

Quizz1: all questions are worth 1pt except #1): 1.5 pts

Budget your time carefully! You have 40min, so about 5min to skim through the text and about 5 minutes per each of the 7 questions.

Julian B. Rotter neatly summed up the value of trust in a modern society in his famous quote, "The entire fabric of our day-to-day living, of our social order, rests on trust" (1971, p. 443). We hypothesize that there is a positive relationship between tourism growth and levels of generalized trust, as tourism facilitates collaboration among diverse people/groups. Variables used in the study are set in Table 1, and regression results appear in Table 2.

Table 1. Variables

name	description
Trust scale	"trust scale from factor analysis with varimax rotation using 3 variables: people fair, people helpful, and trust " The higher the value, the more trust
People fair	"Do you think that most people would try to take advantage of you if they got the chance, or would they try to be fair?"
People helpful	"Would you say that most of the time people try to be helpful or that they are mostly looking out for themselves?"
trust	"Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?"
Per capita tourist arrivals*	overall (domestic and foreign) tourist arrivals
Per capita tourist arrivals, domestic*	domestic arrivals (residents)
Per capita tourist arrivals, foreign*	foreign arrivals (non-residents)
Income	"Which of the descriptions on this card comes closest to how you feel about your household's income nowadays?" from 1 "Very difficult on present income" to 4 "Living comfortably on present income"
Education	"What is the highest level of education you have achieved?" (after wave 4, harmonized variable) on scale from 1 (less than lower secondary) to 5 (tertiary)
Health	"How is your health in general? Would you say it is ..." on scale from 1 "Very bad" to 5 "Very good"
Age	age
Religiosity	"Regardless of whether you belong to a particular religion, how religious would you say you are?"
Male	male
Born in country	"Were you born in [country]?"
Children at home	actual question varies by wave and country
Unemployed	"Using this card, which of these descriptions applies to what you have been doing for the last 7 days? Unemployed and actively looking for a job"
PCGDP (Per Capita Gross Domestic Product)	GDP at current market prices-Euro per inhabitant

* Note: tourist arrivals are defined as: "An arrival is defined as a person (tourist) who arrives at a tourist accommodation establishment and checks in or arrives at non-rented accommodation. But in the scope of the Regulation concerning European statistics on tourism, this variable is not collected for the latter type of accommodation. Statistically there is not much difference if, instead of arrivals, departures are counted. No age limit is applied: children are counted as well as adults, even in the case when the overnight stays of children might be free of charge. Arrivals are registered by country of residence of the guest and by month. The arrivals of same-day visitors spending only a few hours during the day (no overnight stay, the date of arrival and departure are the same) at the establishment are excluded from accommodation statistics. A person is considered to be a resident in a country (place) if the person: - has lived for most of the past year or 12 months in that country (place), or - has lived in that country (place) for a shorter period and intends to return within 12 months to live in that country (place). International tourists should be classified according to their country of residence, not according to their citizenship. From a tourism standpoint any person who moves to another country (place) and intends to stay there for more than one year is immediately assimilated with other residents of that country (place). Citizens residing abroad who return to their country of citizenship on a temporary visit are included with non-resident visitors. Citizenship is indicated in the person's passport (or other identification document), while country of residence has to be determined by means of question or inferred e.g. from the person's address." For more information, see http://ec.europa.eu/eurostat/cache/metadata/en/tour_occ_esms.htm. To match ESS data, and to discount random year-to-year variations, arrivals are calculated as average for period 2010-2013; all arrivals are used on per-capita basis.

Table 3: OLS regressions of trust scale

	a1	a2	a3	a4	a5	a6
per capita tourist arrivals	0.12***			0.08**		
per capita tourist arrivals, domestic		0.31***			0.23***	
per capita tourist arrivals, foreign			0.01			-0.01
income				0.21***	0.18***	0.22***
education				0.06***	0.06***	0.06***
health				0.10***	0.10***	0.11***
age				0.1***	0.00***	0.00***
age2				-0.002***	-0.00***	-0.00***
religiosity				0	0.01	0
male				-0.04***	-0.04***	-0.04***
born in country				-0.01	0	-0.04*
children at home				-0.05***	-0.04***	-0.05***
unemployed				-0.06***	-0.07***	-0.05***
year dummies	yes	yes	yes	yes	yes	yes
constant	-0.07	-0.21***	0.13**	-1.28***	-1.34***	-1.20***
N	74627	74627	74627	72777	72777	72777

Note: only provinces above 200 retained, year dummies included)

* p<.05; ** p<.01; ***p<.001

1) Do the results support researchers' hypothesis? Why? [1.5 points]

yes, but not for foreign tourists.

2) Homophily, love of the same, is a powerful social force. Humans have a strong ingroup preference—they also tend to trust more people like them. Ingroups arise based on just about any trait, income, education, nationality, race, etc. Do the results support homophily theory?

yes, because domestic arrivals are positive and significant; foreign arrivals are insignificant and close to zero

3) Why not include all three measures of tourism in one model for parsimony?

would be perfectly collinear; cannot estimate that

4) Given model a4, how old are most trusting persons?

di $.1/(2*.002)=25$ years

5) Which variable, education, or income, has a stronger effect on trust scale? By stronger, I mean larger effect size or magnitude, not statistical significance. Why?

income; but student must refer to scale from table1: income is 4-step; educ is 5-step; just looking at magnitude of coefficients without taking scale into account is meaningless and deserves 0 points

6) We think that ability or IQ affects trust in a positive way, however we cannot measure it well, and hence, it is left out of the model, and it (obviously) positively correlates with education. Is it fair to

say that estimate on education is larger than it should be, ie “real” effect of education would have been lower had we controlled for IQ? Why?

positive $+*+=+$; yes we can say that

7) Based on model a4, what is the predicted trust for a 30yr old employed female with no kids, not religious, with very bad health, just primary school education, who is living comfortably on her present income in a place where there are no tourists?

Just plug in and add up