

Partisan Bias, Economic Crisis, and Preferences over Globalization

Laia Balcells
Institute for
Economic Analysis

Jose Fernandez-Albertos
CSIC

Alex Kuo
Juan March Institute

Outline

- Research Questions & Literature
- Research Design: Survey Experiment on Spanish citizens
- Expectations
- (Very Preliminary) Results

Research Questions

What explains preferences over globalization policies?

To what extent are such preferences affected by partisan bias and information?

What factors do citizens think explain the global economic crisis and its duration?

Theoretical Debates

- Much recent literature on preferences over openness and globalization, emphasizing education and factor endowments
- General conclusion is those with higher returns from openness favor such policies
- But: educated people across rich and poor states generally favor globalization
- General fear that (globalization-bred) economic crisis might lead to protectionist preferences

Theoretical Background

- No testing to date on how economic crisis affect globalization preferences
- Information about consequences / cues that make certain aspects salient (known to affect preferences over policies and attitudes)
- Partisan bias (known to affect preferences over other policies)

- Exploit the links that the economic crisis might plausibly have with
 - Globalization
 - Domestic policiesto see how the international element of the crisis might
 - change preferences toward globalization
 - What is the effect of partisan bias on these preferences

Substantive Debates: Attitudes in a Crisis

- Do people blame globalization, or domestic factors for the crisis?
- Spain: illustrative case.
 - hard hit by recession; a number of factors made salient in debating causes, extent of, and responses to the crisis
 - Exploit the links that the economic crisis might have with globalization and domestic policies
 - Nice feature to test partisan bias: Globalization and domestic factors of the crisis can be plausibly associated with two main parties

Our Approach

- Describe what the public thinks about the crisis
- Measure attitudes on a battery of different public policy responses to the crisis (globalization; domestic spending, labor market reforms, trade-offs they would be willing to make)
- Evaluate the effect of simple interventions in different attitudes
- Assess the impact of partisan cues in preferences towards globalization vs domestic policies

Research Design

- Survey of Spanish citizens (Internet sampling)
- Randomly assign citizens to receive different cues about the crisis
- Assess whether cues significantly affect opinions about public policy

Research Design

- Respondents read a short statement about the economic crisis that blames **globalization-based** or **domestic-based** factors for the extent/length of the crisis
- The source of the information can be:
 - Non-partisan
 - partisan (socialist party, PSOE)
 - partisan (conservative party, PP)

Research Design

Experimental Group	Information Treatment	Partisan Treatment	Prob of Receiving Treatment
Control Group	None	None	.4
Group 2	Globalization	Non-partisan	.1
Group 3	Domestic	Non-partisan	.1
Group 4	Globalization	PSOE supported	.1
Group 5	Domestic	PSOE supported	.1
Group 6	Globalization	PP supported	.1
Group 7	Domestic	PP supported	.1

Treatment text

- *We would like to present to you some conclusions that have been made about the current economic crisis. According to a report **made by an institution linked to the Popular Party (PP) / Socialist Party (PSOE) / non-partisan experts**, **a series of international factors related to globalization / regulations in the Spanish labor market** have played a major role in the development of the economic crisis that Spain is undergoing now.*

Responsibility for the crisis

- *Thinking about the current economic crisis, we would like to know which are, according to you, the three most important factors that have contributed to the crisis among the following six, ranking them from most important to least important:*
 - *The actions of the current Spanish government*
 - *The actions of Spanish banks*
 - *The entry of Spain in the euro*
 - *The actions of European governments*
 - *The actions of international investors*
 - *The regulations in the Spanish labor market*

(Sample) Post-treatment Questions

Some think that the free movement of capital across borders is beneficial to the Spanish economy. Others argue that the free movement of capital across borders is harmful to the Spanish economy. How about you? Do you agree with the statement that the free movement of capitals across borders is beneficial for the Spanish economy?

- Strongly in favor
- Slightly in favor
- Neither in favor nor against
- Slightly oppose
- Strongly oppose

Post-treatment questions

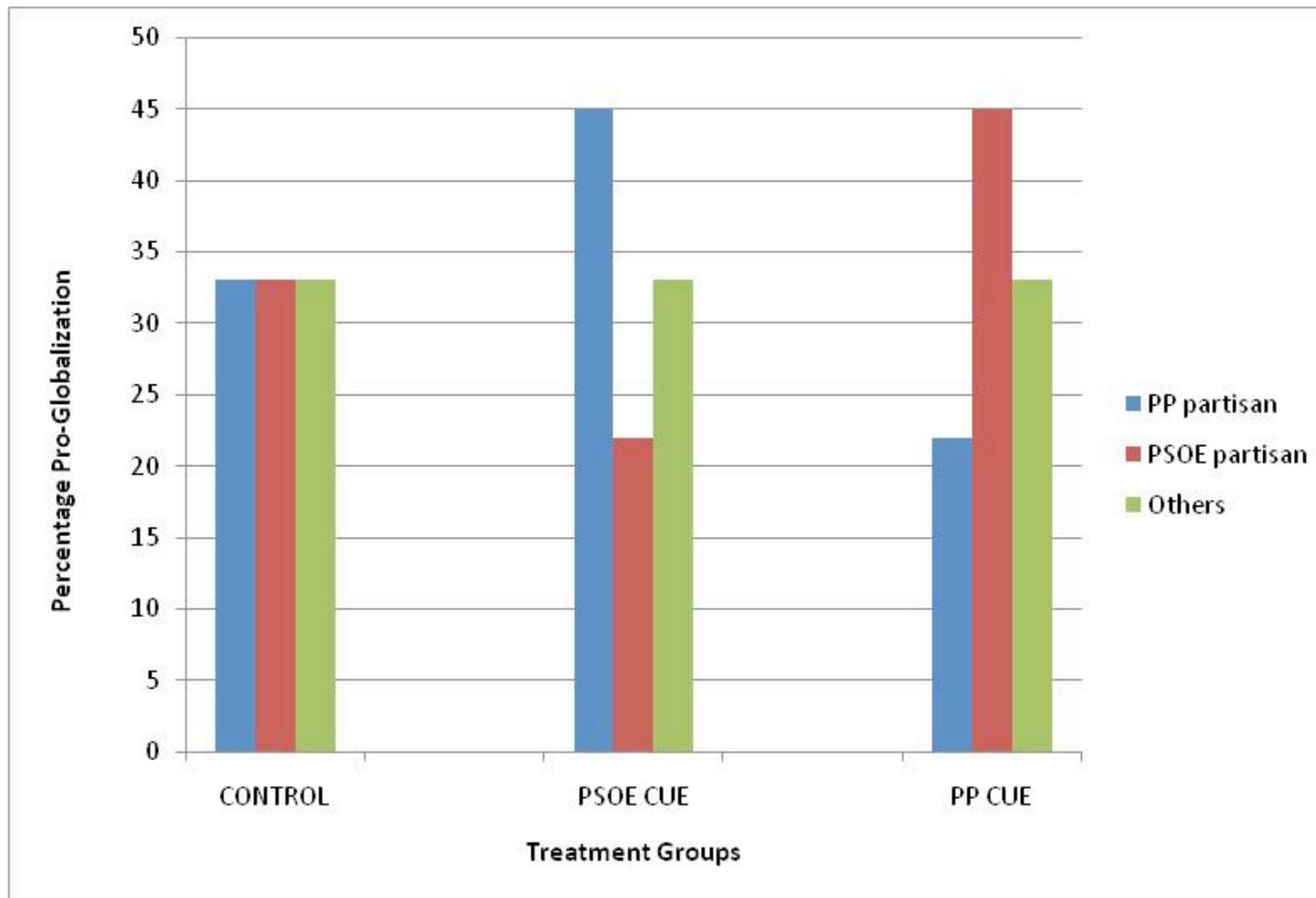
INTERNATIONAL

- Capital mobility
- Trade
- Support for the euro
- Immigration
- Globalization (generic)

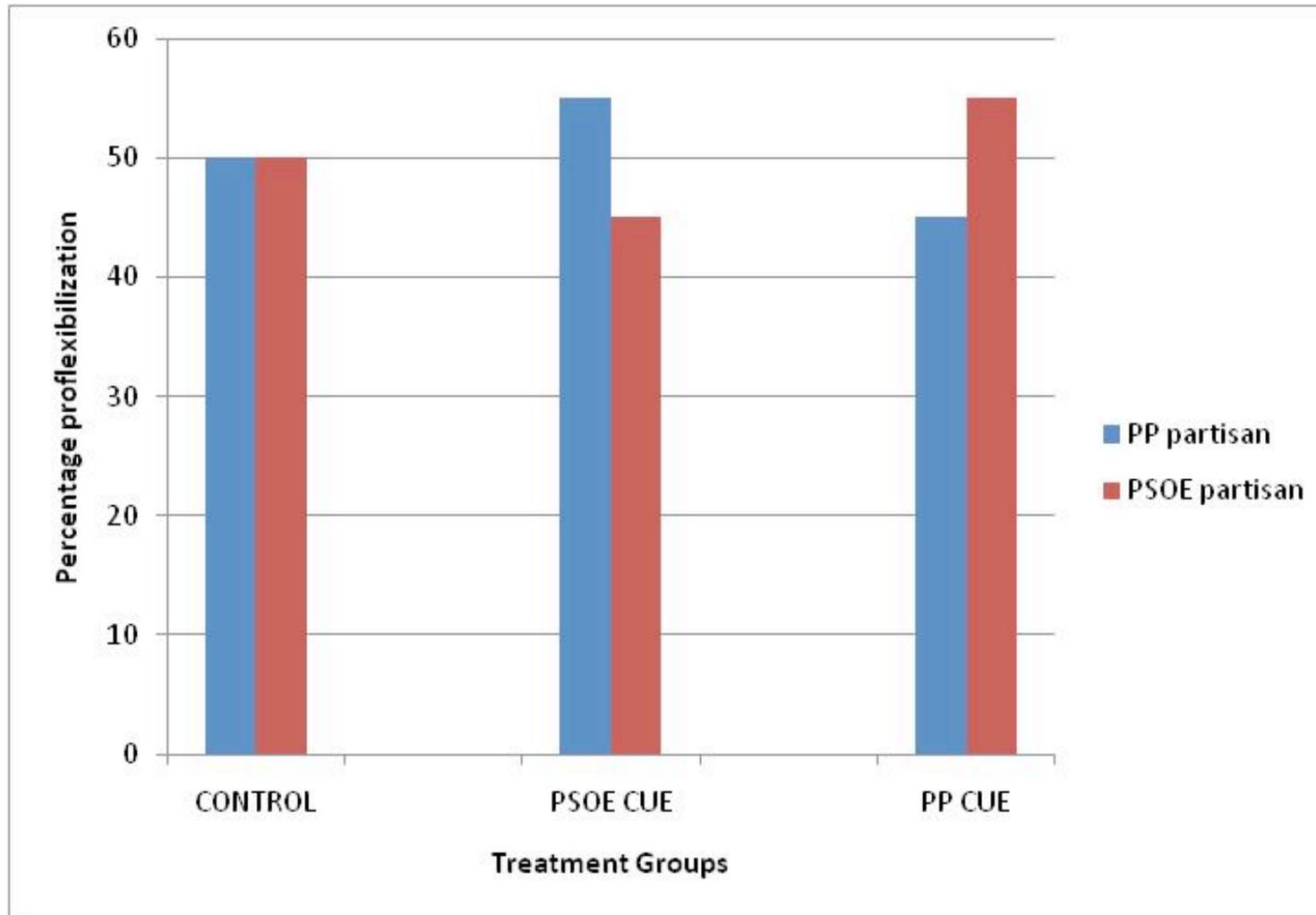
DOMESTIC

- Freedom to hire & fire
- Severance pay
- Role of unions in wage-setting
- Pension reform
- LM flexibility (generic)

Expectations: globalization treatment



Expectations: labor market treatment



Sample Post-treatment questions

Q . We would now like to ask you some questions about what the government should do in response to the crisis. Which of the following statements do you agree with more?

The government should ensure that any actors who are responsible for the economic crisis are punished for their roles, even if this means that the economic growth in Spain would be reduced.

The government should take actions to increase economic growth, even if this means that any actors who are responsible for the economic crisis will go unpunished.