Diet from 1956 to 2022, quantifying the share of each policy goal in the debates for the LDP and other parties. The analysis reveals the non-LDP's economic strategy affects the LDP's policy choice, suggesting the incumbent party's exploitation strategies. My work related to Japanese politics was also published as a book chapter analyzing the results of the last general election in Japan, focusing on macroeconomic policies (coauthored with Saori N. Katada). Drawing on my expertise in Japanese observational data, I also contributed to a coauthored article published at *PS: Political Science Politics* that identifies opportunities to conduct field research when there is limited access to the field.

Investigating the relationship between political institutions, including regimes and policy outcomes, is one of the fundamental themes in political science. My research explores the long-standing and contemporary issues in comparative politics by developing and applying novel methodological tools. My existing and future research agenda demonstrates the breadth of my topics and methodological approaches which contribute to public debates about democratic governance and economic policy outcomes when we address future challenges.