

How Do Pro- and Anti-Trade Messages Affect Public Opinion?



While voters in Latin America were generally very favorable to increased trade with other countries, mainly based on perceived employment gains, public opinion is affected by common pro- and anti-trade arguments.



General support for trade is unaffected by consumption benefits framing but is highly sensitive downward to employment loss framing. Providing a more balanced perspective of the benefits and costs of increasing trade reduced the impact of negative framing.



Framing responses are stronger in countries with high import dependence. Positive framing is more effective in contexts of rising economic sentiment. Negative framing is more effective in economies with high unemployment.

CONTEXT

Public opinion is often exposed to conflicting messages about trade. Consumers generally benefit from trade liberalization through lower prices and a wider range of goods and services. While some workers may find new job opportunities in the export sector, others may suffer job losses in certain industries or occupations. Since the voting public's potentially divergent views on trade shape what policies are politically feasible, it is important to determine what drives public opinion about trade in the developing countries of Latin America. What messages about trade are more or less effective in changing public opinion—and why?

THE PROJECT

This study measures individual-level trade preferences and beliefs using data collected through a module included in the 2018 Latino-barómetro, a nationally-representative survey of 18 Latin American countries. Our survey design randomly assigns common pro- and anti-trade messages with the purpose of framing the main question about the individual's support for trade. The former emphasizes consumer benefits from product prices and variety, while the latter emphasizes employment losses in import-competing sectors. We also include a framing that presents both the pro- and anti-trade positions, called mixed framing.

Key Concept



FRAMING EFFECT

A change in public opinion caused by the specific aspects of a policy issue that are being emphasized. This occurs either because the issue becomes more salient or because the framing changes beliefs about the issue.

Key Concept



FACTOR ENDOWMENT

Countries differ in their endowments with certain factors of production. In international trade, countries tend to specialize in producing goods in which they have a factor endowment advantage.

RESULTS

The data show that unframed respondents are generally very favorable to increased trade with other countries, based on perceived benefits to employment and consumption. In this context, positive framing does not significantly raise support for trade liberalization. Positive framing does induce an upward revision in beliefs that trade lowers consumption prices, but it also raises concerns about low wages. Negative framing substantially reduced trade support, driven by a large downward change in the prevailing view that trade has positive employment effects, with no offsetting upward change in beliefs about consumption benefits. Mixed framing also reduces support for trade, but to a lesser extent. This suggests that pro-trade arguments can significantly mitigate the impact of anti-trade arguments, even though they may not work by themselves.

The data indicate that beliefs about how trade affects employment and wages are key in the formation of attitudes. In addition, framing impacts reflect common behavioral patterns, such as loss aversion, negativity bias, and reasoned choice. Framing thus affects attitudes through changing not only beliefs but also the relative salience of trade-relevant considerations.

We also document how framing effects vary with country-level as well as individual-level factors. Framing effects are larger in countries that had recently experienced an increase in imports. Positive framing is more impactful in countries with improving economic sentiment, and negative framing in countries with higher unemployment. Among individual characteristics, education is strongly associated with framing responses. While our data confirm previous findings that the more educated are on average more supportive of trade, they also indicate that the more educated are on average more sensitive to job loss framing, particularly in skill-scarce countries, implying that relative factor endowments matter. This suggests that, while education may drive trade attitudes through mechanisms such as issue knowledge and cultural values, economic interests also play an important role in explaining employment-related framing impacts.

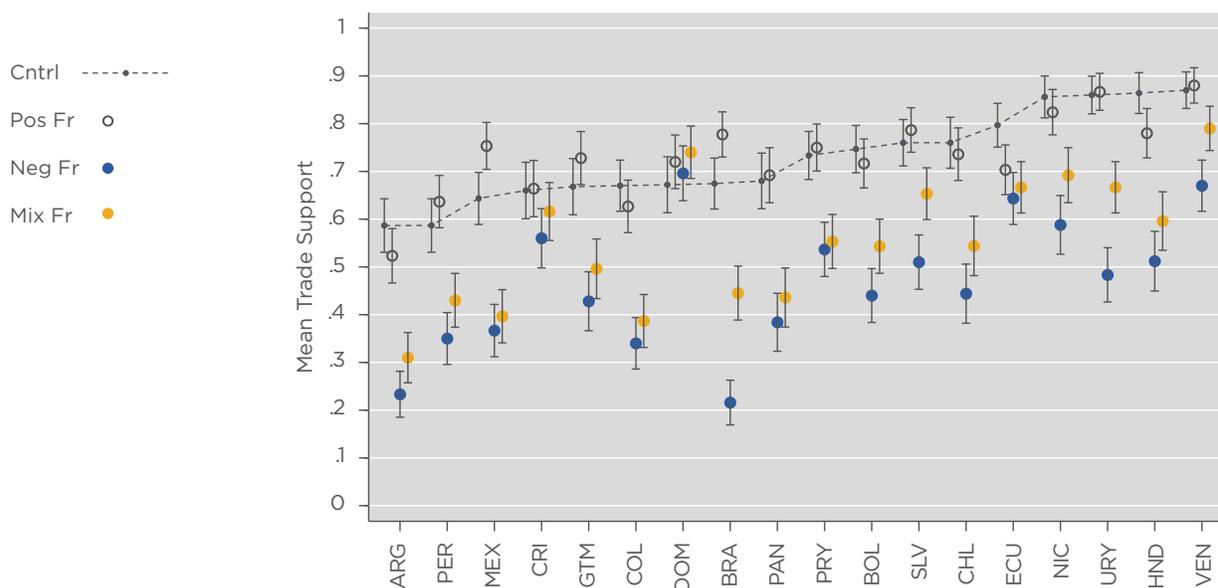
Key Concept



ECONOMIC SENTIMENT

The public's subjective perceptions of the state of the economy, reflecting optimism or pessimism about economic conditions.

Framing Impacts on Trade Support



Notes: Graph shows for each country the percentage of respondents to the 2018 Latinobarómetro experimentally framed survey question “Are you in favor or opposed to your country increasing trade with other countries?” Ranges around estimated means are 95% confidence intervals.

POLICY IMPLICATIONS

1. Individuals in Latin America in 2018 were broadly favorable to their country engaging in trade with other countries. About 72 percent were in favor of trade. The main driver of this support was the belief that trade is associated with job opportunities, as about 58 percent associate trade with higher employment.
2. However, public opinion can display a high level of sensitivity to messages about trade, particularly anti-trade messages stressing negative effects of trade on jobs such as those in import-competing sectors. Providing a more balanced view of both benefits and costs of increasing trade attenuates most voters' concerns about employment.
3. Pro-trade messages stressing positive effects on consumption, particularly lower prices and greater variety of goods and services, can be effective in contexts of rising economic sentiment. In an economic downturn, on the other hand, pro-trade messages that focus on prices and variety appear ineffective, while the impact of anti-trade messages increases.
4. The social groups most sensitive to anti-trade messaging are the more educated in low-income countries. These are the countries where high-skill jobs are in short supply and are expected to be further threatened by trade, creating insecurity among the highly skilled.

IDB RESEARCH ON TRADE

This study was a collaboration between the Research Department and the Integration and Trade Department at the IDB.



FULL STUDY

[Rodríguez-Chatruc, M., E. Stein, and R. Vlaicu. 2019. "Trade Attitudes in Latin America: Evidence from a Multi-Country Survey Experiment."](#)

DEPARTMENT OF RESEARCH AND CHIEF ECONOMIST

The Department of Research and Chief Economist generates new ideas to enrich the knowledge base that supports the policy agenda of the Inter-American Development Bank (IDB) and its member countries for achieving sustainable and equitable development in the region. To maximize the impact of its research, the Research Department carries out activities that serve as inputs to other IDB departments, governments, the academic community and public opinion in the region.

Copyright © 2020 Inter-American Development Bank. This work is licensed under a Creative Commons IGO 3.0 Attribution-Non-Commercial-NoDerivatives (CC-IGO BY-NC-ND 3.0 IGO) license (<https://creativecommons.org/licenses/by-nc-nd/3.0/igo/legalcode>) and may be reproduced with attribution to the IDB and for any non-commercial purpose. No derivative work is allowed.

Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the UNCITRAL rules. The use of the IDB's name for any purpose other than for attribution, and the use of IDB's logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this CC-IGO license.

Note that link provided above includes additional terms and conditions of the license.

The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.

