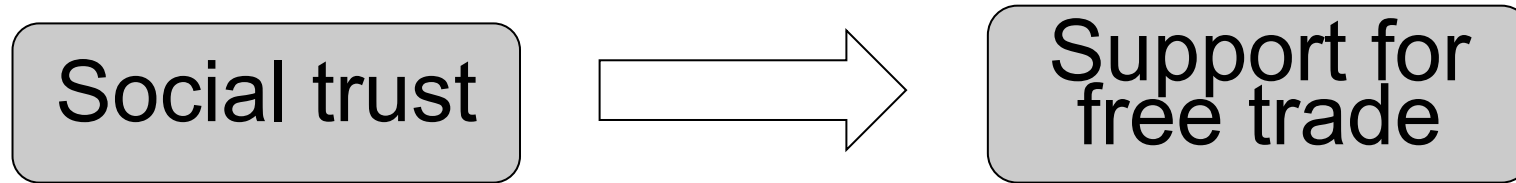# Does Social Trust Increase Support for Free Trade?
Evidence from a Field Survey Experiment in Vietnam

Presentation at Conference on Field Experiments in International Relations
May 2-3, 2014 Princeton University

D GESS

How does an individual's level of trust influences her attitude towards trade?

Social trust → Support for free trade

The higher an individual's level of social trust, the more likely she is to favor trade liberalization.

Goal of experimental design

- Experiment: Interactive game with different setups
  - Setup 1 (Positive condition): Induce high trust
  - Setup 2 (Negative condition): Induce low trust
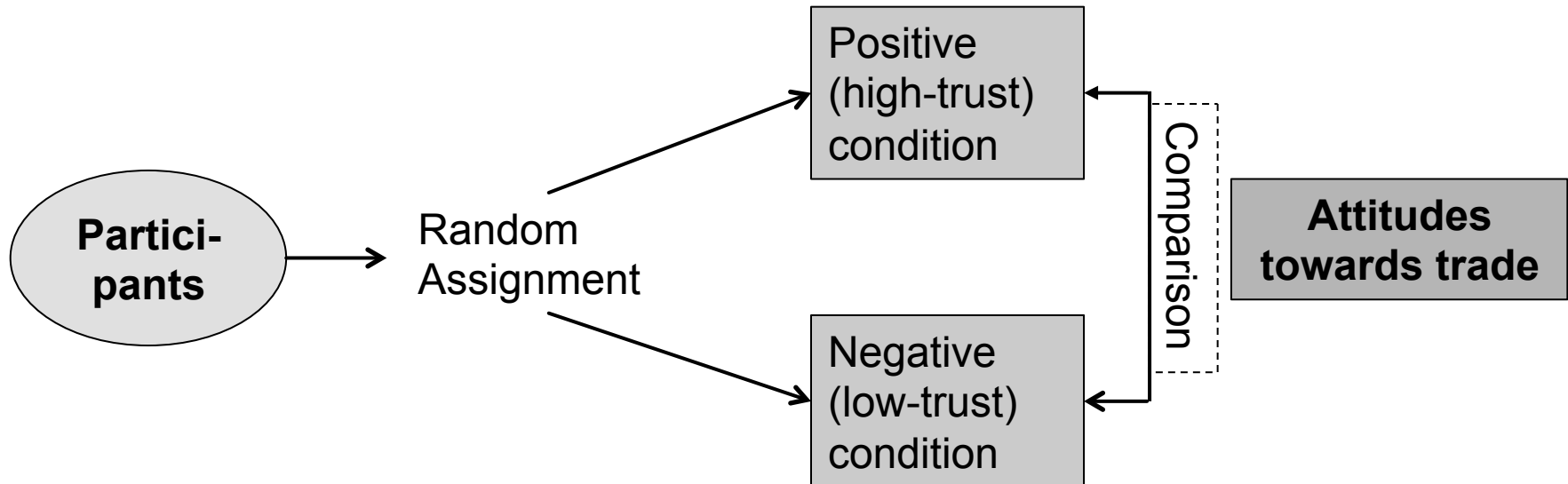
Experimental Manipulation of Social Trust: Voluntary Contribution Game
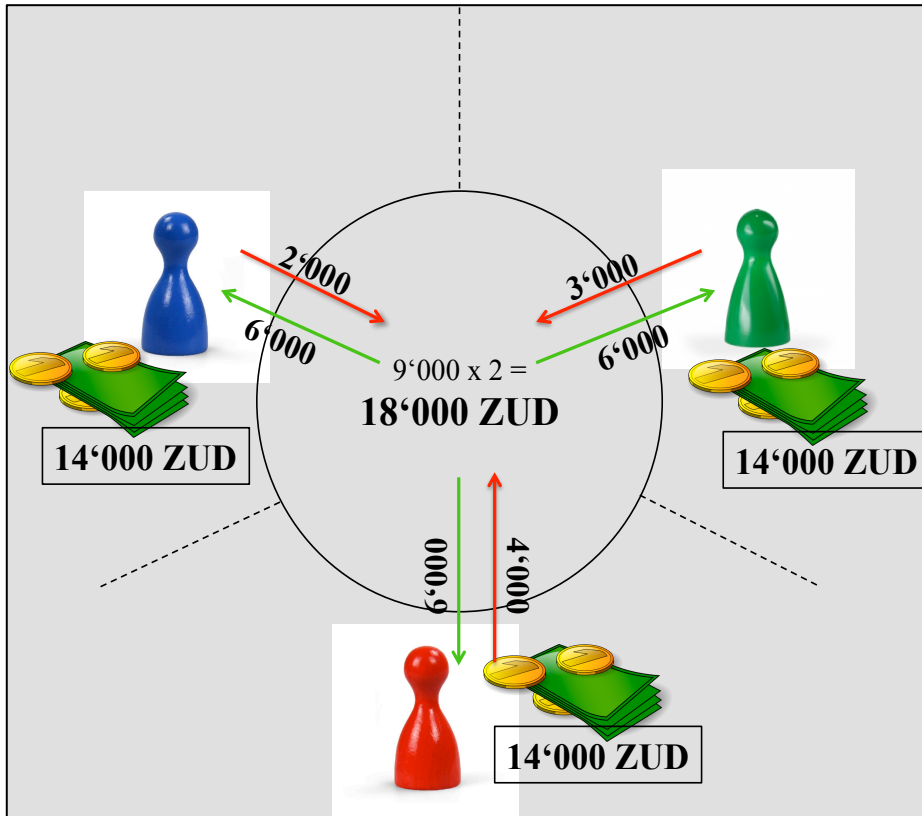
- Groups of 3
- Each participant is given a starting endowment
- Individuals decide how much they want to contribute to a group fund and how much they want to keep to their private account
- All contributions made by the group in each round is doubled and equally shared among the group
- Total of 4 rounds

Experimental Manipulation

Game parameter	Positive trust condition	Negative trust condition
Communication	Yes	No
Monitoring	Yes	No
Group identification	High	Low

- Expectation: Participants from the positive condition will show greater support for free trade as compared to participants from the negative condition.
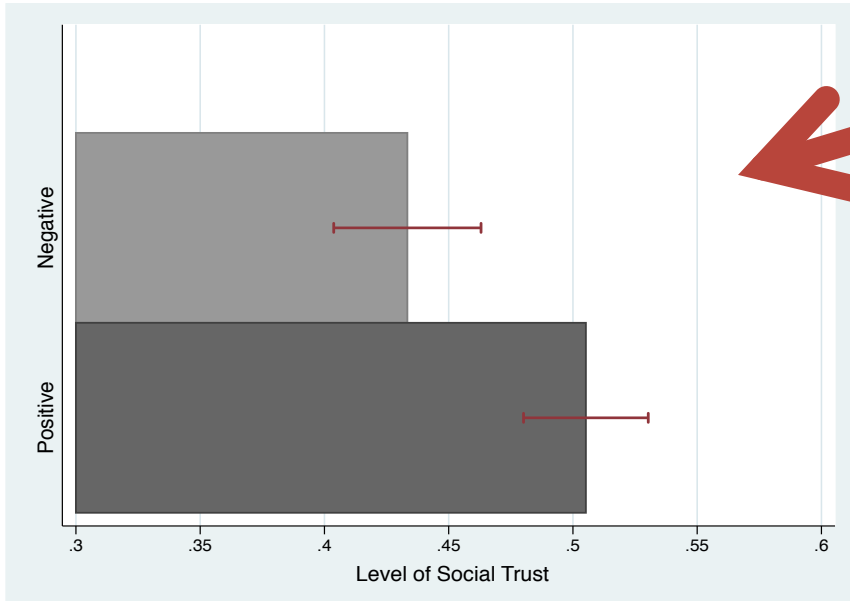
Survey questionnaire

- Consists of 3 parts:
  - ➢ Items of trade preferences (emotional, consequential, policy preferences)
  - ➢ Items of trust
  - ➢ Demographics
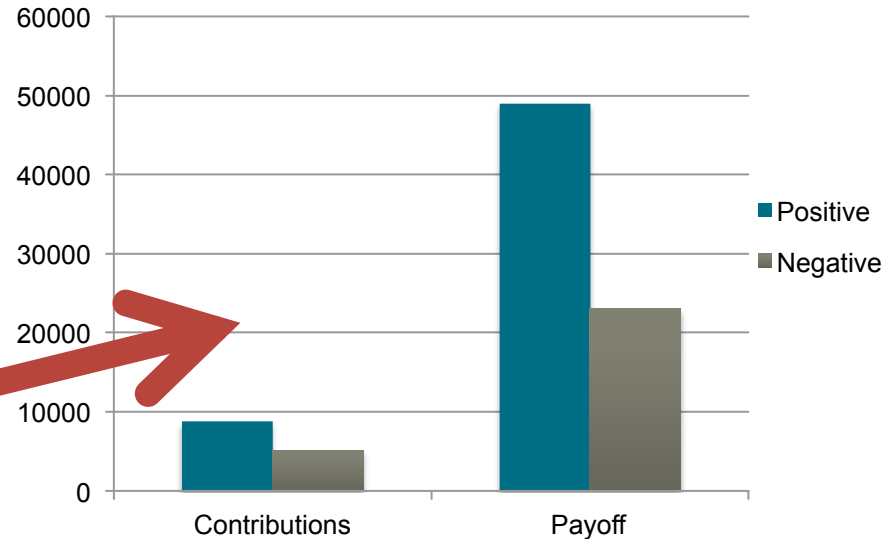- Total length of survey experiment: 40-50 minutes

Manipulation check

Positive condition:
More trusting

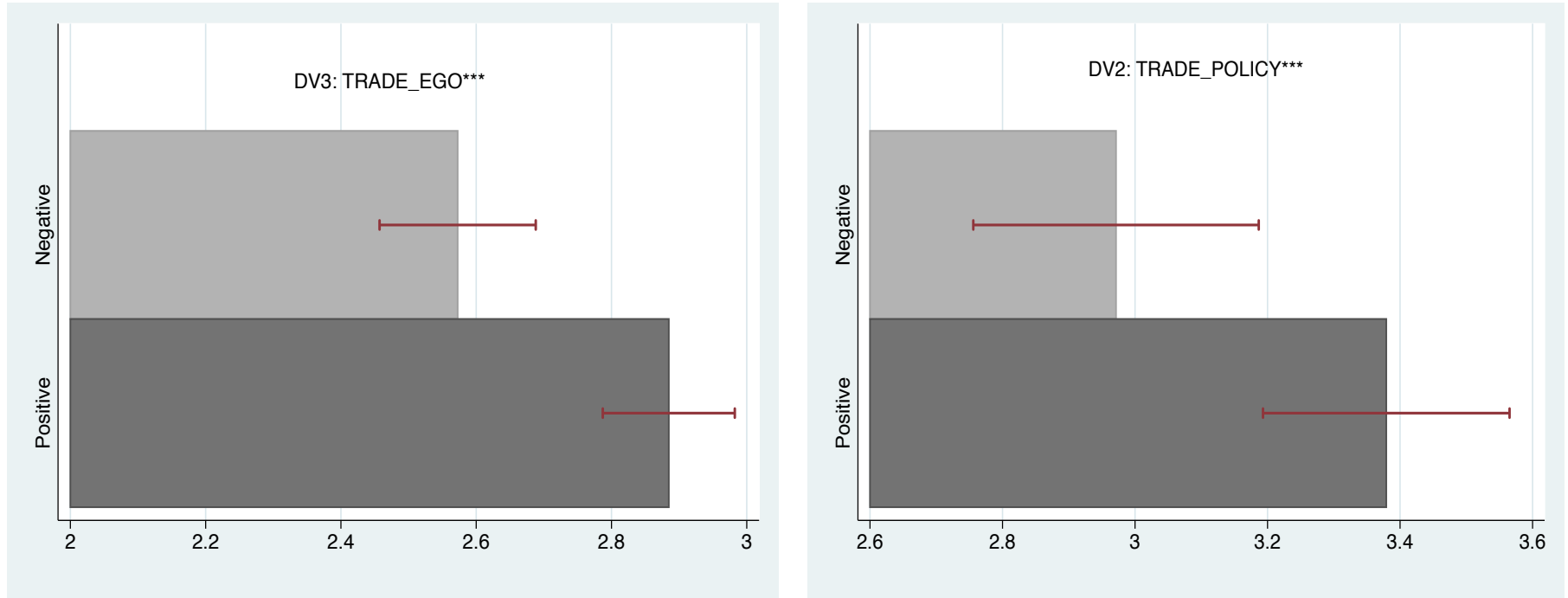Positive condition:
Contributed more +
Earned more

Dependent variable(s)

- 4 dimensions of public support for free trade
  - Intuitive
  - Egotropic evaluation
  - Sociotropic evaluation
  - Policy-oriented

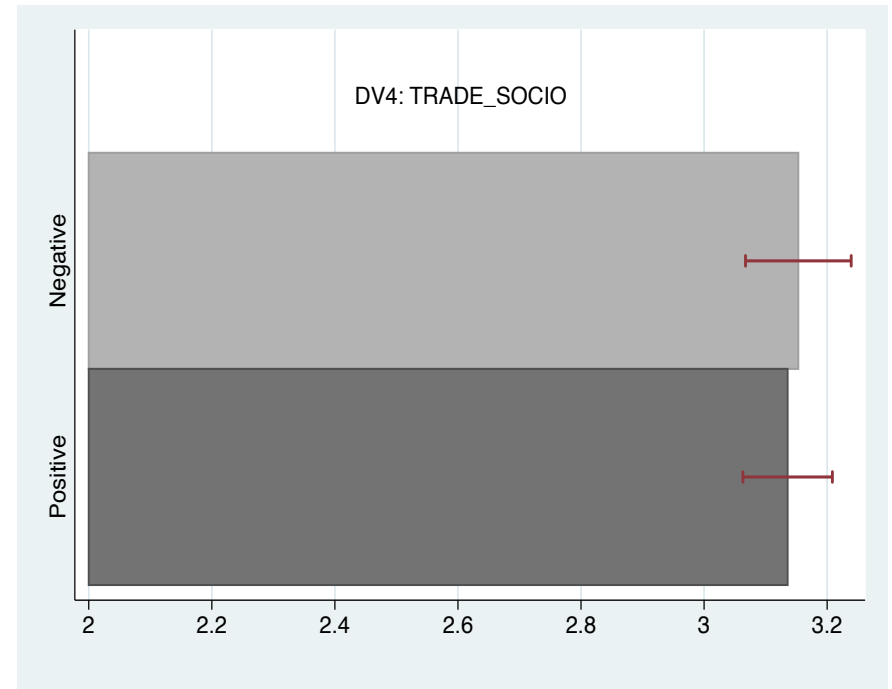# Average Treatment Effects I

→ Positive effect of trust on ***egotropic*** and ***policy-oriented*** dimension of trade support.

Average Treatment Effects II
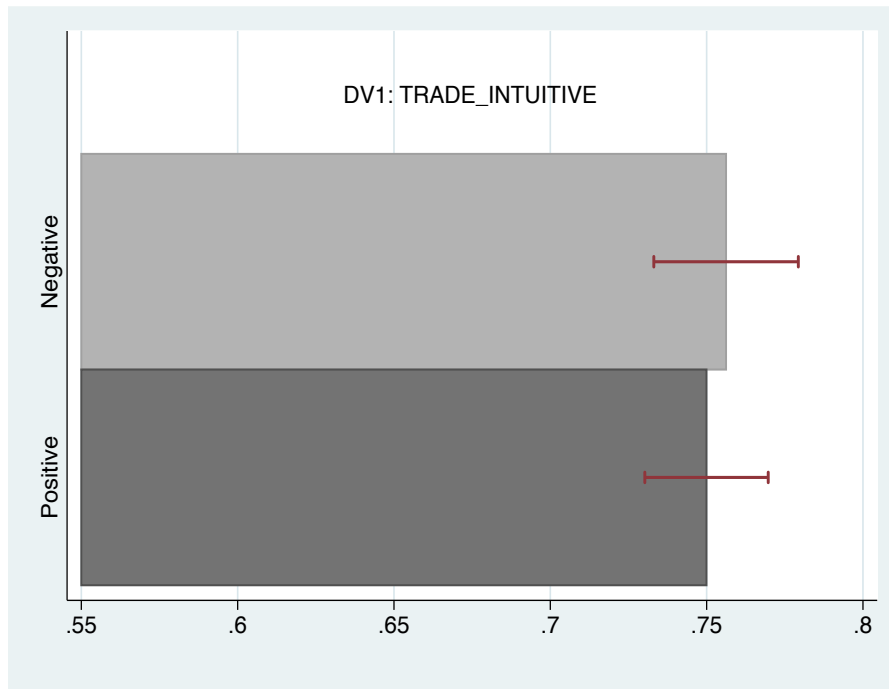
→ No effect of trust on *intuitive* and *sociotropic* dimension of trade support.

Conclusion

- Mixed results due to:
    - Difficulty in manipulating individual level of trust?
    - Lack of variation and/or ceiling effect on some dependent variables?

- Yes, there is a causal effect of social trust on how people think about international trade: Social trust has a positive causal effect on *certain aspects* of public support for free trade.

Thank you very much for your attention.
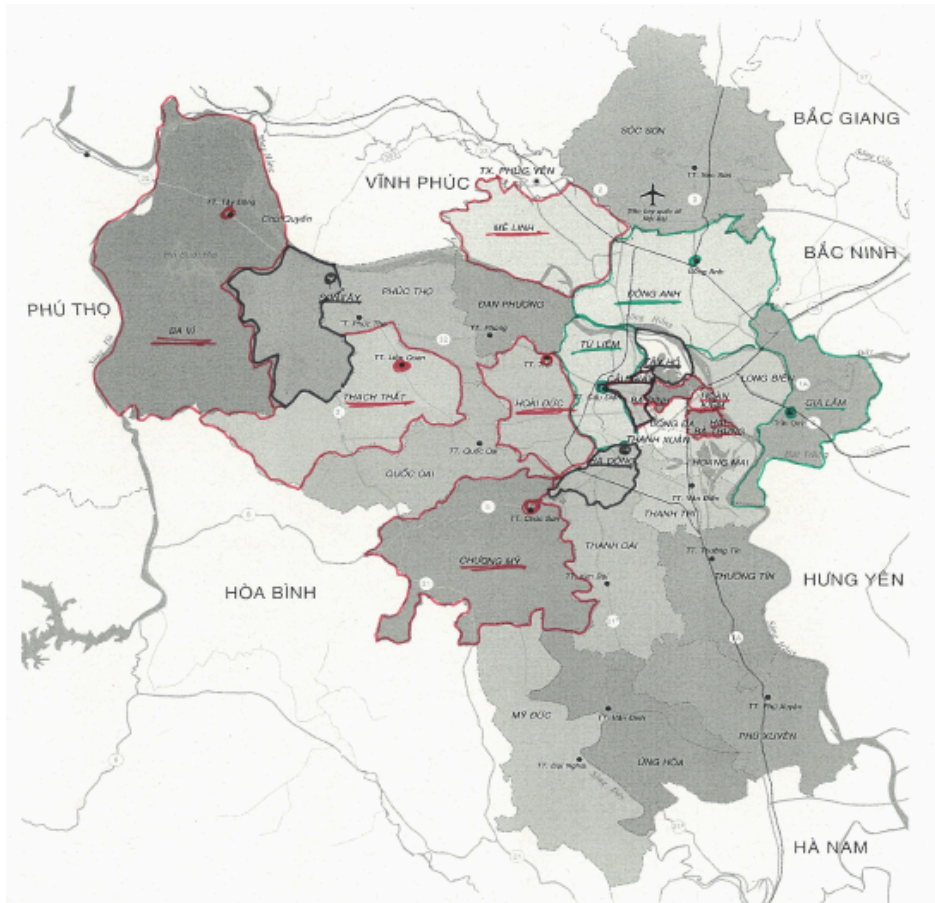
Sampling Strategy I

- Total sample size: 702 (= 234 three-person groups)
- Proportionate sample of Hanoi's urban and rural residents

Hanoi	Total	Urban	Rural
Total	6,451,909	2,644,536	3,807,373
%	100	41.0	59.0
Nr of districts	29	11	18

SS	Total	Urban	Rural
Total	702	288	414
%	100	41.0	59.0
Nr of districts	15	7	8

Sampling Strategy II

Districts
- Random selection 7 urban districts
- Random selection of 8 rural districts

Wards/ Communes
- Selection of 2 wards from each district

Starting points/ households
- One starting point per ward/commune; divides ward into 2 blocks
- Positive condition: one starting address
- Negative condition: several starting addresses within "negative block"
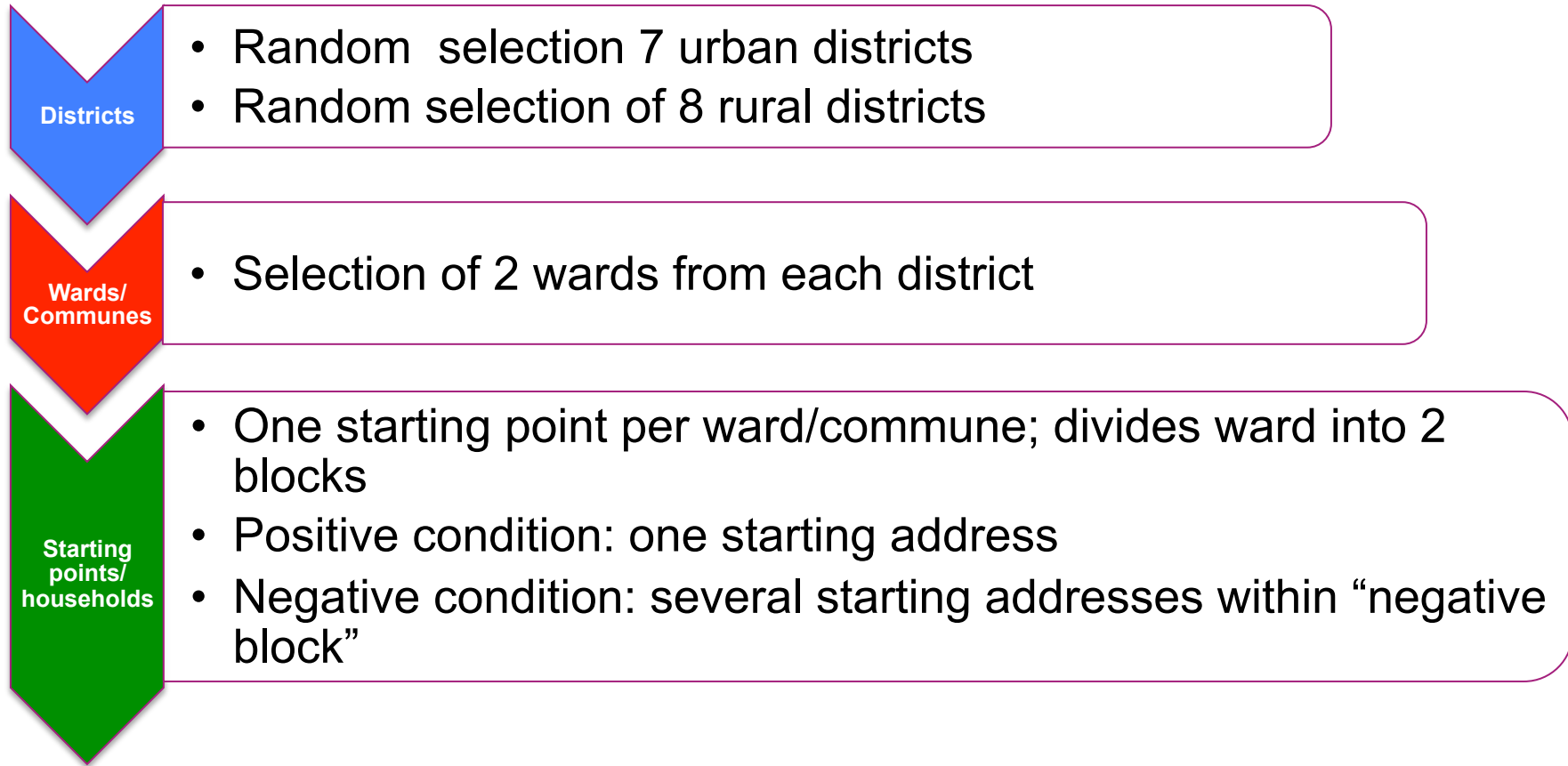
Sampling Strategy III
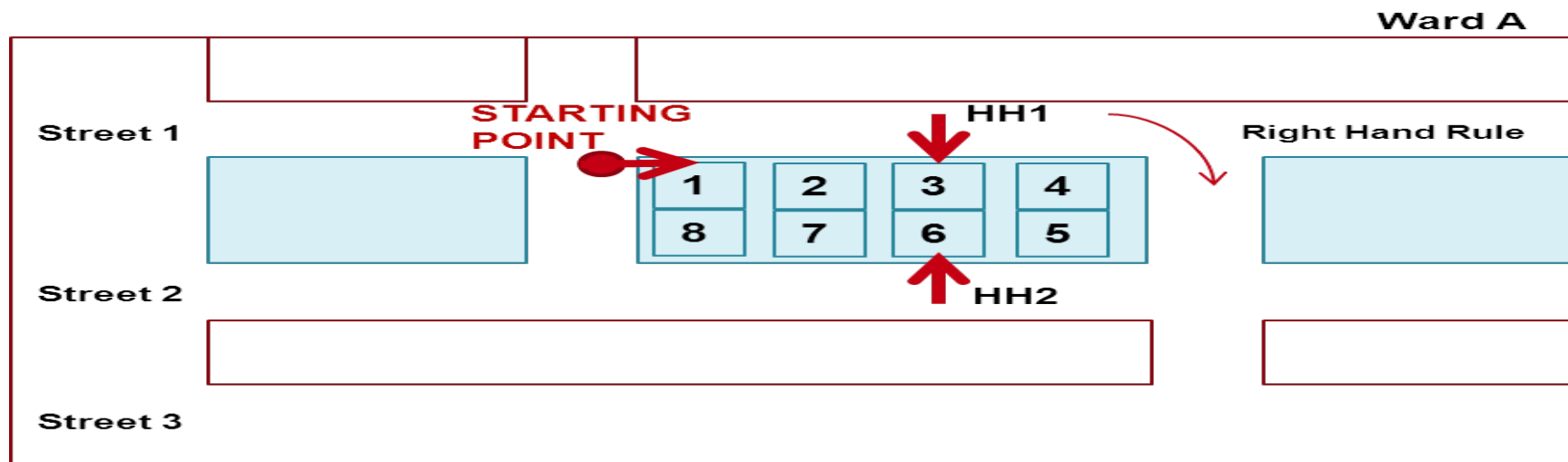
- In rural area: once ward has been selected, contact ward leader to inform him about project and get his consent
- Main starting point splits ward into 2 blocks
- Within one block all respondents receive same treatment
- *Positive condition*: interviewers start from the venue where the survey experiment will be administered and contact every 3rd household
- *Negative condition*: each interviewer is given a starting address and contact every 3rd household

Fieldwork Procedures

- 7 Field investigators (FI) + 2 Main investigators (MI)

- ***Rural districts***: FIs and MI meet at an agreed meeting point and drive together to the central meeting point of the ward to be surveyed

- ***Urban districts***: FIs and MI meet directly at the agreed central meeting point of the ward to be surveyed

Administering the Positive Treatment Condition

Sketch of experimental site
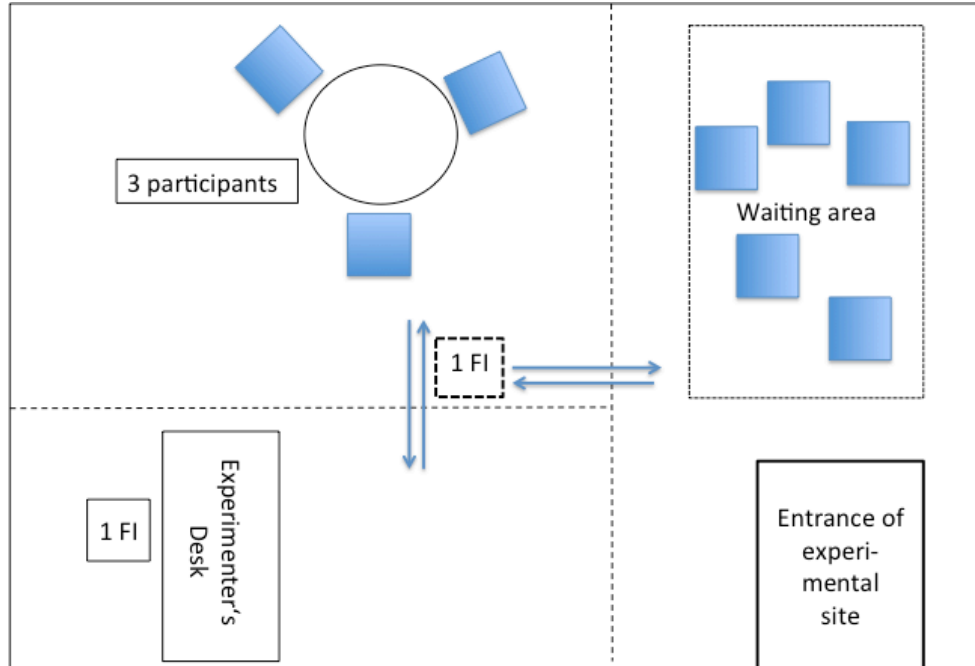
Administering the Negative Treatment Condition

- played **simultaneously** between 3 participants at each participant's home
- All communication between FIs and MI via text messaging
- Neither FIs nor the participants know whom they have been matched with to play the game
- Conversion of payoffs: **1st: 100'000VND, 2nd: 25'000VND, 3rd: 20'000VND**

	A	B Initial funds	C Poss. Inv.	D Investment	E Remaining funds	F Div/Person	G Acc. Amt
	FI01_16	14.00	14	7	7	18.67	25.67
	FI03_18	14.00	14	14	0	18.67	18.67
	FI07_10	14.00	14	7	7	18.67	25.67
				28		56.00	
		ROUND 2					
		Initial funds	Poss. Inv.	Investment	Remaining funds	Div/Person	Acc. Amt
		25.00	14	2	23.67	17.33	41.00
		18.00	14	14	4.67	17.33	22.00
		25.00	14	10	15.67	17.33	33.00
				26		52.00	
		ROUND 3					
		Initial funds	Poss. Inv.	Investment	Remaining funds	Div/Person	Acc. Amt
		41.00	14	10	31.00	24.67	55.67
		22.00	14	13	9.00	24.67	33.67
		33.00	14	14	19.00	24.67	43.67
				37		74.00	
		ROUND 4					
		Initial funds	Poss. Inv.	Investment	Remaining funds	Div/Person	Acc. Amt
		55.00	14	9	46.67	24.00	70.67
		33.00	14	14	19.67	24.00	43.67
		43.00	14	13	30.67	24.00	54.67
				36		72.00	