Education Level as Moderators of Cultural Effects on Trade Preferences:
Evidence from a Korean Survey

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Abstract

The international political economy literature has long debated the relative weight of economic self-interest and socio-cultural factors as the source of the public trade preference. Recent studies are moving beyond this dichotomous debate, exploring the scope conditions under which each factor gains more explanatory power. These studies raise important and puzzling questions that are yet explored. Are socio-cultural variables dominant factors that shape individual trade preference? To what extent can the cultural effects on trade preferences be stronger or weaker? In this study, I present a theory of symbolic politics and education. I argue that cultural perceptions toward foreigners play a role in shaping individual support for open trade. This relationship, however, is conditional to the level of education. People with a college-level education or higher, link their cultural view of the out-group to trade preference. In contrast, cultural effects on trade preference become weaker among people with lower education levels. I fit a binary logistic model using survey data from *Korean General Social Survey* to test this hypothesis. This study intends to contribute to the field of international political economy, by identifying the micro-level dynamics of trade preference formation.

Introduction

Over the past two decades, open-economy politics (OEP) has emerged as a dominant approach in the field of international political economy (IPE). Sharing core perspectives with the liberal theory, OEP indeed is assessed to have grown into a 'paradigm' (Lake 2009). What was innovative of OEP is the fact that it derives the policy preferences of individuals and groups within a country deductively using theories from Economics. While OEP can be praised for logical strictness, the assumption of the approach, actors calculating rationally according to their self –interest, has been poorly explored. Studies of international trade is not an exception.

Exploring the micro-foundation of trade preference formation is thus an important issue. What determines the public preference for international trade? Studies of public opinion toward trade have identified a wide array of factors. One group of scholars emphasize economic and material sources of individual trade preference. Others argue that non-material socio-cultural factors are dominant in explaining trade preference. While ongoing debates have contributed much to our understanding of trade preference formation, the dichotomous nature of previous literature may gloss over reality, since each of the two variables may activate in some context and disappear in others. Therefore, the appropriate question to raise may not be just asking what determines trade preference, but to go one step further and examine the scope conditions under which certain variables have the greatest and least explanatory power.

Recent studies started problematizing the interaction between economic variables and socio-cultural non-material variables. These studies focus on the conditions under which economic variables do matter. They raise important and puzzling questions which are yet explored. Are socio-cultural variables dominant factors that shape individual trade preference? To what extent can the cultural effects on trade preferences be stronger or weaker? In this paper, I present a theory of symbolic politics and education. According to the theory, I argue that perceptions toward foreign people and culture, which can be termed as cultural sentiment play a role in shaping individual support for open trade. This relationship is, however, conditional to the level of education. To be specific, people who have received at least a college-level education link their cultural views of the out-group to trade preference, while people who received high school education at maximum don't. I test this proportion using survey data from *the Korean General Social Survey* conducted in the Republic of Korea (ROK). I found striking evidence supporting my argument. Empirically well-grounded theories of trade preference will pave a new way to the study of international trade and IPE.

The Origins and Context of Trade Preference Formation

Previous research about trade preference has centered around two approaches to explain the origins of individual trade opinion. The first approach, which I term the economic utilitarian approach assumes that individuals form their attitude toward trade liberalization based on their material self-interest. Free trade inevitably produces winners and losers and therefore, if free trade is expected to yield net benefit, rational individuals would support trade liberalization. In contrast, if one expects to become a loser, there is a strong incentive to oppose free trade. Most of the existing literature belonging to this tradition has tests the explanatory power of the Stolper-Samuelson (SS) theorem or Heckscher-Ohlin model. According to the SS theorem, free trade helps owners of the relatively abundant factors, while harms owners of the relatively scarce factor. Empirical studies of trade policy preference have generated a fair amount of support for this theory (Irwin 1994; Balistreri 1997, O'Rourke and Sinnott 2001; Scheve and Slaughter 2001; Beaulieu 2002; Mayda and Rodrik 2005).

Another explanatory approach within the economic utilitarian tradition is the specific factors or Ricardo-Viner (RV) model. This model assumes that, at least in the short run, certain factors of production cannot be shifted across sectors. If workers cannot move easily across sectors, then their material interest will be dependent on the industry in which they are currently employed. Thus, the RV model expects that workers in export-oriented sectors of the economy will support open trade while those in the import-competing sector will be more protectionist. Unlike the SS theorem, empirical tests based on the RV model showed weak or no evidence supporting the theory (Scheve and Slaughter 2001; Mayda and Rodrik 2005; Mansfield and Mutz 2009).

Critics of the economic utilitarian approach questions the effect of economic variables on trade preference. These scholars can be broadly classified into a socio-cultural approach category. Some of them are skeptical about the assumption of economic utilitarian scholars which treats the level of education as an index to measure worker's level of skill. Hainmueller and Hiscox(2006) argue that education represents something other than skill level, whether it be an ideational or socio-cultural factor. Mansfield and Mutz (2009) assert that rather than representing the economic status of workers, observed effects of education reflect negative attitudes toward out-groups. Furthermore, they argue that opinions on trade are driven by perceptions of trade's impact on the nation as a whole, which they term "sociotropic" perceptions. Other studies also argue that individual preferences are determined by nonmaterial considerations. These studies concur that cultural and ideological predispositions such as nationalism, ethnocentrism, racism, ideology,

and social trust play important roles in shaping opinions about trade (Edwards 2006; Guisinger 2014; Herman, Tetlock, and Diascro 2001; Kaltenthaler, Gelleny, and Ceccoli 2004; Kaltenthaler and Miller 2013; Rankin 2001; Rathbun 2016).

While previous debates have contributed much to our understanding of trade preference formation, the dichotomous nature of previous literature may gloss over reality since the two variables may interact in a complex manner, or activate in some context and disappear in others. Therefore, the appropriate question to raise may not be just asking what determines trade preference, but to go one step further and examine in what context does a certain factor play a bigger role in shaping trade preference. Recent studies are evolving in this direction. For example, Sabet(2014) argues that symbolic predispositions are primary forces shaping the public's trade preference and economic self-interest is a second-order consideration. According to this study material factors acquires salience only when symbolic sources of trade preference become weak. Rho and Tomz(2017) questions why people do not behave according to their self-interest when forming a preference for trade policy. Conducting an experimental study, they conclude that if people knew more about the distributional effects of trade, the correlation between personal interest and policy preferences would be tightened.

Recent studies raise important and puzzling questions that are yet explored. Are socio-cultural variables a dominant factor that shapes individual trade preference? To what extent can the relationship be stronger or weaker in some contexts than in others? The next section demonstrates a theory of symbolic politics and education. According to the theory, I argue that perceptions toward foreign people and culture, which can be termed as cultural sentiment play a significant role in shaping individual support for open trade. This relationship is, however, conditional to the level of education. To be specific, people who have received at least a college-level education links their emotional views of the out-group to trade preference. In contrast, cultural effects on trade preference become weaker among people with lower education levels.

Theory of Symbolic Politics and Education

Research in psychology indicates that the mind relies on shortcuts wherever possible to avoid the effortful mental work of conscious and deliberate reasoning. For example, Kahneman and Tversky(1974) articulate that people apply heuristics to simplify decisions into quick intuitive judgments. This is not a conscious process. The rational cognitive process is a needless demanding procedure. Building on such theory, some scholars observe a process of decision making in which judgments are guided directly by reflexive feelings

of like and dislike. Deliberation or reasoning is omitted in this process. According to this theory, feelings come first, substituting the demanding and burdensome task which requires reasoning.

This idea was applied to the realm of politics in the theory of symbolic politics. Symbolic politics theory asserts that political judgments are driven by a set of broad symbolic attitudes and predispositions which are acquired early in life and remain very stable. Symbolic attitudes drive political preferences by way of effective shortcuts (Lau and Heldman 2009). Therefore, rational calculations give way to emotional attitudes when one makes a political decision. Given the theory of symbolic politics, Sabet(2014) argues that international trade will not be an exception. Trade is associated with symbols that correspond directly to longstanding emotional attitudes, and it triggers an automatic shortcut. Specifically, international trade often accompanies a transaction with others outside the national boundary. Therefore, symbols or images of the outside world may be core criteria to make decisions about international trade. According to the theory, rational considerations regarding free trade may be substituted by feelings and sentiments toward the outside world.

But does the effect of symbols and emotion always determine one's decision-making process? Can emotional impacts be weaker or stronger in some contexts? Sentimental judgment can be conditioned according to the overall environment in which one stands. Specifically, people with higher education levels are likely to be in better circumstances compared to those who are not. Their job may be more secured, more opportunities are given throughout the life span. In the context of South Korea, it is widely conceived that receiving a college education determines most of the aspects of life, leading on to enjoy better life quality. Those people may live according to the rule of 'desire' since necessary conditions for survival are likely to be achieved. Therefore, people who have received at least a college-level education are less likely to consider conditions of life when making decisions regarding trade issues. On the other hand, people who have not received beyond high school level education tend to live in an inferior environment compared to those who have received a college education. These people are more likely to live according to the rule of 'necessities' of survival. Thus, even if they hold open views to foreign values and people, they are less likely to link it to the decision of international trade. This argument produces the central hypothesis to be tested in this paper, namely:

Hypothesis 1: *Effects of cultural sentiment toward foreign people and value on support for trade liberalization will be stronger among those who received college education while weaker among those who did not receive education beyond high school level*.

Research Design

To determine the factors and conditions that influence public support for trade liberalization, this study uses a cross-sectional survey data set derived from *Korean General Social Survey* (KGSS). Individual-level data are examined for respondents. The population of the KGSS data is adults who are 18 years and over, and the respondents were chosen by multi-stage area probability sampling. While KGSS provides data for the 2003-2016 wave, data for trade preference are only available for the year 2003. The data is limited to one country, South Korea, so cross-national examination is out of the scope of this study. Therefore, this study controls variances among periods and countries while examining the variation among individuals in South Korea. This means that there may be a bias, but the bias does no vary, since it is controlled, and making it predictable.

This study focuses on the attitudes of Koreans for various reasons. First, most of the key studies of trade attitudes center in the United States.[1] Other studies tend to focus on either advanced industrialized democracies or developing countries. While South Korea has experienced a dynamic developing process, the systematic character of the economy is somewhat different from that of advanced western nations and countries which are still in the developing process. This study aims to fill the gap in the existing literature by exploring the fundamentals of trade preference in Korea. Second, the United States has been the dominant country in the global trading system for more than half a century. This is why many scholars have expressed substantial interest in the factors driving U.S. trade policy. Unlike the United States, Korea is a small economy that is much dependent on external economic conditions. The nation is much dependent on international trade. Furthermore, unlike the United States, many Koreans have a negative perspective on social forces lobbying politicians for their desires. It would be interesting to inspect the pattern of trade preferences in this different context.

The Dependent Variable: support for trade liberalization

To measure the preference of individuals toward trade liberalization I used survey questions that ask individuals their belief toward free trade in the KGSS data. The first question is presented below:

[1] See, for example, Scheve and Slaughter 2001; Hainmueller and Hiscox 2006; and Mansfield and Mutz 2009.

Please tell me how much you agree or disagree with the statement:
Free trade makes it possible to buy better goods in Korea

Respondents were asked to show their preference on a five-point scale(1=strongly agree, 2=agree, 3=neither agree or disagree, 4=disagree 5=strongly disagree). Following Mayda and Rodrik(2005) and Hainmueller and Hiscox(2006), I created a binary variable, labeled *FREE_TRADE_BELIEF_DUMMY*, based on responses to the question above. The first dependent variable, *FREE_TRADE_BELIEF_DUMMY*, is coded 1 for individuals supporting free trade (that is, for those replying "strongly agree" and "agree" to the question), and 0 otherwise.

The first dependent variable reflects individual *beliefs* about trade's personal or household impact. Furthermore, it reflects trade preference as a consumer by inserting the phrase "buy better goods". Since most people are consumers the above indicator tells us the overall belief of how one conceives of trade liberalization. This measurement demands attention, however, since it does not directly reflect public support for government policy. In other words, the above indicator shows individual *belief* toward free trade, but it doesn't tell us whether people support free trade *policy*. To measure public support for free trade policy, I construct an alternative dependent variable using the question:

Korea has to restrict imports of foreign goods to protect the national economy

Respondents were asked to show their preference on a five-point scale(1=Strongly approve, 2=Approve, 3=neither approve or disapprove, 4=Disapprove 5=Strongly disapprove). Again, following Mayda and Rodrik(2005) and Hainmueller and Hiscox(2006), I created a binary variable, labeled *FREE_TRADE_POLICY_DUMMY*, based on responses to the question above. The second dependent variable, *FREE_TRADE_POLICY_DUMMY*, is coded 1 for individuals opposing to protectionist policy (that is, for those replying "strongly disapprove" and "disapprove" to the question), and 0 otherwise. Two dependent variables, *FREE_TRADE_BELIEF_DUMMY* and *FREE_TRADE_POLICY_DUMMY* will be used in this study to analyze mass opinion regarding international trade.

The Independent Variable and Moderator: Cultural perception and education level

Given the previous work on attitudes toward trade liberalization, I test my hypothesis presented above while examining alternative explanations presented in the existing literature of trade attitude as control

variables.

The core argument of this paper is that the effect of one's cultural perception on trade preference is conditioned by education level. To be specific, while an individual's attitude and sentiment toward out-group people and culture do shape one's level of support to trade liberalization, the effect will be stronger among people who had received education beyond high school. Therefore, the first independent variable I consider is the cosmopolitan values of individuals. Using the KGSS data I measure an individual's cultural sentiment toward foreigners and foreign values form the question:

There are many opinions about foreigners who have come to live in Korea. How much do you agree or disagree with the following statements?:
Immigrants make Korean society better by introducing new ideas and culture

Respondents were asked to show their preference on a five-point scale (1=strongly agree, 2=agree, 3=neither agree or disagree, 4=disagree 5=Strongly disagree).

The instrument used by the KGSS data to gauge pro- or anti-foreign sentiment is ideally suited to the aims of this paper. First, notice that the question is concerned with cultural foreign influences. It says nothing about economic interaction with foreigners. This efficiently distinguishes the variable from economic utilitarian variables. Second, unlike some other indicators of symbolic or cultural, identity-related attitudes that have been employed in studies of trade preferences, the KGSS measure reflects a more realistic conception of identity by allowing cosmopolitan attitudes to coexist with a modest level of in-group pride such as patriotism. Let us consider, for example, an indicator of out-group sentiment in previous studies (Mansfield and Mutz 2009; Mayada and Rodrick 2005; Rankin 2001). Those studies used an indicator asking respondents whether they would rather be a citizen of their own country over any other country in the world. Such a question does not allow for a clean separation of genuine cultural xenophobia from a type of tempered patriotism. In reality, however, those values may coexist with cosmopolitan values. To put it simply, it is not difficult to imagine an individual who holds a positive view of out-group values, but at the same time be a proud citizen who thinks her country is better than other countries with no desire to exchange her citizenship. To sum up, the question posed on the KGSS data about the impact of foreign cultural influences serves well for the aim of this paper. From the responses to this question, I construct *CULTURAL_SENTIMENT*, a binary variable where positive attitudes equal 1 and 0 otherwise.

The second variable is the level of education, which will be mainly used in this study to examine

interaction effects, as well as an alternative independent variable. What education level stands for is a matter of debate in previous studies of trade preference. Some scholars treat it as an indicator for worker skills, assuming higher education level reflects a high level of human capital and thus high working skill (Beaulieu 2007; Mayda and Rodrik 2005; Scheve and Slaughter 2001). Other scholars argue that education level is a poor indicator to test economic explanations of trade preference and thus treat it as a source of cultural or ideational factors (Hainmueller and Hiscox 2006; Mansfield and Mutz 2009). I argue that education level, especially a college education, is a prerequisite for cultural variables and conditions the effect of out-group sentiment on support for free trade. I construct two variables for education level. One is *SCHOOLING*, which measures years of education one received and treats it as a continuous variable. The other is a binary variable, *COLLEGE_DEGREE*, which is coded 1 for individuals who attended at least some college education (that is, who received education beyond high school education), and 0 otherwise. This classification was made according to existing theories which suggest that college education might be the source for attitudes toward trade liberalization.

Other alternative variables explaining individual trade preference, which I treat as control variables, fall into three broad categories. The first category of analysis focuses on the demographic characteristics of the public when explaining trade preference. *AGE* is a continuous variable measuring respondent's age. Older individuals are expected to be less tolerant of trade liberalization as they might worry about their capability to recover from economic concerns. Considering the gender of respondents, I constructed the indicator *MALE* which equals 1 if the respondent is male and 0 otherwise. Women are predicted to be more supportive than men of the government protecting those who lose out from the market competition and thus less accepting of free trade. Religion may also influence trade opinion, and I constructed four separate dummy variables for the three major religions in ROK**,** *NO_RELIGION, BUDDHISM, PROTESTANT, CATHOLIC*. Some studies argue that marital status affects trade opinion and I constructed a dummy variable *MARRIED*, coded 1 for married and 0 otherwise.

The second category to examine is economic utilitarian explanations for support of free trade. This approach assumes that individuals make decisions rationally by calculating their material self-interest. The first variable to examine economic utilitarian explanations is household income. Income data in KGSS is coded by 76-scale of a certain income range. I created a continuous variable *INCOME*, placing individuals in a 10-point scale income range. Closely related, but conceptually different, I include a variable measuring social class to examine whether those of perceived higher classes be more likely to support free trade. The variable *SOCIAL_RANK* is coded by a 10-scale range (1=lowest class ~ 10=highest

class). The next variable to examine is employment status. Individuals presently unemployed are expected to be less likely to support trade liberalization. *IN_WORK* is coded 1 for those who are employed and 0 otherwise. [2] Union membership has been suggested by previous researchers to be an important consideration in shaping trade preference with members being less supportive to free trade. The variable *UNION_MEMBER* is coded 1 for members and 0 for those who do not belong to a trade union. Furthermore, the variable measuring perceived job security, *JOB_SECURITY* is included in the analysis. It is coded 1 for those who think their job is secured and 0 otherwise.

The final explanatory category is related to the key independent variable of this research, the socio-cultural or ideological symbolic factors. *POLITICAL_ID* is included to measure political ideology of respondents, which is coded in a 5-point scale (1=far conservative ~ 3=neutral ~ 5=far liberal). Ideas concerning national sovereignty may also be a factor affecting trade preference. The KGSS asked respondents whether Korea should follow the decisions of the international institutions to which it belongs, even if the government does not agree. I coded 1 for people who think that the Korean government should follow international rules against their will 1 and 0 otherwise and constructed a dummy variable *INTERNATIONAL*. This research also includes variables measuring patriotism. KGSS data asked respondents whether they agree with the statement that generally speaking, Korea is a better country compared to most other countries. I constructed the variable *PATRIOTIC_BEST* placing respondents in a 3-scale range (1=disagree 2= neutral 3=agree). Furthermore, I added a variable measuring whether people feel attached to the nation Korea. *COUNTRY_ATTACHMENT* is coded 1 if they feel attached and 0 if they don't. Finally, social trust may be an important variable affecting trade preference. The more trusting one is in others is general, the more support one will have for trade liberalization. The variable *TRUST* is coded 1 if one can trust others in general and 0 otherwise. The descriptive statistics of the variables are presented in Table1.

[2] Self-employed people are included in the employed category(IN_WORK=1)

Table 1 Descriptive Statistics of Variables

Statistic	N	Mean	St. Dev.	Min	Pctl(25)	Pctl(75)	Max
FREE_TRADE_BELIEF_DUMMY	1,259	0.6	0.5	0	0	1	1
FREE_TRADE_POLICY_DUMMY	1,259	0.2	0.4	0	0	0	1
CULTURAL_SENTIMENT	1,259	0.3	0.4	0	0	1	1
SCHOOLING	1,259	11.9	4.0	0	12	14.5	18
COLLEGE_DEGREE	1,259	0.4	0.5	0	0	1	1
AGE	1,259	41.7	15.1	18	30	50	93
MALE	1,259	0.4	0.5	0	0	1	1
NO_RELIGION	1,259	0.4	0.5	0	0	1	1
BUDDHISM	1,259	0.2	0.4	0	0	0	1
PROTESTANT	1,259	0.2	0.4	0	0	0	1
CATHOLIC	1,259	0.1	0.3	0	0	0	1
MARRIED	1,259	0.7	0.5	0	0	1	1
INCOME	1,259	3.4	1.9	1	2	4	10
IN_WORK	1,259	0.6	0.5	0	0	1	1
UNION_MEMBER	1,259	0.1	0.2	0	0	0	1
SOCIAL_RANK	1,259	4.5	1.5	1	4	5	10
JOB_SECURITY	1,259	0.2	0.4	0	0	0	1
POLITICAL_ID	1,167	2.9	1.0	1.0	2.0	4.0	5.0
INTERNATIONAL	1,259	0.3	0.5	0	0	1	1
PATRIOTIC_BEST	1,250	2.2	0.8	1.0	1.0	3.0	3.0
COUNTRY_ATTACHMENT	1,249	0.8	0.4	0.0	1.0	1.0	1.0
TRUST	1,259	0.4	0.5	0	0	1	1

The Model

In the following test presented below, I fit a binary logit model using two dependent variables *FREE_TRADE_BELIEF_DUMMY* and *FREE_TRADE_POLICY_DUMMY* respectively. In other words, I fit 4 binary logit models for each of the dependent variables. First, model1(model5) for each dependent variable is a whole sample pooled analysis which uses the key independent variables *CULTURAL_SENTIMENT* and SCHOOLING to test whether cosmopolitan values and level of education affect individual support for free trade independently. Second, I perform a split sample analysis to test the hypothesis that the effect of cosmopolitan values on individual trade preference will be contingent on whether one has received at least a college-level education(beyond high school level) or not. Model2(model6) contains the subsample of people who only received high school education at maximum (*COLLEGE_DEGREE*=0). Model3(model7) contains the subsample of people who received beyond high school education, that is, college-level education (*COLLEGE_DEGREE*=1). Third, in model4(model8) I will return to whole sample analysis, but include an interaction term '*CULTURAL_SENTIMENT X COLLEGE_DEGREE'*. This interaction analysis will provide a robustness check for the test.

Results of the Analysis

Table 2 Results of the Logit Regression Analysis

	Dependent variable:							
	FREE_TRADE_BELIEF_DUMMY				FREE_TRADE_POLICY_DUMMY			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
CULTURAL_SENTIMENT1	0.471***	0.104	0.920***	0.087	0.338**	0.168	0.510**	0.165
	(0.150)	(0.202)	(0.234)	(0.199)	(0.155)	(0.228)	(0.217)	(0.226)
SCHOOLING	0.061**				0.054*			
	(0.024)				(0.028)			
COLLEGE_DEGREE1				-0.216				0.006
				(0.173)				(0.195)
POLITICAL_ID2	0.766***	1.028***	0.448	0.821***	0.101	0.118	0.161	0.138
	(0.270)	(0.328)	(0.511)	(0.270)	(0.323)	(0.405)	(0.568)	(0.322)
POLITICAL_ID3	0.444	0.631*	0.152	0.471*	-0.312	-0.232	-0.408	-0.288
	(0.275)	(0.331)	(0.520)	(0.274)	(0.338)	(0.419)	(0.594)	(0.337)
POLITICAL_ID4	0.439	0.727**	0.076	0.500*	0.244	0.041	0.391	0.288
	(0.279)	(0.355)	(0.512)	(0.279)	(0.330)	(0.435)	(0.565)	(0.330)
POLITICAL_ID5	0.989**	1.322**	0.601	1.070***	0.868**	0.603	1.261*	0.938**
	(0.414)	(0.535)	(0.703)	(0.413)	(0.422)	(0.556)	(0.700)	(0.421)
INTERNATIONAL1	0.982***	0.859***	1.121***	0.963***	-0.071	-0.322	0.157	-0.075
	(0.151)	(0.196)	(0.249)	(0.151)	(0.158)	(0.229)	(0.229)	(0.159)
PATRIOTIC_BEST2	-0.396**	-0.379	-0.456*	-0.423**	-0.563***	-0.732**	-0.562**	-0.576***
	(0.170)	(0.260)	(0.234)	(0.171)	(0.188)	(0.315)	(0.243)	(0.188)
PATRIOTIC_BEST3	0.175	0.166	0.016	0.111	-0.326*	-0.223	-0.585**	-0.359**
	(0.167)	(0.236)	(0.250)	(0.167)	(0.176)	(0.259)	(0.255)	(0.176)
COUNTRY_ATTACHMENT1	0.046	0.159	0.025	0.067	0.089	-0.024	0.149	0.097
	(0.179)	(0.260)	(0.254)	(0.179)	(0.199)	(0.311)	(0.267)	(0.199)
TRUST1	0.102	-0.049	0.331	0.100	0.247*	0.287	0.171	0.240
	(0.134)	(0.182)	(0.209)	(0.134)	(0.147)	(0.211)	(0.212)	(0.147)
INCOME	0.033	0.062	0.033	0.053	0.013	0.020	0.038	0.023
	(0.039)	(0.060)	(0.055)	(0.039)	(0.043)	(0.069)	(0.056)	(0.043)
IN_WORK1	-0.206	-0.083	-0.256	-0.194	-0.271	-0.091	-0.316	-0.247
	(0.151)	(0.201)	(0.244)	(0.152)	(0.172)	(0.245)	(0.256)	(0.173)
UNION_MEMBER1	-0.065	0.190	-0.294	-0.062	0.572**	0.876*	0.495	0.581**
	(0.287)	(0.493)	(0.371)	(0.288)	(0.279)	(0.453)	(0.369)	(0.279)
SOCIAL_RANK	0.003	0.002	0.054	0.024	-0.083	-0.056	-0.073	-0.067
	(0.048)	(0.059)	(0.082)	(0.047)	(0.054)	(0.071)	(0.085)	(0.054)
JOB_SECURITY1	0.189	0.666**	-0.006	0.241	-0.043	-0.048	-0.018	-0.025
	(0.189)	(0.319)	(0.258)	(0.191)	(0.204)	(0.342)	(0.270)	(0.205)
AGE	-0.005	-0.014**	-0.002	-0.013**	-0.014**	-0.013*	-0.037**	-0.019***
	(0.006)	(0.007)	(0.013)	(0.005)	(0.007)	(0.008)	(0.015)	(0.006)
MALE1	0.391***	0.228	0.603***	0.427***	0.340**	0.207	0.533**	0.357**
	(0.140)	(0.194)	(0.209)	(0.140)	(0.154)	(0.229)	(0.218)	(0.154)
NO_RELIGION1	-0.673	-0.817	-0.221	-0.643	-0.240	-0.226	-0.352	-0.241
	(0.522)	(0.638)	(0.901)	(0.515)	(0.520)	(0.645)	(0.895)	(0.517)
BUDDHISM1	-0.484	-0.583	-0.176	-0.475	-0.594	-0.781	-0.490	-0.607
	(0.527)	(0.642)	(0.919)	(0.521)	(0.531)	(0.661)	(0.917)	(0.529)
PROTESTANT1	-0.361	-0.442	0.119	-0.278	-0.178	0.032	-0.358	-0.154
	(0.532)	(0.655)	(0.912)	(0.525)	(0.528)	(0.662)	(0.903)	(0.525)
CATHOLIC1	-0.466	-0.458	-0.026	-0.397	-0.163	-0.190	-0.199	-0.141
	(0.549)	(0.685)	(0.929)	(0.542)	(0.547)	(0.699)	(0.922)	(0.544)
MARRIED1	0.288*	0.291	0.284	0.373**	-0.329*	-0.271	-0.001	-0.246
	(0.152)	(0.217)	(0.253)	(0.150)	(0.171)	(0.249)	(0.274)	(0.168)
CULTURAL_SENTIMENT1:COLLEGE_DEGREE1				0.878***				0.343
				(0.302)				(0.307)
Constant	-1.006	-0.083	-0.770	-0.158	-0.434	0.117	0.678	0.229
	(0.745)	(0.842)	(1.220)	(0.679)	(0.800)	(0.915)	(1.266)	(0.725)
Observations	1,155	617	538	1,155	1,155	617	538	1,155
Log Likelihood	-712.566	-384.536	-320.088	-711.527	-610.134	-299.922	-304.722	-611.170
Akaike Inf. Crit.	1,473.132	815.072	686.175	1,473.055	1,268.267	645.843	655.444	1,272.340

Note: *p<0.1; **p<0.05; ***p<0.01

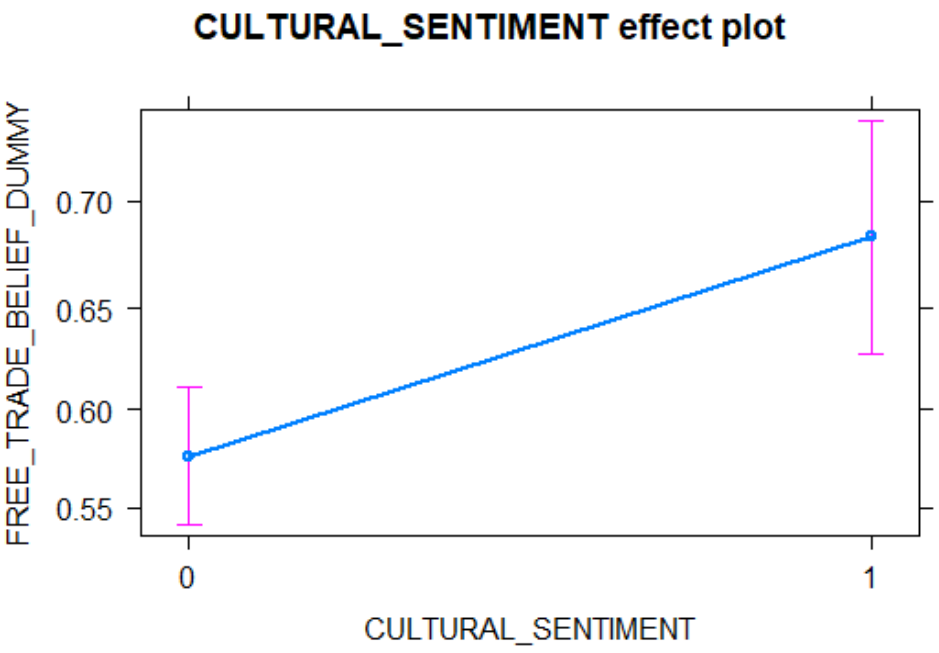

Figure 1 Whole Sample Analysis: model1

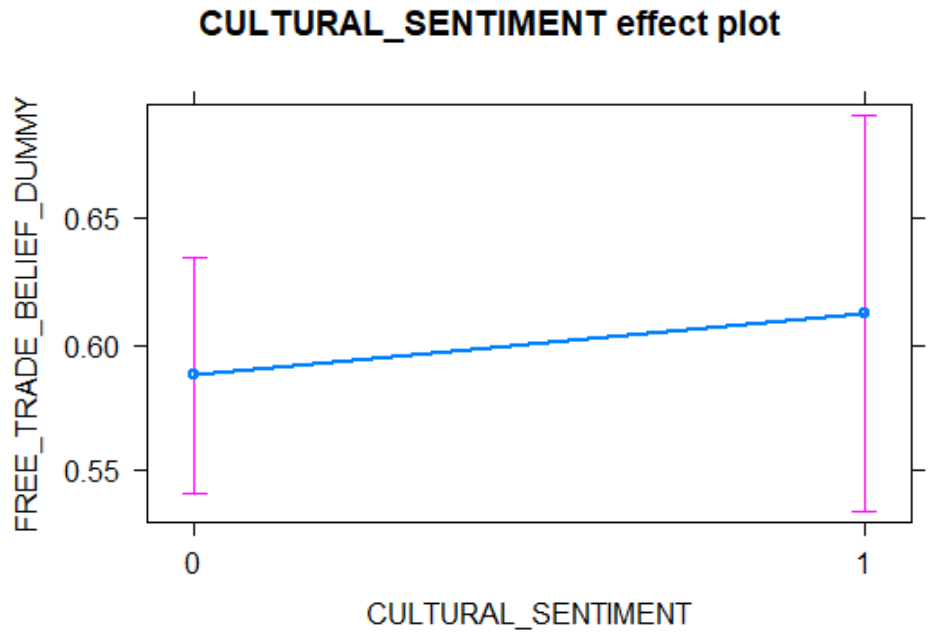

Figure 2 Split Sample (COLLEGE_DEGREE=0) Analysis: model2

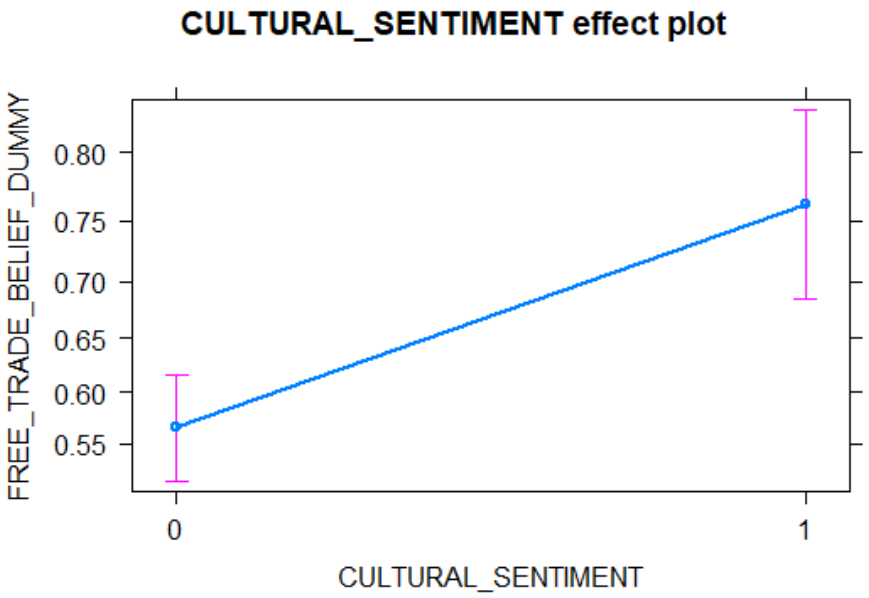

Figure 3 Split Sample (COLLEGE_DEGREE=1) Analysis: model 3

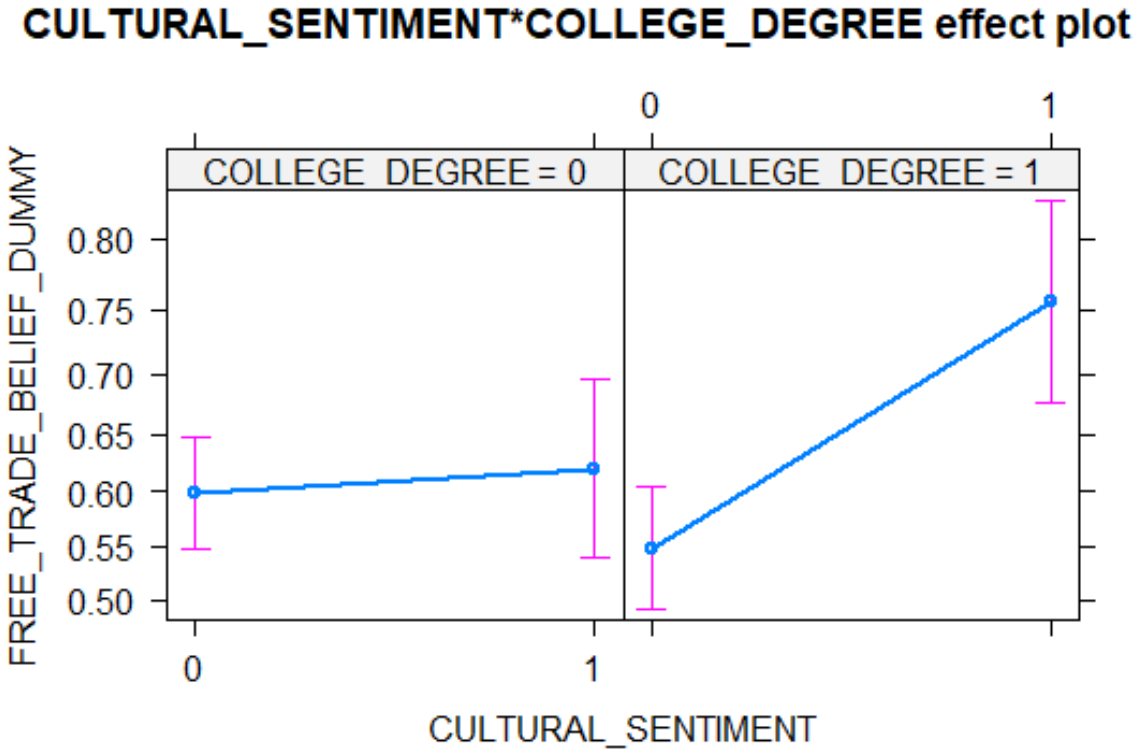

Figure 4 Interaction Analysis: model 4

The logit regression analysis results for the fitted models explained above are presented in Table 2. Entries in the table are logit coefficients with standard errors in parentheses. I plotted the main results of the analysis using the effects package in the Journal of Statistical Software by John Fox and Jangman Hong.[3]

To begin with, I examine the results using the dependent variable *FREE_TRADE_BELIEF_DUMMY* (model1 ~ model4), which means seeking the factor that influences one's 'belief' toward free liberalization. First, looking at the results of the model1, on average, non-material factors play an important role in the formation of individual preferences over free trade. In other words, when taking into account the whole sample of the data, variables from what I named the socio-cultural explanatory category seems to matter more compared to that of the economical utilitarian category. For example, both pro-foreign sentiment (measured by *CULTURAL_SENTIMENT*) and willingness to concede national sovereignty (measured by *INTERNATIONAL*) are significant predictors of positive trade-related beliefs. When we focus on the effect of *CULTURAL_SENTIMENT*, figure 1 shows that the predicted probability of pro-trade beliefs increases as *the CULTURAL_SENTIMENT* variable moves from 0 to 1, while holding all other variables at their mean value. The impact of education level, measured by *SCHOOLING*, is also statistically significant. The level of education itself does shape individual support for free trade, whether or not it reflects the economic status of workers.[4] It is striking that none of the economic utilitarian variables were significant predictors of pro-free trade attitudes. In short, examining the data as a whole, Koreans tend to form pro-trade beliefs according to their cultural predispositions.

Second, when we look at the results of the model2, the impact of positive views toward foreign on support for free trade seems to vanish. *CULTURAL_SENTIMENT* is no longer a significant predictor of pro-trade beliefs. Taking into account the fact that model2 is a split sample analysis containing individuals who did not receive education beyond high school, this result supports the hypothesis that the effect of cultural sentiment toward foreign will be weak among them. Furthermore, the variable *JOB_SECURITY* becomes significant compared to the whole sample analysis of model1. People who think of themselves as having a secure job tend to form a pro-trade belief. This result suggests that when forming conceptions of trade liberalization, people with a low level of education consider material factors more than cultural ones. The change in the predicted probability of *FREE_TRADE_BELIEF_DUMMY* = 1, changing.

[3] For details of the package, see Fox and Hong 2009.

[4] As suggested by Hainmueller and Hiscox 2006, I found that the impact of education is not contingent on one's employment status using the KGSS data. This result supports the argument that education level may not reflect worker skills.

CULTURAL_SENTIMENT from 0 to 1, while controlling other variables at their mean, is presented in Figure2.

Third, considering the results of the split-sample analysis containing people who received a college education at minimum(model3), the effect of pro-foreign sentiments becomes statistically significant again compared to the results of the model2. Furthermore, the impact of *CULTURAL_SENTIMENT* becomes stronger compared to the results of model1. Figure 3 plots this result. Again, the result supports the hypothesis of this research that the effect of individual sentiment toward out-group values to the level of support to trade liberalization will be stronger among people who had received education beyond high school.

Fourth, the interaction analysis of the model4 provides a robustness check of the preceding results. Note that the interaction term '*CULTURAL_SENTIMENT X COLLEGE_DEGREE'* is statistically significant. The interaction effect is presented in figure 4. As we can see, there is almost no effect of cultural sentiment on the predicted probability of the dependent variable when *COLLEGE_DEGREE*=0. The impact of *CULTURAL_SENTIMENT* does become present when *COLLEGE_DEGREE*=1. The analysis confirms that the effect of pro-foreign sentiment on pro-trade belief is conditional upon whether an individual received a college education or not. Again, this result provides strong support for the main hypothesis of this study.

Considering the main hypothesis of this study, the analysis using the dependent variable *FREE_TRADE_POLICY_DUMMY* (model5~model8) yields similar results as the previous analysis. The split sample analysis shows that among those who received less than college-level education, the effect of pro-foreign sentiment is not significant, whereas, among those who received at least a college-level education, the effect is stronger compared to the whole sample analysis and statistically significant. What is different is model8 which indicates that the interaction term *'CULTURAL_SENTIMENT X COLLEGE_DEGREE'* is not statistically significant, which indicates that it failed the robustness check. The results of the split sample analysis, however, seems to provide sufficient evidence to support the hypothesis of this research.

The difference between the dependent variable *FREE_TRADE_BELIEF_DUMMY* and *FREE_TRADE_POLICY_DUMMY* is the difference between individual belief to support free trade and individual support for free trade 'policy'. As we can see in the results, the two variables cannot be treated as the same indicator measuring trade preference. One is about belief and the other is about the direct preference of government public policy. Finding the implications of this difference is beyond the scope of

this study, but the results indicate that researchers must be more sensitive when measuring and operationalizing a concept one wants.

Taken together, the results indicate that socio-cultural factors such as cosmopolitan views to the outside group influence Korean's attitude toward free trade. In general, the impact of economic factors based on material interest was less important. The impact of positive views toward foreign, however, was not unconditional. Among people with no college education experience, cosmopolitan predispositions had almost no effect on support for free trade. For people with college education experience, sentiment toward out-group people and culture do shape one's level of support to trade liberalization.

Discussions

Some points need to be addressed before concluding the empirical results. First of all, the findings of this study do not support economic utilitarian explanations of preference formation of free trade. There may be several possible explanations for this result. First, this paper did not include economic variables to test the Ricardo-Viner (specific factors) model. This may lead to a serious omitted variable bias if individuals are stuck in an industry in the short run. It may not be too worrisome to omit such variables, however, since previous studies have indicated only weak (Mayda and Rodrick 2005) or no (Scheve and Slaughter, Mansfield and Mutz 2009) support for the prediction that individuals employed in import-competing industries will be much less likely to support trade openness than those employed in exporting industries. While the KGSS data provides no information about whether an industry is in an import-competing industry or exporting industry further collection of data may give a clue to this problem.

Second, the economic effect may also be contingent on other factors. Then the problem will be to figure out the pre-conditions which activate one's self-interest. For example, through an experiment, recent studies show that self-interest is conditioned upon the level of knowledge one obtains. This research found also found some clues for future research in this direction. Economic factors did not affect the respondents as a whole, but some variables did affect those who did not experience college-level education. The prerequisite which conditions the relations between altruism and egotism may be an interesting topic for further research.

The external validity of this study should also be stressed. What is the scope of inference of this research? This research used the KGSS data, which only contain information on ROK. Therefore, one must be very careful when applying the results to other countries. Given the fact that cultural predispositions and

educational factors are difficult to change in a short period, the results of this study may be more freely extended to wider periods than cross-national expansion. Eventually, the pattern regarding individual trade preference found in this study must be tested further using cross-national and time-series data. Multilevel hierarchical models may be applied to seek link individual-level and country-level data.

Conclusions

It is widely acknowledged that any complete model of the political economy of trade must account for the preferences of the mass public. These preferences influence trade policy because government officials need to attend to constituent interests to retain office in democratic societies. Despite the obvious importance of understanding the factors that influence individual attitudes about trade liberalization, however, there have been only a handful of studies on this topic. Furthermore, the existing literature is far from fully understanding the preference formation of the Korean public.

Previous research on this topic has centered on the debate around what determines individual trade preference. One group of scholars argue that trade preference is determined according to the material self-interest of individuals or social groups. These studies derive hypotheses from economic theories such as the Hecksher-Ohlin model or the Ricardo-Viner model. On the other hand, critics argue that trade preference is shaped by cultural and ideational factors, not by economic material interest. In reality, it is persuasive to believe those two factors work together and shape mass opinion on free trade in a complex manner. If this is the case, then studies on this topic must ask the conditions that shape self-interest or cultural predispositions. Recent studies have developed in this direction asking more sophisticated questions and seeking interaction between core variables.

In this context, this paper attempted to elucidate the conditions when the independent variables mentioned in previous studies actually shape individual trade preference. First, pro-foreign sentiments do matter when considering individual support for trade liberalization. Second, the cosmopolitan view of the mass public does not shape trade preference unconditionally. It is contingent on the level of education. Specifically, the effect is expected to be stronger among people who had received at least a college education. This paper tested this argument using the KGSS data from Korea.

The theoretical implications of this research are to suggest students of IPE further develop and investigate both the process and implications of emotionally formed preferences. This study suggests that trade opinion may be products of cultural rather than rational responses. The impact, however, is

conditioned upon education. These results will provide new insights into the study of international trade and IPE as a whole. Rather than borrowing theories and arbitrarily making an assumption of individual preference, empirically well-grounded theories may contribute to the study of IPE. Students of IPE must explore further the dynamics of individual trade preference formation and thrive to build the micro-foundation of political economic theories.

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