

McArabia™



سجق Sujuk

قطعتين من السجق مع الخس والبصل والجزر
البيدرية المبردة في خبز عربي شهبي.
Soft Arabic bread generously embracing two sujuk
patties, topped with crunchy veggies and creamy mayo.

الطعم العربي الأصيل
The Authentic Arabic Taste

Economic and Cultural Sources of Preferences for Globalization in Tunisia

جديد
new

حتى نفاذ الكمية
While Supplies Last



Amaney A. Jamal and Helen V. Milner

Dept of Politics

Princeton University

Prepared for IPES, November 2014

Research Question

What factors shape public attitudes toward economic globalization?

Theoretical Motivation

- Preferences Toward International Trade
- Big debate in field: Scheve, Hiscox, Mansfield & Mutz, Margalit, Naoi, Milner & Tingley, Rodrik, Mayda, etc.
- Economic Factors
- Non-Economic Factors
 - What are they?
 - Which are most important? Why?

Hypotheses

- I. Economic Factors should matter
 - Scheve & Slaughter, Mayda & Rodrik, Milner & Tingley
 - HO/SS: In developing country, labor (esp unskilled) benefits from trade & DFI, while capital (& skilled labor) loses.
 - **More** income and/or more education, **less** support for increasing trade and DFI.
 - Sectors: exports, import-competing,
 - public, non-traded???
- II. Socio-Political Factors should also matter
 - Hainmueller & Hiscox, Citrin et al., Mansfield & Mutz
- III. Yet socio-political factors might mediate the influence of economics on trade.
 - Economic → socio-political → globalization

An Experiment

- Need experimental data to see more about causality
- Cannot manipulate sector or skill of individual!
- Can we manipulate extent of globalization to see effect on views of globalization?
- Give them lots of info and see if they make the connection between their economic condition and the effects of rising globalization
- Economic Experiment will look at Culture as covariates



Pre-Test Data

- Area Probability sample of adults 18 years and older
- 4 Tunisian governorates in and around Tunis: Ariana, Ben Arous, Manouba, and Tunis
- Fielded June 16-July 15, 2014
- N=660 (Trade)
- Face to face: CAPI
- Stratification and Clustering
- Larger Survey (Winter 2014/2015)



Three Dependent Variables

- Support for Globalization
 - Trade: flows and policy, trade agreements
 - DFI
- Support for Role of Government in Economy
 - Compensation mechanism: do publics want government to grow when trade increases?
 - Increase or decrease taxes for govt programs?
 - Increase or decrease jobs in government sector?
 - Food and fuel subsidies?
 - Health and education spending?
- Behavioral measures

Trade Experiment

- Individuals (or main Income Earner) categorized into one of four sectors:
 - Exporting Sector
 - Import-competing Sector
 - Non-Traded Sector
 - Public Sector (military plus government)
- We ask about job type and skills
- Randomly assigned globalization treatment or control
 - Four different experiments
- Does treatment increase or decrease support for trade, DFI, & government role in economy?



Tunisian Labor Market

- Unemployment:
 - High Unemployment Rate: 13% (2012, ILO); now 18%.
 - Very High Youth Unemployment Rate: 29.3% (2012, ILO), now 42%
 - Very low LF Participation: 41%
 - Very low Women's employment rate: 22%. (men's: 61%).
- Sectoral employment (INS 2014):
 - ~45% traded
 - ~18% non-traded
 - ~37% public (1.2% armed forces personnel)
 - More in NT and public than traded
- Informal sector:
 - Estimates vary: 15-30%
 - non-traded industries. Mostly women...

Employment Status

Employment Status: Respondent	Frequency	% of total	% working/worked	% is MIE
Employed	234	35.5%	100%	79.1%
Student	31	4.7%	n/a	0%
Homemaker	204	31.0%	25.5%	11.3%
Retired	107	16.2%	84.1%	91.6%
Unemployed	76	11.5%	64.5%	39.5%
Other	7	1.1%	n/a	42.9%
TOTAL	659	100%	64.5%	51.4%

- 35.5% of survey respondents are currently employed.
- 64.5% of survey respondents are either currently working or have worked in the past.
- 51.4% of survey respondents identify as their household's main income earner.

How are respondents or MIEs placed into the sectors?

Sector	Addressing Respondent	Addressing the MIE	Total
Export	85 (12.9%)	15 (2.3%)	100 (15.2%)
Import	67 (10.2%)	45 (6.8%)	112 (17.0%)
Non-Traded	224 (34.0%)	83 (12.6%)	307 (46.6%)
Public	96 (14.6%)	44 (6.7%)	140 (21.2%)
Total	409 (71.6%)	187 (28.4%)	659 (100%)

- Most common industries:
 - Exports: Clothing manufactures (24 total), and tourism industries (21).
 - Imports: Transportation (35 total), wood (12), and auto manufactures (10).
 - Non-Traded: Retail and wholesale commerce (89 total), construction (45), other private practice (47).
 - Public: State institutions (39), public education (39), and utilities (27).

Exporting Industries

Control: You indicated earlier that you work in the [textile industry]. This sector is heavily involved in international trade. It sells much of what it produces to foreign countries; that is, it exports a lot.

Globalization Treatment: *In the future, economists predict that Tunisia's trade will grow substantially. This means that exports in your sector will grow much larger so that wages and jobs in your industry might increase.*

Import-competing Industries

Control: You indicated earlier that you work in the [chemical] industry. This sector is heavily involved in international trade. It faces much competition from goods and services imported from other countries.

Globalization Treatment: In the future, In the future, economists predict that Tunisia's trade will grow substantially. This means that imports will grow much larger so that wages and jobs in your industry may decrease.

Non-Traded & Public Sector

- Two very different groups: Non-Traded and Public
- *Control:*
 - You indicated earlier that you work in the [insert industry pipe] industry. This sector currently does not face direct competition from foreign firms.
- *Globalization Treatment:*
 - *In the future, economists predict that Tunisia's trade will grow substantially. This means Tunisian exports and imports will grow much larger and this will affect demand for the goods and/or services that your sector produces.*

Trade Experiment

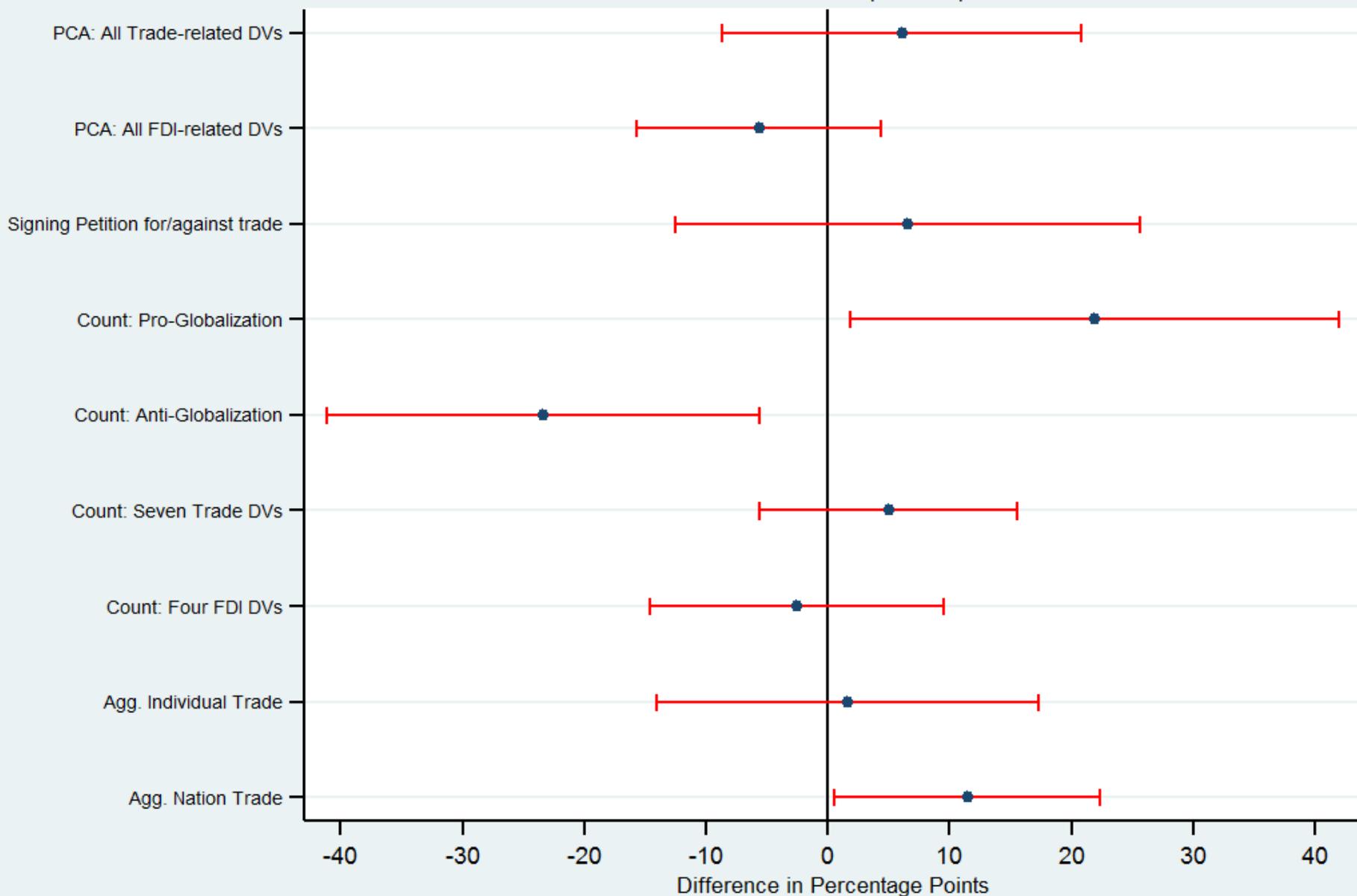
- Main DV:
 - *Some people have suggested placing new limits on foreign imports in order to protect Tunisian jobs. Others say that such limits would raise consumer prices and hurt Tunisian exports. Do you favor or oppose placing new limits on imports of foreign goods and services?*
- Plus about 16 other questions about trade, FDI and government role.
- We combine DVs into 4 indexes and several additive scales.

Some Results

- Limited findings now, N too small
- Import sector is negative on trade, less so on FDI
- Export sector pro or no results
 - Prospect theory: value losses, not gains?
- Public sector is very negative on trade
- Non-traded is most positive on trade and FDI
- 2 surprises:
 - Little action around government role
 - Change question to invoke tradeoff with taxes?
 - Non-traded and public differ, and NT more positive.

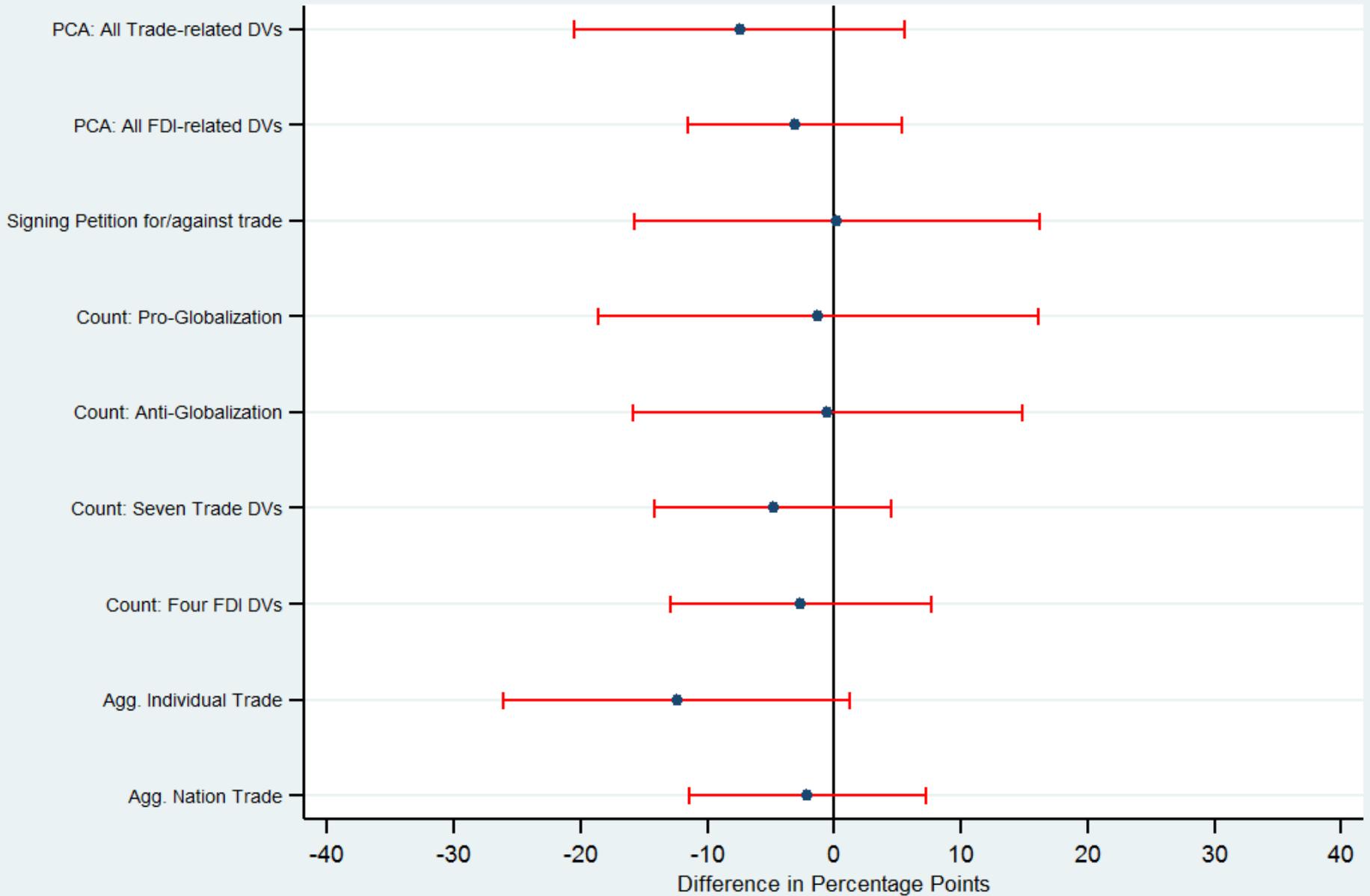
Export vs. Import

Pos. difference = Export > Import



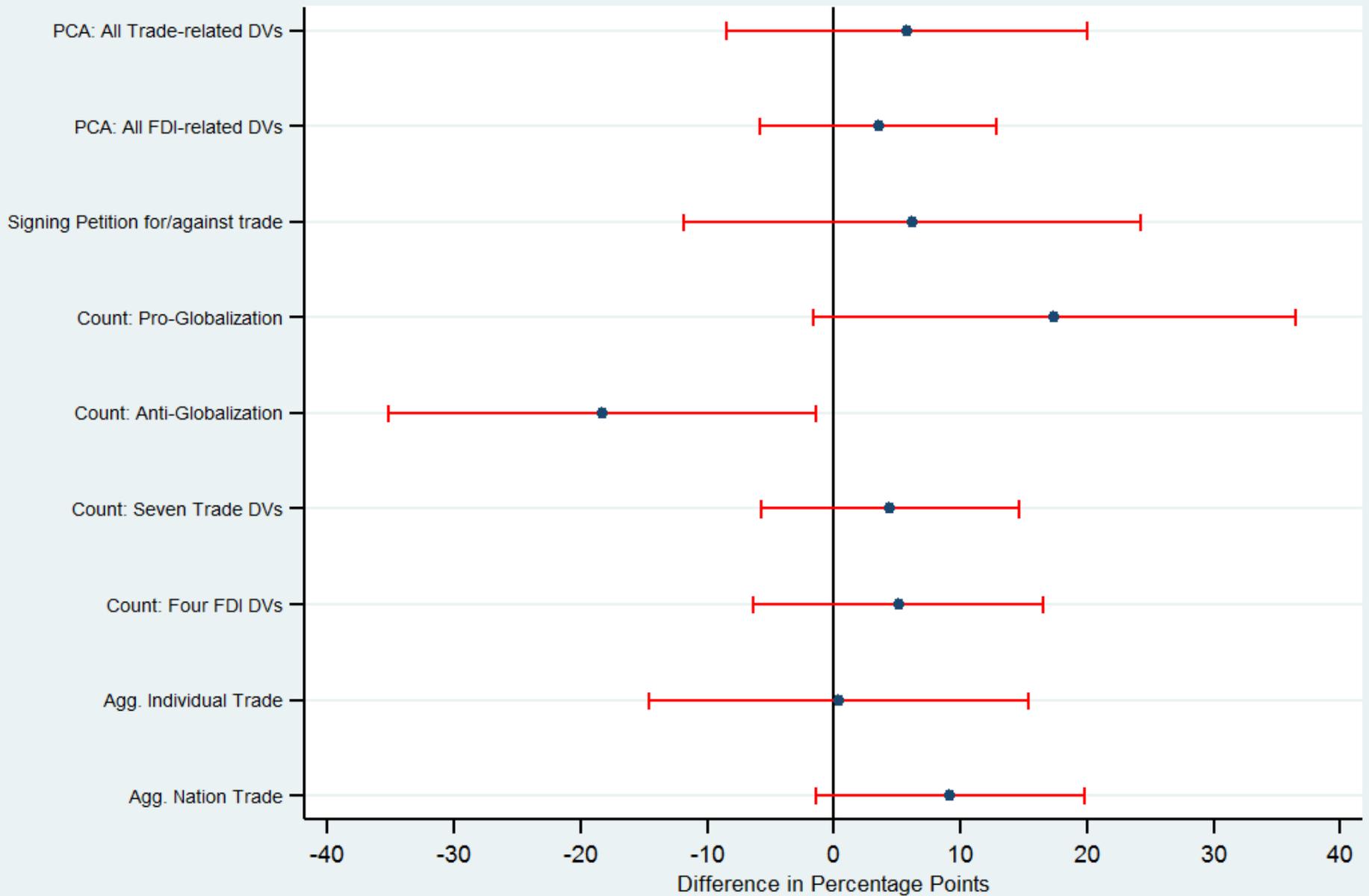
Export vs. Non-Traded

Pos. difference = Export > Non-Traded



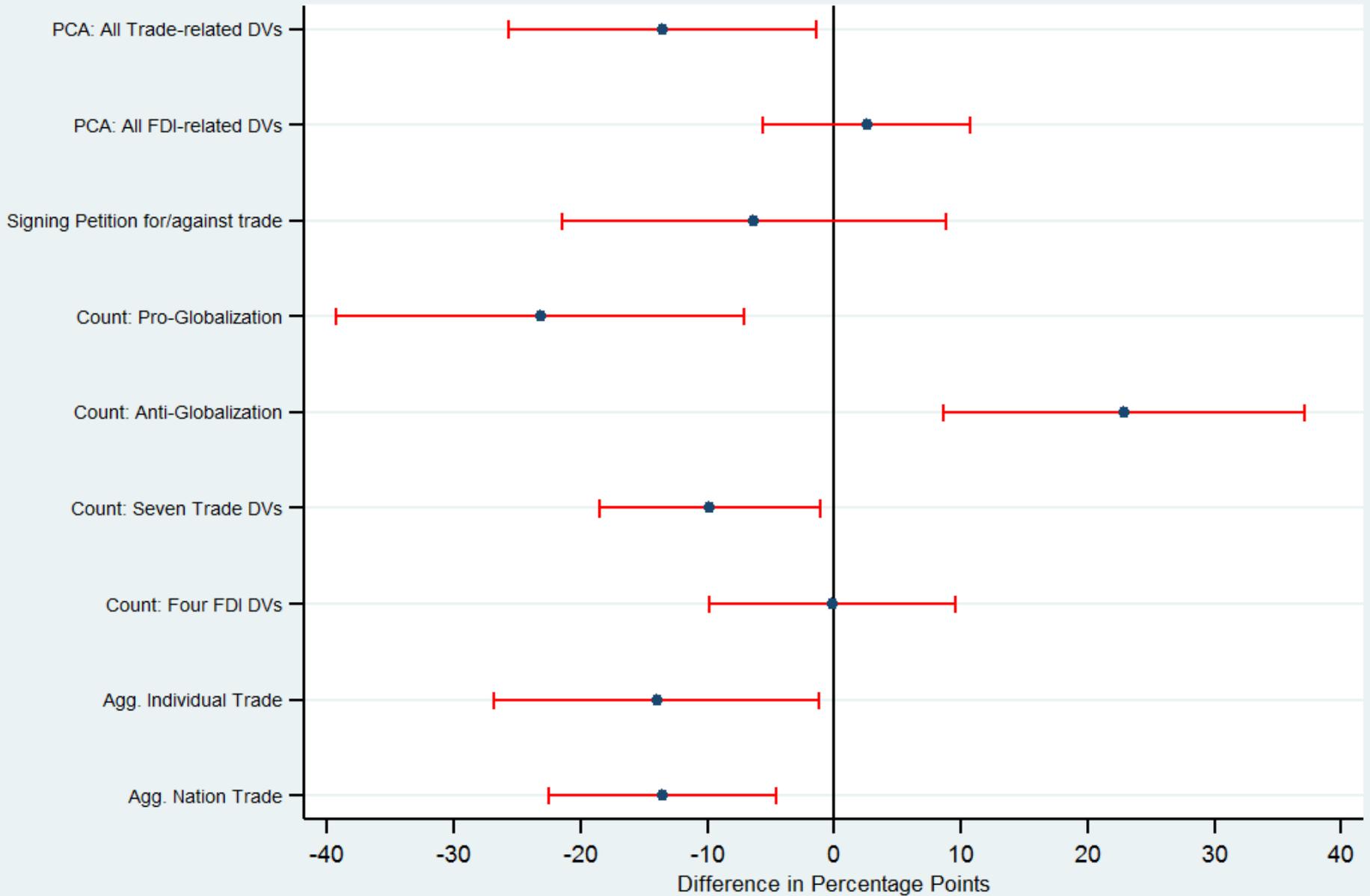
Export vs. Public

Pos. difference = Export > Public



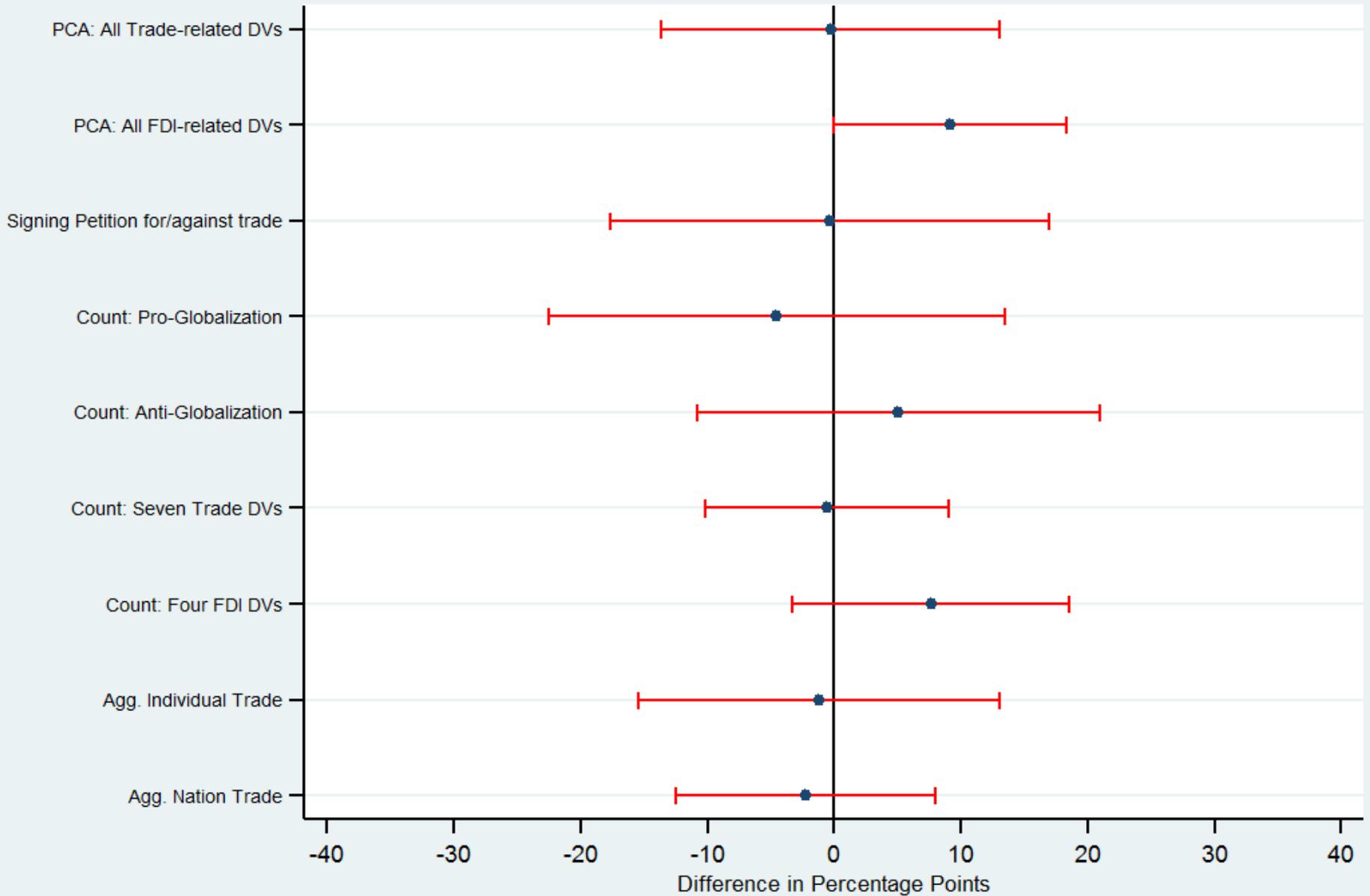
Import vs. Non-Traded

Pos. difference = Import > Non-Traded



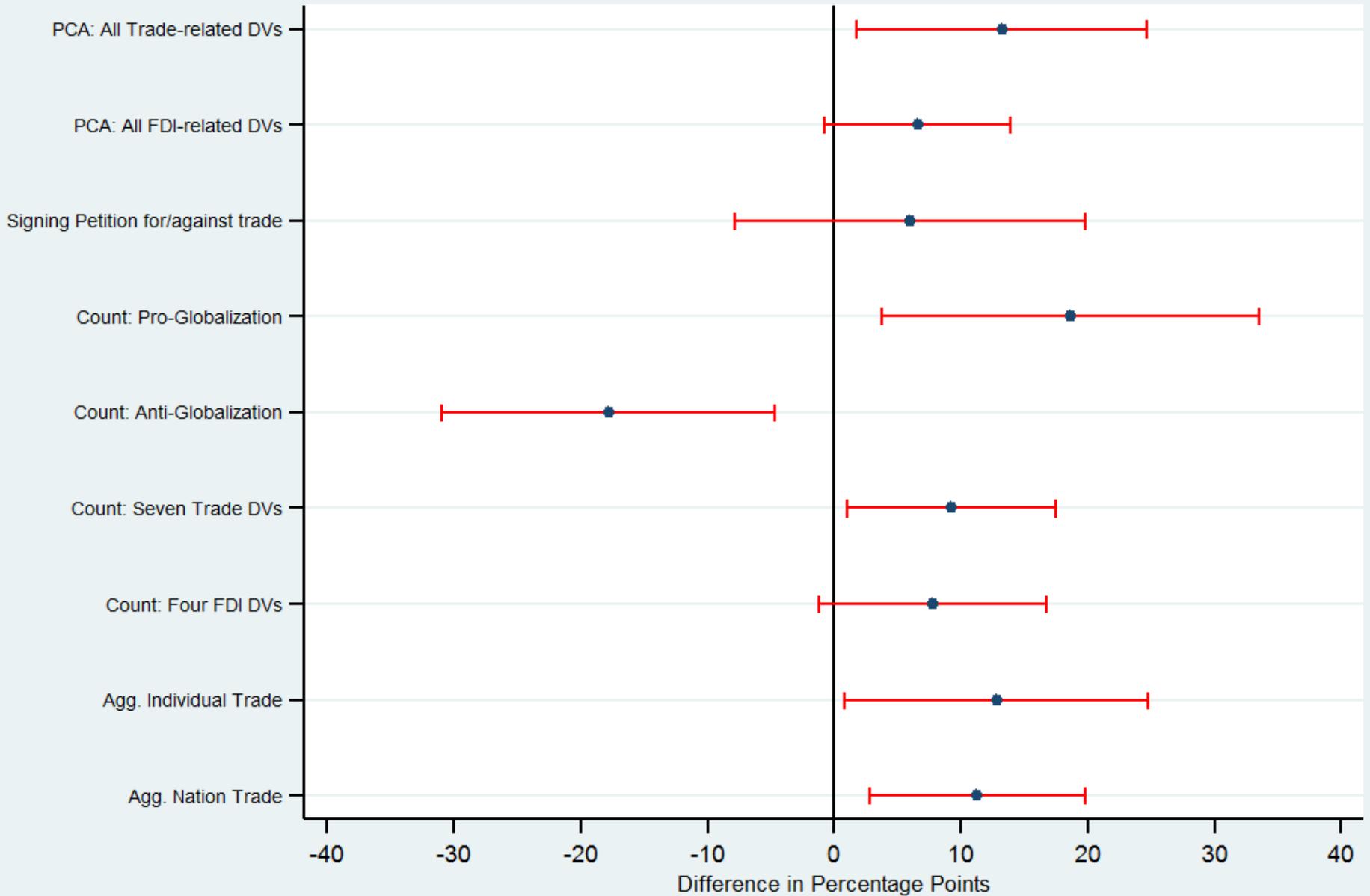
Import vs. Public

Pos. difference = Import > Public



Non-Traded vs. Public

Pos. difference = Non-Traded > Public



S-S & H-O Trade Experiment

- Skill levels may matter.
- [Human] capital vs labor: class cleavages
- High skill should be less supportive of globalization if SS holds
- But if new, new trade theory, then high skill should be more supportive of globalization
 - FDI, global value chains
- We have good data.

Moderators

1. Gender
2. Class
3. Urban/Rural
4. Ideology/Islamism
5. Religiosity

Mediators

- Job (in)security
 - Informality and insecurity
- Nationalism
- Islamism
- Inequality aversion
- Tolerance
- Gender roles

Conclusion

- Causality between economic and socio-cultural influences on support for globalization
- Manipulate economic gains and losses from globalization and see if economic factors affect attitudes toward globalization
- Trade experiment will only allow “conditional” analysis of socio-cultural variables
- Do individuals calculate pref’s based on material gains and losses from globalization?

THE END