Trading with the Enemy? Framing National Security Concerns and Public Opinion about Trade

Celeste Beesley[1] **and Eliza Riley Oak**[2]

IPES 2020

Friday, November 13, 2020

[1]Assistant Professor, Brigham Young University
[2]PhD Student, Yale University

Public Opinion on Trade

- Focus primarily on economic consequences
- Bilateral versus General Opinion
  - Identity of Trading Partner
  - Economics
  - Culture
  - Nationalism
  - Security
    - Allies/Adversaries
    - Risk of War

Questions about Trade and Security

- Do people understand/think about trade?
- Do people make/accept linkages between security and trade?
- How does information alter perceived linkages between trade and security?
- How does the importance of the trade flow affect the security-trade linkage?
- How does the salience of the security threat impact how it affects trade preferences?
- Do security threats alter perceived economic impacts of trade? beliefs about its political effects? Both?

Ukraine Study

- Real World Relevance
- US exceptionalism
- Link to Commercial Peace
- Unpacking the economic versus(?) security components of trade policy preferences

Ukraine

- Ongoing conflict
- Russian involvement
- Historically largest trading partner
  - Still major trading partner (11% of all trade), though conflict has significantly disrupted trade

Hypotheses

- H1: Those primed with information that **trade decreases security risks** will believe that trade with an adversary has **greater positive effects** (both politically and, perhaps more weakly, economically).
- H2: People who are primed with information that **trade increases a security risk** will believe trade with an adversary has **greater negative effects** (both politically and, perhaps more weakly, economically).
- H3: Information about the security risk that trade represents will change beliefs about the effects of trade **with a state that is seen as presenting a realistic security threat**, but may not significantly change beliefs about trade with a state with whom the probability of conflict is remote.

Research Design

- Nationally representative sample of 1,250 Ukrainian adults
  - Qualtrics (recruitment and platform)
  - June 2019
- Two randomized treatments + control
- Block randomization (macro-region)

Intervention Text

Treatment	Intervention Text
Increase Risk:	Research has shown that international trade **increases** the risk of war. Trade creates economic gains for both countries. **Since trade increases resources that can be used for military expenditures, a country can more readily participate in a conflict.** According to this theory, it is useful for countries to **trade widely with friendly countries, but not to trade with adversaries.**
Decrease Risk:	Research has shown that international trade **decreases** the risk of war. Trade creates economic gains for both countries. **Because conflict can disrupt useful economic relations, countries are more reluctant to enter a conflict.** According to this theory, it is useful for countries **to trade both with friendly countries and with adversaries.**
Control Group:	*No information prime*

Dependent Variables: Public Opinion on Trade

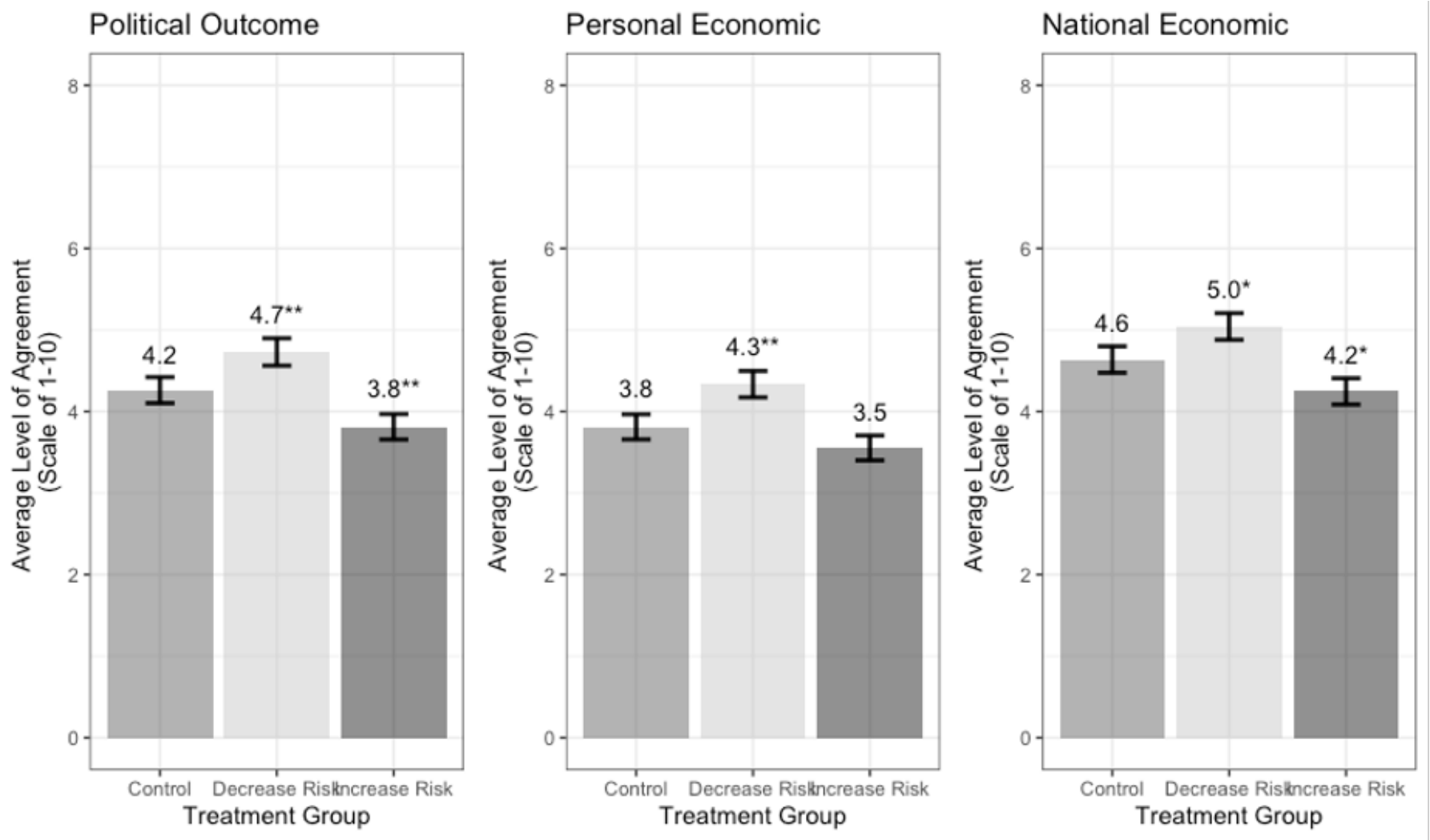
How much do you agree with the following statements?

Increasing the amount of international trade between **the Russian economy/The European Union** and the Ukrainian economy will:

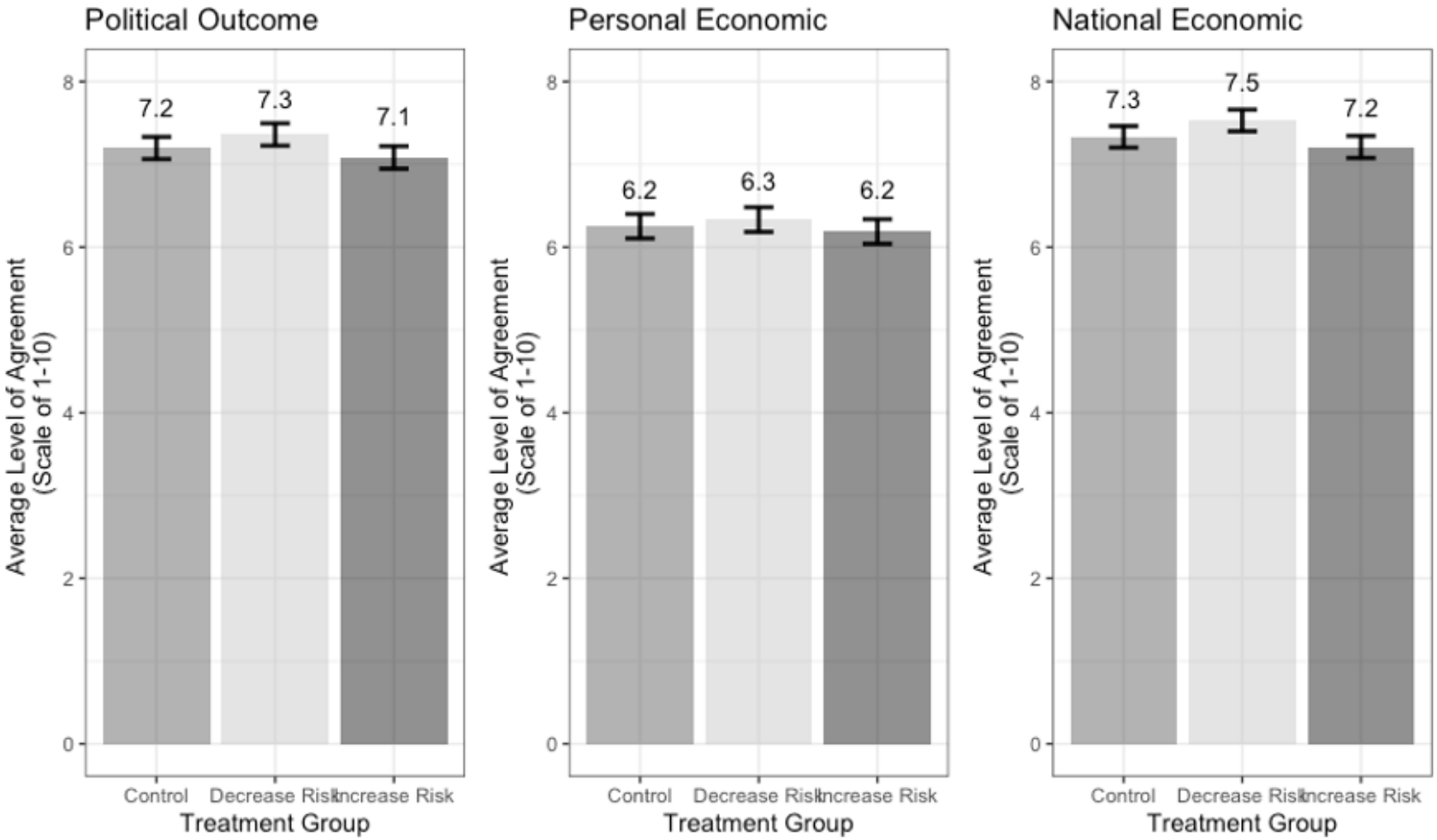
- Improve the political situation in Ukraine
- Improve the financial situation of your family
- Improve the economic situation of Ukraine as a whole

(10-point scale, 'Completely Disagree' to 'Completely Agree')

Findings: Trade with Russia DVs



Findings: Trade with EU DVs



Robustness Checks

- Ethnolinguistic
  - No significant difference in effect of treatment on Russian speakers and Ukrainian speakers
  - Ukrainian-speaking sub-sample has significant treatment effects. Treatment insignificant for sub-sample of Russian speakers.
- Region
  - No significant difference in effect of treatment by region
- Personal Proximity
  - Treatment effects significant for those less personally affected by the conflict. Insignificant treatment effects for those who know casualties/refugees.

Key Takeaways

1. Asymmetrical treatment effects on Ukrainian attitudes
   - Only for Russia, where security concerns are highly salient, does the security implication information move trade attitudes
   - No effects for European Union
2. Information about security effects of trade affects attitudes of both political and economic effects
   - Political effects are stronger than economic
   - We question the idea of political - economic trade-off (possibly move together when security highly salient)
3. Information about **decreasing** security risks tends to more significantly improve attitudes towards trade than **increasing** security risk damages beliefs about trade.

Key Takeaways

1. Asymmetrical treatment effects on Ukrainian attitudes
   - Only for Russia, where security concerns are highly salient, does the security implication information move trade attitudes
   - No effects for European Union

2. Information about security effects of trade affects attitudes of both political and economic effects
   - Political effects are stronger than economic
   - We question the idea of political - economic trade-off (possibly move together when security highly salient)

3. Information about **decreasing** security risks tends to more significantly improve attitudes towards trade than **increasing** security risk damages beliefs about trade.

Key Takeaways

1. Asymmetrical treatment effects on Ukrainian attitudes
   - Only for Russia, where security concerns are highly salient, does the security implication information move trade attitudes
   - No effects for European Union

2. Information about security effects of trade affects attitudes of both political and economic effects
   - Political effects are stronger than economic
   - We question the idea of political - economic trade-off (possibly move together when security highly salient)

3. Information about **decreasing** security risks tends to more significantly improve attitudes towards trade than **increasing** security risk damages beliefs about trade.

Questions or Comments?

Thank you for your feedback.

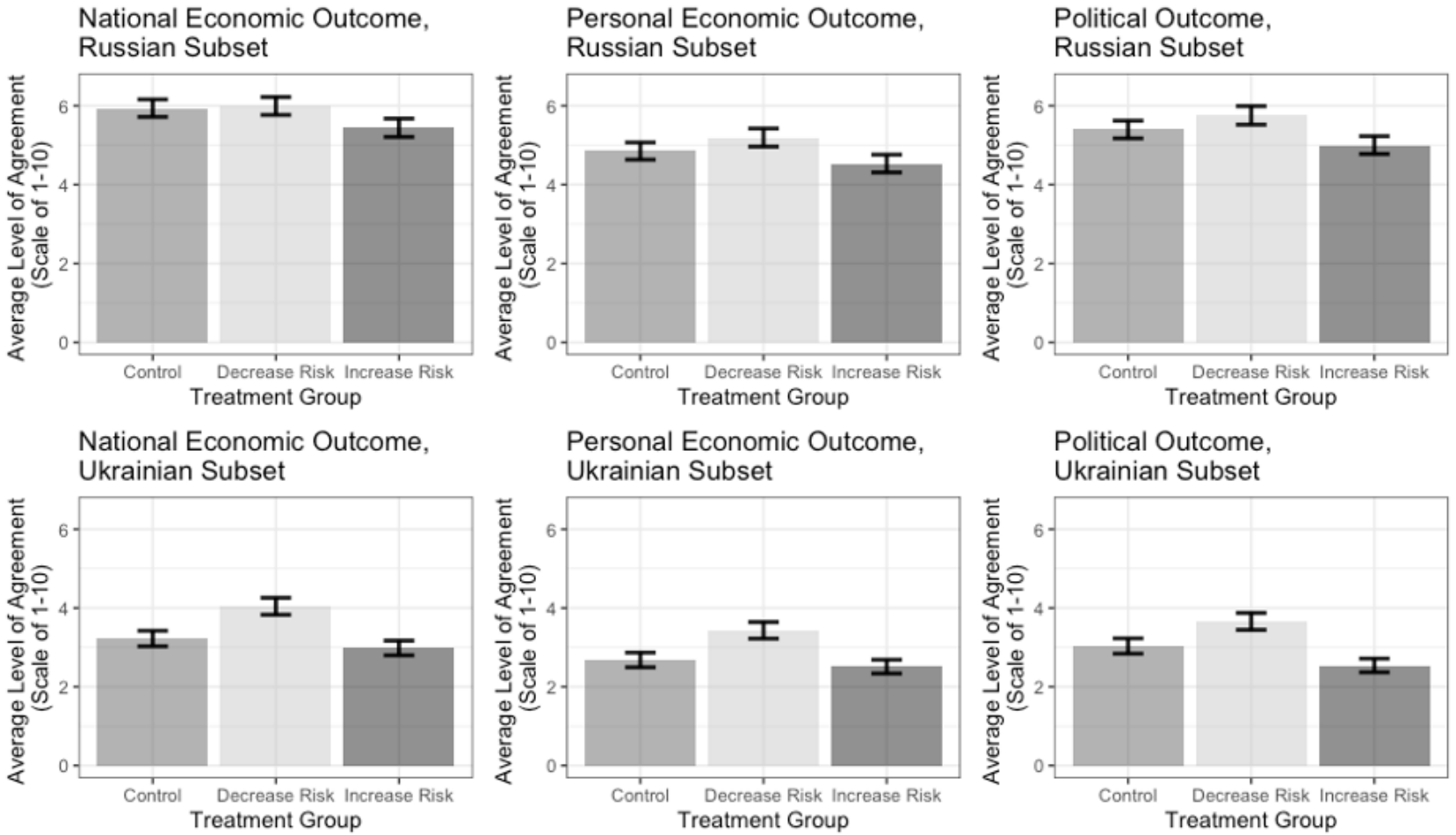
Regression Output, with Controls

	Dependent variable: Trade with Russia on Political Situation in Ukraine			
	Basic Model	Demographic Controls	Ethnolinguistic Variation	Prior Policy Preferences
	(1)	(2)	(3)	(4)
Decrease Risk	0.468**	0.472**	0.446**	0.445**
	(0.227)	(0.213)	(0.209)	(0.207)
Increase Risk	−0.449**	−0.432**	−0.385*	−0.372*
	(0.228)	(0.214)	(0.210)	(0.208)
Age		0.019***	0.009	0.010
		(0.007)	(0.007)	(0.007)
East Region		0.742***	0.597**	0.486*
		(0.259)	(0.255)	(0.253)
South Region		−0.040	−0.080	−0.190
		(0.242)	(0.237)	(0.238)
West Region		−1.007***	−1.005***	−0.967***
		(0.245)	(0.241)	(0.238)
Speak Ukrainian at Home		−1.496***	−0.993***	−0.908***
		(0.206)	(0.214)	(0.213)
Gender		−0.028	0.009	−0.060
		(0.187)	(0.184)	(0.184)
City Size		0.008	0.011	−0.0004
		(0.066)	(0.064)	(0.064)
Education		0.098	0.070	0.054
		(0.064)	(0.063)	(0.063)
Family Situation		0.134	0.127	0.100
		(0.132)	(0.130)	(0.129)
Ukrainian Nationality			−0.737	−0.743
			(0.479)	(0.475)
Russian Nationality			1.518***	1.590***
			(0.561)	(0.556)
Both Ukrainian and Russian Nationality			0.669	0.664
			(0.544)	(0.540)
Political Optimism				0.484***
				(0.124)
Economic Optimism, Sociotropic				−0.290**
				(0.130)
Economic Optimism, Egotropic				0.183*
				(0.097)
Level of Trust in Research				−0.058
				(0.128)
Level of Trust in Experts				0.030
				(0.127)
Constant	4.262***	4.017***	4.549***	4.300*
	(0.161)	(0.542)	(0.718)	(2.479)
Observations	1,250	1,247	1,247	1,243
R^2	0.013	0.145	0.179	0.203
Adjusted R^2	0.011	0.137	0.170	0.190
Residual Std. Error	3.293 (df = 1247)	3.076 (df = 1235)	3.018 (df = 1232)	2.981 (df = 1223)

Findings: OLS Ouput

	Dependent variable: Increasing Trade with [Country] will Improve the [Situation] in Ukraine					
	Russia - Political	Russia - Personal Economic	Russia - National Economic	EU - Political	EU - Personal Economic	EU - National Economic
	(1)	(2)	(3)	(4)	(5)	(6)
Decrease Risk	0.468**	0.523**	0.406*	0.163	0.080	0.198
	(0.227)	(0.220)	(0.229)	(0.190)	(0.209)	(0.185)
Increase Risk	−0.449**	−0.258	−0.390*	−0.115	−0.065	−0.122
	(0.228)	(0.221)	(0.230)	(0.191)	(0.210)	(0.186)
Constant	4.262***	3.811***	4.637***	7.198***	6.252***	7.332***
	(0.161)	(0.156)	(0.162)	(0.135)	(0.148)	(0.131)
Observations	1,250	1,247	1,246	1,250	1,248	1,248
R^2	0.013	0.010	0.010	0.002	0.0004	0.002
Adjusted R^2	0.011	0.009	0.008	0.0001	−0.001	0.001
Residual Std. Error	3.293 (df = 1247)	3.187 (df = 1244)	3.316 (df = 1243)	2.757 (df = 1247)	3.031 (df = 1245)	2.682 (df = 1245)
F Statistic	8.060*** (df = 2; 1247)	6.476*** (df = 2; 1244)	5.961*** (df = 2; 1243)	1.064 (df = 2; 1247)	0.237 (df = 2; 1245)	1.506 (df = 2; 1245)
Note:						*p<0.1; **p<0.05; ***p<0.01

Robustness Check: By Ethnolinguistic Subgroup



Robustness Check: Region X Treatment

	Dependent variable: Political and Economic Consequences of Trade with Russia		
	Political - Russia	Personal Econ - Russia	National Econ - Russia
	(1)	(2)	(3)
Decrease Risk	0.569	0.829**	0.502
	(0.388)	(0.377)	(0.391)
Increase Risk	−0.177	0.161	−0.191
	(0.385)	(0.374)	(0.388)
East Region	1.551***	2.198***	1.892***
	(0.431)	(0.418)	(0.434)
South Region	0.718*	0.621	0.803*
	(0.420)	(0.407)	(0.422)
West Region	−1.297***	−0.760*	−1.154***
	(0.422)	(0.409)	(0.425)
Decrease Risk X East Region	−0.273	−0.583	−0.291
	(0.615)	(0.597)	(0.620)
Increase Risk X East Region	−0.257	−1.104*	−0.283
	(0.615)	(0.595)	(0.619)
Decrease Risk X South Region	−0.251	−0.357	−0.248
	(0.590)	(0.572)	(0.593)
Increase X South Region	−0.570	−0.343	−0.405
	(0.591)	(0.574)	(0.596)
Decrease Risk X West Region	0.101	−0.344	0.157
	(0.598)	(0.579)	(0.601)
Increase Risk X West Region	−0.408	−0.469	−0.197
	(0.603)	(0.584)	(0.606)
Constant	4.060***	3.368***	4.308***
	(0.273)	(0.266)	(0.276)
Observations	1,250	1,247	1,246
R^2	0.094	0.091	0.095
Adjusted R^2	0.086	0.083	0.087
Residual Std. Error	3.165 (df = 1238)	3.065 (df = 1235)	3.180 (df = 1234)

Robustness Check: Personal Proximity X Treatment

	Dependent variable: Political and Economic Consequences of Trade with Russia		
	Political - Russia	Personal Econ - Russia	National Econ - Russia
	(1)	(2)	(3)
Decrease Risk	1.724**	0.642	1.531**
	(0.699)	(0.677)	(0.703)
Increase Risk	0.124	−0.303	0.346
	(0.698)	(0.677)	(0.703)
Personal Proximity	−0.082	−0.330*	−0.098
	(0.204)	(0.198)	(0.206)
Decrease Risk * Personal Proximity	−0.550*	−0.051	−0.492*
	(0.294)	(0.285)	(0.296)
Increase Risk * Personal Proximity	−0.258	0.020	−0.325
	(0.296)	(0.287)	(0.298)
Constant	4.446***	4.547***	4.843***
	(0.483)	(0.468)	(0.486)
Observations	1,248	1,245	1,244
R^2	0.022	0.017	0.019
Adjusted R^2	0.018	0.013	0.015
Residual Std. Error	3.283 (df = 1242)	3.181 (df = 1239)	3.303 (df = 1238)
F Statistic	5.614*** (df = 5; 1242)	4.227*** (df = 5; 1239)	4.727*** (df = 5; 1238)
Note:			*p<0.1; **p<0.05; ***p<0.01