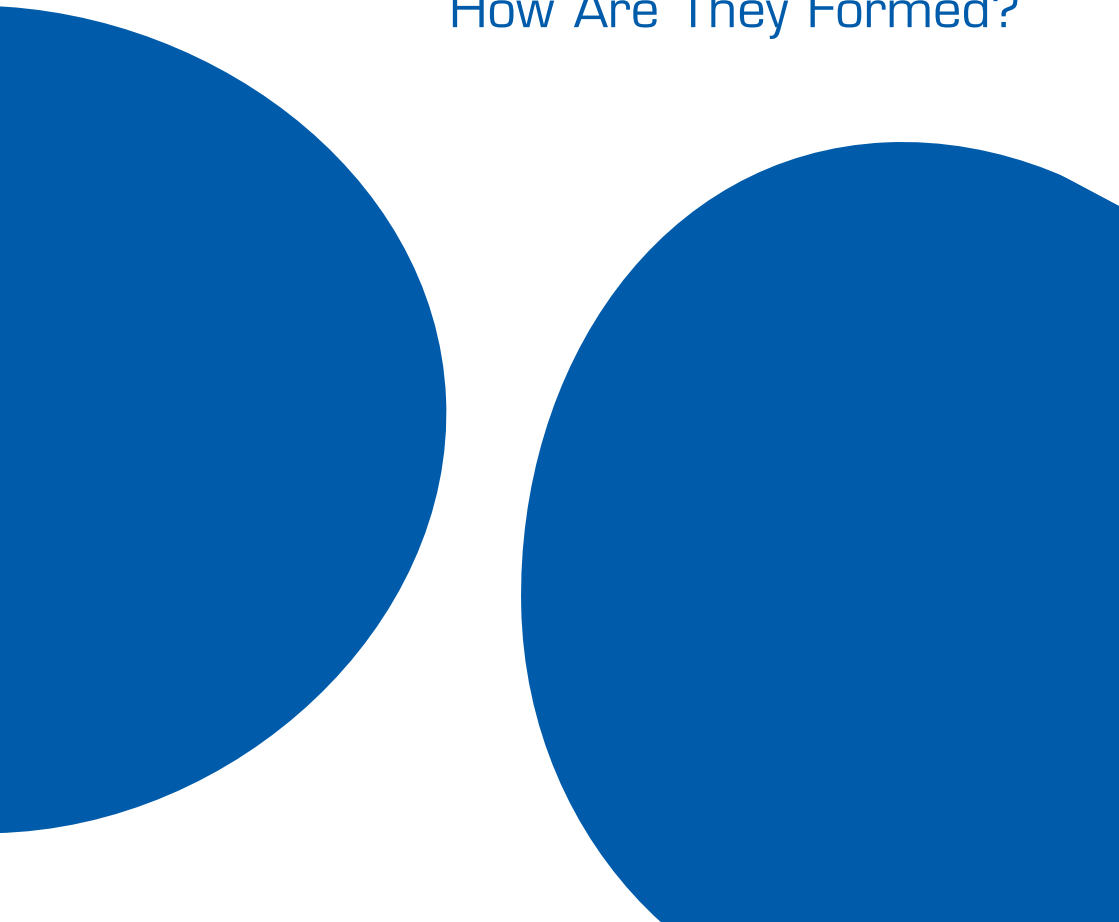


Lars Calmfors, Girts Dimdins, Marie Gustafsson,
Henry Montgomery and Ulrika Stavlöt

Trade in Services and in Goods with Low-Wage Countries

– How Do Attitudes Differ and
How Are They Formed?



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PREFACE

Since 2004, the debate on services trade in the aftermath of the Laval/Vaxholm case has not only been a hot topic in Sweden. Throughout the other Member States of the European Union similar cases have surfaced and, with the implementation of the Lisbon Treaty, the issues pertaining to trade between new and old Member States will certainly resurface once more.

The internal market for services is still underdeveloped, which means that enormous potential gains from services trade are lost. The reasons why services are not frequently traded between the Member States appear to be complex and are not very well documented. We think, however, that one key to understanding this issue may involve the attitudes of the general public, which, judging from the current debates, seem to be more negative to low-wage competition in services trade than to the conventional goods trade.

By combining economic and psychological research, this unique report aims to add a new layer to the public discussions. Based on a survey of a representative sample of the population and small-scale experiments the report provides an empirical picture of the attitudes in Sweden to different types of low-wage trade. The results confirm that attitudes to low-wage trade competition are more negative for services than for goods and that both perceived economic self-interest and international altruistic motives appear to matter. It is concluded that attitude formation seems to have both 'rational' and 'irrational' components. This holds true for both those in favour of low-wage competition services trade and those against.

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The Swedish Institute for European Policy Studies, SIEPS, conducts and promotes research and analysis of European policy issues. The results are presented in reports and at seminars. SIEPS strives to act as a link between the academic world and policy-makers at various levels.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	8
1 INTRODUCTION	11
1.1 Theoretical economic analysis	12
1.2 Attitudes to low-wage competition for goods and services	13
2 EARLIER ATTITUDE STUDIES	19
3 OUR SURVEY STUDY	22
3.1 Raw data on attitudes	23
3.2 The relationship between specific and general attitudes	26
3.3 The relationship between attitudes and various demographic, socioeconomic and political–ideological variables	29
3.4 Conclusions from the survey study	40
4 THE EXPERIMENTAL STUDY	42
4.1 The design of the experiment	43
4.2 Results	46
5 OVERALL CONCLUSIONS	59
REFERENCES	62
APPENDIX	66
SAMMANFATTNING PÅ SVENSKA	68

EXECUTIVE SUMMARY

The extent to which low-wage trade competition in the service sector with posted workers should be allowed in the EU has been a hot issue recently. It has concerned, for example, building workers (Sweden and the UK), plumbers (France) and butchers (Germany). The general public seems to have a more negative attitude to such imports of services from low-wage countries than to imports of goods from them.

Our report distinguishes between three types of trade: imports of goods, imports of services requiring the presence of posted workers, and off-shoring of domestic production. We study how the attitudes to low-wage competition differ among these various types of trade and how these attitudes are formed. Economic and psychological research are combined to explore to what extent attitudes are based on perceived *national economic self-interest* (involving benefits for the individual herself or for a broader in-group of nationals with which the individual identifies) and to what extent they are based on *international altruistic concerns*. These are key questions as the main arguments in the public debate against low-wage trade competition reflect both these motives: fear that ‘wage dumping’ threatens domestic jobs and concerns about ‘exploitation of foreign labour’.

We performed two empirical studies of attitude formation in Sweden. The first was based on a survey of a representative sample of the population. The second involved experiments with small groups.

In the survey study we examined both *general attitudes* to different types of low-wage trade competition and *specific attitudes* regarding different dimensions of the issue. These dimensions concern ‘unfair competition’, ‘unfair wages’ for foreign labour, the benefits of ‘low prices’, adjustment (‘not too fast changes’) and the creation of ‘foreign jobs’.

The results confirm that attitudes to low-wage trade competition in services trade, requiring the posting of foreign workers, are more negative than to low-wage trade in goods. This applies both to the general attitude and to all specific attitudes except that regarding pace of adjustment. Attitudes to off-shoring are also more negative than those to conventional goods trade, but attitudes to services trade are even more negative than attitudes to off-shoring.

Demographic, socio-economic and political-ideological background variables influence attitudes to trade. Being male, having a higher level of education, being a member of a union organising persons with academic

education, living in a city, being a student or an entrepreneur, and having right-wing or EU-positive attitudes are all conducive to pro-trade attitudes in general. The background variables matter less for differences in attitudes among different types of trade.

The specific attitudes held by an individual to various types of trade are strongly correlated. We decomposed the differences in the general attitudes to low-wage competition in the services trade and to such competition in the goods trade into contributions from the various specific attitudes. Somewhat surprisingly, the differences between the attitudes regarding 'foreign jobs' and 'low prices' were more important than the differences between the attitudes regarding 'unfair competition' and 'unfair wages', although the latter matter as well.

The strong correlation between all of the specific attitudes and the general attitude suggests a problem of causality. It may not be that an individual simply forms an overall view from a number of specific considerations, but that an individual may also rationalise her overall view by adjusting her evaluations of different dimensions of it. Such 'coherence-seeking' has been suggested by research in psychology on other issues.

We designed experiments in which participants first had to state their specific attitudes to low-wage trade competition in a local context where they were not aware of the general issue ('pre-test'). In a second stage, participants were asked about their general attitude to service provision from foreign low-wage firms using posted workers. In a third stage, participants were again asked about their specific attitudes ('post-test'). The specific attitudes in the experiment roughly corresponded to the specific attitudes in the survey.

We found strong evidence of coherence-seeking. The differences in specific attitudes at the second stage between those in favour of low-wage trade competition and those against increased substantially between the pre-test and the post-test. The correlations between the specific attitudes were also much higher in the post-test than in the pre-test. Coherence-seeking was stronger for those opposed to low-wage trade competition than for those in favour.

The most stable specific attitude, that is, the attitude that changed the least between the pre-test and the post-test, concerned the role played by international trade versus good union-employer relationships for economic growth in the past ('historical development'). This is logical, since the issue of 'historical development' was probably the most tangible of the issues participants were asked to evaluate. When running a regression to

explain the general attitude to service provision by foreign low-wage firms with the specific attitudes in the pre-test, the attitudes to 'historical development', but also attitudes regarding 'unfair competition', 'unfair wages' and 'foreign jobs' turned out to be significant.

To sum up, both perceived national economic self-interest and international altruistic motives appear to explain attitudes to low-wage trade in general, as well as why attitudes to such trade are more negative for services than for goods, although perceived national economic self-interest seems to matter more. Attitude formation seems to have both 'rational' and 'irrational' components. This holds for both those in favour of low-wage competition in services trade and those against, although the degree of 'rationality' appears to be larger for the former group.

1 INTRODUCTION

One of the most hotly debated issues in the EU in recent years has concerned trade in services and how it should be regulated. The debate has been triggered by the enlargement of the EU, which enables low-wage service providers in the new EU member states to compete in the markets of the old member states. A highly controversial aspect is the balance between the country-of-origin and the country-of-destination principles. The issue is to what extent service providers from other EU countries with temporarily posted workers should be bound by wage regulations or collective wage agreements in host countries. Here two fundamental principles in the EU come into conflict with each other: on the one hand the EC treaty does not permit impediments to the cross-border provision of services; on the other hand labour market issues are generally considered to fall within the national decision-making sphere.

The situation of posted workers in the EU is regulated by the Posting of Workers Directive (Directive 96/71/EC), which tries to balance the two principles of free movement and national labour market regulation against each other. National provisions regarding posted workers in host countries are allowed if they are required for ‘overriding reasons of public interest’ such as to guarantee these workers reasonable conditions and to avoid ‘unfair wage competition’. According to the directive, legislated minimum wages or minimum wages in collective agreements that are extended by law to a whole sector (or region) are applicable to posted workers.

In Sweden, the so-called Vaxholm conflict in the building industry in 2004/05, when trade unions took industrial action against the Latvian building company Laval un Partneri Ltd, has become the symbol for the issue of how wages of posted workers should be determined. The Swedish trade unions tried to force the Latvian company to conclude a collective agreement with the Swedish Building Workers’ Union, which would have imposed normal Swedish pay levels in the building sector for the posted workers. A legal dispute ensued. In December 2007, the European Court of Justice decided that the industrial action taken by the Swedish unions was not justified, as it aimed at establishing a collective agreement where the conditions lay outside the ‘hard core’ of the Posting of Workers Directive and were not sufficiently transparent and predictable for the employer. In addition, the European Court of Justice ruled that the Swedish legislation was not compatible with European law, because it allows trade unions to take industrial action against a foreign employer with posted workers regardless of whether there already exists a collective agreement in the country of origin. The European Court of Justice ruling led to the appoint-

ment of a government commission in Sweden, which in December 2008 proposed modifications in Swedish labour law. According to them, industrial action against foreign service providers with posted workers in Sweden should only be allowed to enforce minimum pay and other conditions clearly defined in existing sector-wide collective agreements. In October 2009 the Swedish government announced a proposal on new legislation along the lines of the suggestions from the government commission.¹

Similar debates have been raging in other EU countries; for example in France (Polish plumbers) and Germany (Polish butchers).² Recently, UK workers at oil and gas plants staged unofficial strikes in protest over the use of posted workers by foreign subcontractors (BBC 2009). At the EU level, there was a heated discussion before the new Service Directive was finally adopted in 2006. In the elections to the European Parliament in 2009, the aim of fighting ‘wage dumping’ through a revision of the Posted Workers Directive featured prominently in the campaigns of socialist candidates in many countries.

1.1 Theoretical economic analysis

For economists it is natural to analyse trade in services – and their labour market implications – in a similar way to trade in goods. In trade theory, exports of goods are regarded as a way of indirectly exporting labour (see standard textbooks such as Caves et al. 2007 or Krugman and Obstfeld 2008). Trade in goods is – under certain conditions – a perfect substitute for mobility of production factors (capital and/or labour) and leads to equalisation of wages and returns to capital among trading countries. Trade theory predicts that in the long run there are overall gains from trade for all involved countries because aggregate income is raised when countries specialise in production according to their comparative advantages or exploit economies of scale. There are, however, both winners and losers within each country.

According to the Heckscher-Ohlin model, trade takes place between countries with differences in relative factor endowments. Countries that are relatively abundant in (physical and human) capital, such as Sweden and other Western European countries, specialise in the production of capital-intensive goods. Countries relatively abundant in labour (the new EU countries as well as other emerging economies) instead specialise in the

¹ The government referred a proposal on new legislation to the Council on Legislation. See *Åtgärder med anledning av Lavaldomen* (2009).

² See, for example, *Courier International* (2005), *Le Soir* (2005), and Knabe and Schöb (2008).

production of labour-intensive goods. A long-run consequence of the opening up of trade between capital-abundant and labour-abundant countries is that the relative factor return of labour falls in the former countries; that is, the wage for (unskilled) labour falls relative to the return to capital (physical and human). The reverse development occurs in the labour-abundant economies.

The short-run consequences of trade can be analysed with the help of the so-called 'specific factors' model. It shows that immobile production factors (for example, labour with specific skills) suffer real income losses in import-competing sectors but obtain income gains in export sectors. For mobile production factors (for example, labour with general skills which can be used in any sector) the direction of the real income changes are ambiguous, although most likely minor. There may also be substantial adjustment costs for labour that is re-allocated: displaced workers often have to accept substantial wage cuts to be re-employed elsewhere (Kletzer 2004, OECD 2005).

The conventional way of analysing the effects of more trade is to analyse a reduction in impediments to trade that is uniform across sectors (for example, a lowering of trade barriers or transport costs). This is not the most appropriate way, however, to address increased trade in services. It is more relevant to think in terms of a model with both traded goods (mainly manufactured goods) and non-traded 'goods' (mainly services) where a number of the non-traded goods are transformed into traded ones. Such an analysis has been performed by Saint-Paul (2007). He models trade between a high-wage and a low-wage region where the broadening of the range of traded goods encompasses goods in which the low-wage region has a comparative advantage. As a consequence, the high-wage region starts to import earlier non-traded goods from the low-wage region and in return exports more of the already earlier-traded goods. In the high-wage region, labour in the sectors producing the newly traded goods suffers real income losses (possibly large ones) because of the import competition. The labour producing the earlier existing traded goods experiences real income gains (because higher exports lead to higher wages), as does the labour producing the remaining non-traded goods (because of larger access to cheap import goods).

1.2 Attitudes to low-wage competition for goods and services

The standard way for economists to analyse the views of different groups regarding common policy in various areas is to focus on individual eco-

conomic self-interest. Rational individuals are assumed to have well-defined preference functions that they seek to maximise and full information on the economic consequences of various policies. Economists are generally aware that such analysis only provides a benchmark which may be more or less suitable as an approximation of reality. The approximation is less appropriate the more complex the policy issues are and the more they are influenced by sentiments. Trade policy would seem to qualify as such an area where it may be difficult to understand how individuals form their views with the help of traditional economic theory only. Instead, there is a lot to gain from drawing on both psychological and economic research. We shall do this and analyse how broad attitudes to different types of trade are formed in society. A key issue that we will focus on is how 'rational' this attitude formation is; that is, to what extent it is based on deliberate considerations of different aspects and of weighing them together.

Judging from public discussion, attitudes are less favourable to imports of services involving posted workers than to traditional imports of goods. When it comes to goods trade, it is very unusual with proposals to regulate wages in competitor countries. In contrast, there seems to be considerable public support for imposing local wages on workers posted by foreign service providers with temporary activity in the host country (see, for example, TCO 2005).

Two different motives for regulating the wages of posted workers dominate the debate. The first motive is to prevent 'social dumping'; that is, to protect domestic workers from what is regarded as unfair low-wage competition. The second motive is to prevent 'unjust exploitation' of foreign workers when they are paid less than domestic workers. These arguments correspond to two fundamental human motives described in psychological literature. The first motive is related to *in-group favouritism*, a largely automatic tendency to evaluate social groups to which individuals belong (in-groups) more positively than groups to which individuals do not belong (out-groups). Strongly related to individuals' self-esteem, this tendency results in preference for in-groups at the expense of out-groups in various contexts, including allocation of resources and defending the interests of group members.³ The second motive is related to *altruistic justice concerns*. Observing situations that go against individuals' understanding of a just world order prompts psychological discomfort and may lead to behaviour aimed at restoring justice, even at the cost of overlooking self-

³ See Hewstone et al. (2002) for a review.

interest (Tyler et al. 1997, Lerner 2003). For example, in the so-called ultimatum game, players often exhibit preference for an equal or near-equal split of resources instead of maximizing their gain (Thaler 1988). These two motives have been shown to operate in parallel in intergroup decision contexts (Diekmann et al. 1997).

In our context, the in-group favouritism motive can be interpreted as one of perceived *national economic self-interest*, where an individual cares not only about her own benefits from trade but also about the benefits for groups of other Swedes (or Swedes in general) with which she identifies. The *altruistic concerns* are *international* and relate to the perceived well-being of foreign workers.

In the public discussion, proponents of free market competition tend to claim that those who want to restrict low-wage competition in services trade do this mainly out of perceived personal or national economic self-interest. In contrast, those opposed to low-wage trade competition in services often focus on the ‘fair wages’ argument and play down the motive of restricting competition to safeguard domestic jobs. This makes it highly relevant to study the relative importance of perceived national economic self-interest and international altruistic concerns for the formation of attitudes to low-wage trade competition in the service sector.

The weights attached to various arguments

Concerning arguments reflecting perceived national economic self-interest, two questions immediately suggest themselves. (1) Why is there a stronger focus in the public debate on the risk of negative employment effects than on the gains in terms of cheaper imports? (2) Why does this focus seem stronger when it comes to low-wage competition in services trade than to such competition in goods trade?

Research in psychology can give some answers. It has been shown that visibility of information and direct experience of an attitude object have strong effects on people’s attitudes and behaviour (Krosnick et al. 1993, Fabrigar et al. 2005). Events closer in time are pictured in more detail than more distant ones (Trope and Liberman 2003). The adverse effects on employment conditions for domestic labour might be seen as more tangible than the consumer benefits from lower prices. This may psychologically lead to a focus on the immediate costs of increased trade. Particularly, this may be true for trade in services that requires presence ‘on the spot’ because of the visibility of foreign competitors. When a plant is closed down because of competition from production abroad, the competitors are more abstract.

A related explanation is that support for free trade increases over time, as people get used to it and experience the benefits. Economic arguments in favour of free trade may do little to influence public opinion unless people experience an improvement of their own situation. Furthermore, this could explain a more positive attitude to trade in goods, which we have had for a long time, than to the new phenomenon of trade in services requiring the presence of posted workers.

In addition, a large body of research shows that people are loss averse (Tversky and Kahneman 1981). Loss aversion means that in people's perception losses loom larger than equal gains. This may further contribute to a negative attitude to policies where the costs are closer in time and more visible than is true for the gains. Loss aversion could contribute to a status-quo bias that implies a more negative attitude to trade in services than to trade in goods. The argument would be that the opening-up of trade in services, based on low-wage competition, is perceived to cause losses for the employees exposed to the increased competition that are more important than the corresponding gains for consumers. In contrast, attitudes to existing trade in goods may to a larger extent be based on the losses that consumers would suffer if such trade was restricted (rather than on the 'gains' for employees being exposed to less foreign competition).

Similar issues arise with respect to the altruistic justice concerns discussed above. It is not obvious why the negative effects of being paid less than domestic workers should count for more than the positive effects on the employment of foreign workers that are likely to arise if they are allowed to compete with lower wages. A plausible explanation is, however, that the wage differentials relative to domestic workers are more tangible than effects in the form of higher employment than would otherwise be the case.

Yet another explanation of more negative attitudes to low-wage competition in services trade, requiring the posting of foreign labour, than to such competition in goods trade could have to do with negative attitudes towards immigration in general and perceived threats to one's own group (Verkuyten and Nekuee 1999, Steele et al. 2002). Such negative attitudes towards immigration and out-groups are often implicit; that is, they influence people's judgments on subconscious levels and may therefore be difficult to measure.

Finally, it could be the case that differences in attitudes towards low-wage competition from foreign producers abroad and from temporarily present service providers in the home country may simply be related to perceptions of national sovereignty: competition from foreign service producers post-

ing workers with low wages in the home economy may be regarded as a *national* labour market issue, whereas competition from foreign firms with production abroad might be regarded as an *international* trade issue.

1.3 The aim of our study

The aim of our study is to provide a systematic empirical picture of the attitudes in Sweden to different types of low-wage trade competition within the EU. More precisely, the objectives are:

- To document to what extent attitudes to various types of trade with low-wage economies differ. We distinguish between traditional imports of goods, imports of services from foreign firms that require the temporary presence of posted workers, and offshoring (when a domestic company moves production to own production units abroad). The reason for studying offshoring as well is the attention given to this phenomenon in the debate on globalisation.
- To examine how the *general* attitudes to different types of low-wage trade competition are formed. More precisely, we study the relationship between these general attitudes (the overall evaluations of different types of trade) and *specific* attitudes regarding different dimensions. We are particularly interested in the extent to which views on low-wage trade competition reflect perceived national economic self-interest (regarding domestic employment and consumer prices) and to what extent they reflect altruistic concerns regarding the well-being of foreign workers ('fair wages' and job opportunities). A key issue is the degree of rationality in the process of forming general attitudes; that is, the extent to which the general attitude represents the aggregation of specific attitudes reflecting different effects of trade.
- To study how attitudes to the various types of trade are related to various demographic, socioeconomic and political–ideological background factors. The demographic factors include gender, age and geographical residence. The socioeconomic factors include education, trade union membership, sectoral affiliation and employment status. Political–ideological factors are captured by political party preferences and attitudes towards the EU.

The research was carried out in two stages. In the first stage, we collected data on attitudes through a telephone survey of a representative sample of Swedish respondents. The data were used to describe the attitudes to the different types of low-wage trade competition, to study the relationships between general and specific attitudes and to 'explain' both general and specific attitudes with the help of background factors. In the second stage,

we performed laboratory experiments with small groups of participants. The experiments were designed to address ‘simultaneity problems’ when studying the relationships between general and specific attitudes and the degree of rationality of the attitude formation process. Economists tend to assume that an individual’s overall valuation of trade represents the sum of the valuations of a number of different effects (reflecting the various arguments in a well-defined preference function), but it may not be so simple. It is well known from psychological research that individuals also tend to adjust their evaluations of individual properties of a phenomenon to fit in with their overall evaluation of it (Marsh and Wallace 2005). This phenomenon is sometimes referred to as ‘coherence-seeking’. It makes it difficult to explore which considerations are decisive for an individual when forming an overall view on a complex issue. Experimental studies are the best way to address this problem.

2 EARLIER ATTITUDE STUDIES

We are not aware of any earlier empirical studies of attitudes to different types of trade, and in particular to low-wage competition in services trade requiring the presence of posted workers. There are, however, a number of studies of attitudes to trade in general.

In public opinion polls on trade in general there seems to be greater support for free trade in principle than ‘in practice’ when more concrete questions are asked. For example, when the 2007 Pew Global Attitude Survey asked whether trade with other countries was good for the respondent’s own country, large majorities in all 47 countries included in the survey responded that international trade was a good thing for their countries. This stands in contrast to the high proportions of individuals in favour of limiting imports of foreign products in other studies – 55 percent in the 1995 International Social Survey Program (ISSP) data set and 60 percent in the 2000 World Values Survey (WVS) data set. In a recent study, Pew found that the majority of respondents in the US hold the view that free trade is good for the economy, but, when combined with its impact on jobs, attitudes turn negative (Horrigan et al. 2004).

A few studies have analysed the importance of economic self-interest for attitudes to trade in goods. Mayda and Rodrik (2005) used survey data from the WVS and the ISSP to relate attitudes to the two standard models of international trade: the Heckscher-Ohlin model (distinguishing between skilled and unskilled labour) and the specific-factors model (distinguishing among individuals employed in the import, export and non-tradeables sectors, respectively). Mayda and Rodrik found support in both data sets for the hypothesis that individual attitudes to trade reflect economic self-interest according to the models: for example, skilled workers had a favourable attitude to trade in high-income countries (where they are likely to gain from it), but a negative attitude in low-income countries (where they are likely to lose). It was also found that factors such as social status, relative income, values, and attachment to neighbourhood, community and nation played an important role in determining attitudes.

O’Rourke and Sinnott (2002) and Beaulieu et al. (2001) both used data from the ISSP. Like Mayda and Rodrik, O’Rourke and Sinnott found that attitudes were consistent with economic self-interest (as defined by Heckscher-Ohlin theory). They also found that attitudes of “patriotism” and “chauvinism” were strongly related to protectionist attitudes. In contrast to Mayda and Rodrik, Beaulieu et al. found that skilled workers in *both* high-income *and* low-income countries are more likely to favour trade

liberalisation than unskilled workers. A possible explanation is that education in general makes it easier to understand the aggregate gains likely to arise from trade.

Scheve and Slaughter (1998), using the 1992 National Election Studies Survey (only US data), found support for the importance of economic self-interest (again as defined by Heckscher-Ohlin theory) for attitudes towards new US trade barriers.

Turning to the attitudes of individuals with various background characteristics, most surveys (for example ISSP, WVS and Eurobarometer) show the same pattern. Mayda and Rodrik (2005), who base their analysis on the ISSP and WVS data sets, found evidence of strong effects of gender (males are more pro-trade)⁴, age (older persons are more protectionist)⁵, real income (real income is positively associated with pro-trade attitudes), citizenship (being a citizen in the country of residence implies more protectionist attitudes), political affiliation (persons with more right-wing views are more pro-trade) and social class (self-evaluated high social status has a positive impact on pro-trade attitudes). According to raw data from Eurobarometer (2007), younger and better-educated respondents, and managers and students more often hold pro-trade opinions than the rest of the population.

Several studies have used data from the Eurobarometer to examine the attitudes towards European integration in general. Jonung and Vlachos (2007) summarise the following factors as being conducive to a positive attitude to European integration: high income, high education, male gender, right-wing ideology, living close to the border, weak national identity/pride, perceived high benefits/high expectations from integration, and living in a country that suffered heavily during World War II. There is a strong overlap with the factors positively associated with pro-trade attitudes in studies of trade.

Since the posting of foreign workers to provide services represents ‘temporary immigration’, it is also relevant to look at studies of attitudes to immigration. Mayda (2005) investigated the determinants of attitudes to foreign immigrants using the ISSP and WVS data. She found that higher skills go hand in hand with more pro-immigration attitudes in countries where

⁴ See also Burgoon and Hiscox (2003) for a detailed study of the gender difference in trade policy preferences.

⁵ O’Rourke and Sinnott (2002) also found that older people are significantly less pro-trade than younger persons in the ISSP study. Other studies have found negative, but not significant, effects. These include Scheve and Slaughter (2001) and Beaulieu et al. (2002).

natives have a high skill level relative to immigrants. This is consistent with the economic self-interest of individuals if – as is usually the case in developed economies – immigrants are less skilled than natives: immigration then reduces the relative supply of skilled to unskilled labour with the consequence that the relative wage of skilled labour increases. In addition, attitudes to immigration appear to be related to such factors as labour-market concerns, security and cultural considerations, and individual feelings towards political refugees and illegal immigrants.

In a later study, Mayda (2007) compared attitudes to trade in goods with attitudes to immigration, again using data from the ISSP and WVS. Working in a non-traded goods sector was found to increase the likelihood of being pro-trade, while this did not affect attitudes to immigration. This is in line with predictions based on economic self-interest, as employees in non-traded goods sectors gain from more goods trade (which implies cheaper imports but does not threaten jobs in that sector) whereas they tend to lose from immigration (which implies more competition for jobs in that as well as in other sectors). As the labour market effects of immigration and of opening up the service sector for competition from foreign service providers with posted workers are similar, one would expect attitudes to immigration and to such trade competition to be similar in the non-traded goods sector.

3 OUR SURVEY STUDY

Data on the attitudes to different types of trade were collected from a random sample of 1000 individuals aged 18–75 years in Sweden by Pilen Affärsutveckling AB through telephone interviews during January 2007. For each individual, the data set contained information on both the general attitudes to different forms of trade with low-wage economies inside the EU and specific attitudes along various dimensions. The data set also included self-reported information on demographic, socioeconomic and political–ideological variables.

To measure attitudes to low-wage competition regarding goods trade, services trade and offshoring, the respondents were asked to rank their answers to the following questions along a five-point scale from ‘very good’ to ‘very bad’:

1. Do you think it is good or bad that firms that produce goods in the new EU countries, and that pay lower wages than firms in Sweden, can compete freely in the Swedish market?
2. Do you think it is good or bad that firms from the new EU countries that produce services, for example in construction, and that pay lower wages to workers posted in Sweden than Swedish firms, can compete freely in the Swedish market?
3. Do you think it is good or bad that Swedish firms can move production freely to the new EU countries where wages are lower than in Sweden?

One should expect a rational individual to form his *general* opinion on various forms of low-wage trade competition from the considerations of various specific aspects. We denote these considerations ‘specific attitudes’. As discussed in Section 1, they could refer to the economic self-interest of the individual himself or for a broader group of Swedes with whom the individual identifies (including Swedes in general). The individual may, on the one hand, perceive negative effects on domestic employment and, on the other hand, positive effects on the welfare of consumers due to lower prices. It is also conceivable that an individual may focus primarily on short-run adjustment costs independently of any long-run effects. We also discussed in Section 1 how an individual’s general opinion might be influenced by altruistic considerations directed towards the citizens of the new EU countries. Respondents may feel that lower wages for the workers of these countries than for employees in Swedish firms are unfair. Respondents may also acknowledge, however,

that such low-wage competition creates employment opportunities for the citizens in the new EU countries that would not otherwise occur.

All the above considerations have featured as arguments in the public debate on trade with low-wage economies. To explore their relative importance, the respondents were asked to what extent they agree or disagree with a number of statements which were repeated for the three types of low-wage competition. Giving trade in services as an example, the questions were:

Sweden can import services, for example in the construction sector, from the new EU countries, by purchasing services from firms with temporary activities in Sweden using their own posted staff. If the foreign firms pay lower wages than Swedish firms...

- a. ...it is unfair competition for Swedish workers, threatening wages and jobs here.
- b. ...it is unfair to the staff employed in the firms from the new EU countries since they receive less pay than the staff in Swedish firms.
- c. ...it is good since this implies low prices for Swedish consumers.
- d. ...it must not lead to fast changes in the Swedish labour market.
- e. ...it is good since it makes it possible for firms from the new EU countries to export services to Sweden and thereby to create more jobs for the citizens in those countries.

We refer subsequently to the above considerations as ‘unfair competition’, ‘unfair wages’, ‘low prices’, ‘not fast changes’ and ‘foreign jobs’, respectively. The respondents indicated their responses on a five-point Likert-type scale ranging from 1 for ‘strongly disagree’ to 5 for ‘strongly agree’.

3.1 Raw data on attitudes

Table 1a displays the means of the raw data, showing to what extent respondents on average agreed with the statements in the questions. Table 1b gives the same information for general attitude, ‘low prices’ and ‘foreign goods’, but for ‘unfair competition’, ‘unfair wages’, and ‘not fast changes’ the scale has been reversed (so that it is six minus the actual response). By reversing the scale for these questions, we get an indicator where a higher rating always corresponds to a more positive attitude to trade on the same 1-to-5 scale.

Table 1a: Summary data on general and specific attitudes to different types of trade (raw scores)

Attitude	Type of trade			Average
	Goods	Services	Offshoring	
General attitude	2.89 _{a, 1}	2.34 _{a, 2}	2.49 _{a, 3}	2.57 _a
Unfair competition	3.11 _{b, 1}	3.52 _{b, 2}	3.39 _{b, 3}	3.34 _b
Unfair wages	2.85 _{a, 1}	3.11 _{c, 2}	2.80 _{c, 1}	2.92 _c
Low prices	3.35 _{c, 1}	2.85 _{d, 2}	2.94 _{c, 2}	3.05 _d
Not fast changes	3.43 _{cd, 1}	3.46 _{b, 1}	3.42 _{b, 1}	3.44 _e
Foreign jobs	3.46 _{d, 1}	2.81 _{d, 2}	2.92 _{c, 2}	3.06 _d

Note: Data set from Pilen Affärsutveckling AB. Means are calculated across individuals in the sample, excluding ‘don’t know’ and missing values. Only data from individuals who answered all 18 questions are included in the calculations. Means in the same column that share a common subscript letter are not significantly different ($p > 0.05$). Means in the same row that share a common subscript number are not significantly different ($p > 0.05$).

Table 1b: Summary data on general and specific attitudes to different types of trade (reversed scores)

Attitude	Type of trade			Average
	Goods	Services	Offshoring	
General attitude	2.89 _{a, 1}	2.34 _{a, 2}	2.49 _{a, 3}	2.57 _{ac}
Unfair competition	2.89 _{a, 1}	2.48 _{b, 2}	2.61 _{b, 3}	2.66 _a
Unfair wages	3.15 _{b, 1}	2.89 _{c, 2}	3.20 _{c, 1}	3.08 _b
Low prices	3.35 _{c, 1}	2.85 _{c, 2}	2.94 _{d, 2}	3.05 _b
Not fast changes	2.57 _{d, 1}	2.54 _{b, 1}	2.58 _{ab, 1}	2.56 _c
Foreign jobs	3.46 _{e, 1}	2.81 _{c, 2}	2.92 _{d, 2}	3.06 _b
Average (excluding general attitude)	3.08 ₁	2.71 ₂	2.85 ₃	

Note: See Table 1a. Means for ‘unfair competition’, ‘unfair wages’, and ‘not fast changes’ questions have been calculated after reverse-scoring the responses to make all responses comparable. Means in the same column that share a common subscript letter are not significantly different ($p > 0.05$). Means in the same row that share a common subscript number are not significantly different ($p > 0.05$).

A number of observations can be made from the two tables:

1. Since the mid-point of the scale used is 3.0 and all the means for the general attitude (the first row of the two tables) are below this value, the results indicate a negative attitude in general towards low-wage trade competition. The average general view lies between ‘neither good nor bad’ and ‘bad’. The averages for the specific attitudes in the last row of Table 1b (using the reversed scale for ‘unfair competi-

- tion', 'unfair wages' and 'not fast changes') give a similar picture, since these are also below or around 3.0.
2. The general attitudes are more favourable to trade in goods than to trade in services and offshoring. The general attitudes to low-wage trade competition in services are most negative. All differences are significant. The pattern is the same for the averages of the specific attitudes in Table 1b. The results confirm the picture provided by the public discussion.
 3. According to the averages for all types of trade (the last column of Table 1a), respondents agree the most with the statement that trade with low-wage economies 'must not lead to fast changes in the Swedish labour market'. There is also a high degree of agreement with the statement that low-wage competition represents a threat to Swedish jobs. The overall averages are also high (above three) for the statements that imports from low-wage economies are good both because they create foreign jobs and because they imply low consumer prices. In terms of the overall averages, respondents agree the least with the statement that low wages for foreign workers are unfair.
 4. Looking at services trade only in Table 1a, the strongest agreement is with the statement that low-wage competition is unfair (3.52) (although the difference from the 'not fast changes' statement is not significant). There is also strong agreement with the 'unfair wages' argument (3.11). There is less agreement with the statements that low-wage competition in services trade is good because it creates 'foreign jobs' and implies 'low prices'.
 5. Table 1a shows that the extent of agreement with the 'not fast changes' statement is almost identical across all three types of trade. There are also, however, some interesting differences in how the statements are evaluated for the various types of trade. Table 1b shows that the specific attitudes are always most negative to trade in services. Somewhat surprisingly, the differences between trade in goods and trade in services are largest for 'foreign jobs' (0.65) and for 'low prices' (0.50). The differences are also significant for the 'unfair competition' (0.41) and 'unfair wages' (0.26) factors. The differences between trade in services and offshoring are much smaller and, in three cases, statistically insignificant. The overall picture is one where the attitudinal differences along different dimensions among the various types of trade go hand in hand.
 6. Overall, Tables 1a and 1b provide the picture that both perceived national economic self-interest ('unfair competition', 'not fast changes'

and ‘low prices’) and international altruism (‘unfair wages’ and ‘foreign jobs’) matter for attitudes to trade. Respondents tend to agree with statements reflecting both types of motives. The differences in specific attitudes among the different types of trade, and between services and goods trade in particular, also reflect both types of motives.

3.2 The relationship between specific and general attitudes

We are interested in how the overall valuations of the different types of trade (the general attitudes) are ‘explained’ by various considerations (the specific attitudes). To study this, we regressed the general attitude on the specific attitudes (all measured such that a higher score corresponds to a more positive attitude towards trade; see Section 3.1). We pooled all our observations across the types of trade. To test whether there are systematic differences in the general attitudes to the different types of trade that are unrelated to differences in the specific attitudes, we included dummy variables for the type of trade among the explanatory variables: the variable D_s for trade in services and the variable D_o for offshoring. Significance for these variables means that the general attitudes to these types of trade differ from the general attitude to trade in goods even if the specific attitudes are the same. This could indicate the importance of some omitted specific attitude: for example, a significantly negative coefficient for services trade might reflect a negative attitude towards immigration in general. We also allowed for the possibility that the specific attitudes could have differential effects on the general attitude for the different types of trade by including interaction terms between the type of trade and the specific attitudes.⁶

We ran both ordinary least squares (OLS) and ordered logit regressions (ologit).⁷ The results are displayed in Table 2. Columns one and three give the full regressions, whereas columns two and four show regressions with only significant variables remaining (chosen through stepwise backward selection).

⁶ See Garson (2009). For example, significance for $D_o \times$ ‘Not fast changes’ in Table 2 means that a change in the attitude regarding ‘not fast changes’ has a different effect on the general attitude to offshoring than for goods trade.

⁷ Ordered logit regression is an estimation method for the case of an ordinal dependent variable as here (where it takes on integer values from one to five). OLS and ordered logit estimations usually give similar results, but OLS regressions can sometimes lead to incorrect inferences. On the other hand, the OLS estimates are easier to interpret, as regression coefficients can be directly compared. We also created a binary variable to measure the general attitude to trade which we used in logit regressions. The results were not qualitatively different from those based on ordered logits. Since the observations are pooled across types of trade and each individual recurs three times in the data, the residuals can be correlated. To handle this, we estimated clustered robust standard errors in the analysis.

Table 2: The relationship between the general attitude to various types of trade (dependent variable) and specific attitudes with dummy variables for trade in services (*Ds*) and offshoring (*Do*)

	(1) OLS	(2) OLS with stepwise backward selection	(3) Ologit	(4) Ologit with stepwise backward selection
<i>Ds</i>	-0.156 (0.401)		-0.686 (0.072)	
<i>Do</i>	-0.231 (0.235)		-0.917 (0.022)	
Unfair competition	0.160 (0.000)***	0.163 (0.000)***	0.270 (0.000)***	0.294 (0.000)***
<i>Ds</i> x Unfair competition	0.009 (0.857)		0.061 (0.493)	
<i>Do</i> x Unfair competition	0.069 (0.180)	0.072 (0.035)**	0.156 (0.077)	0.130 (0.032)**
Unfair wages	0.108 (0.005)***	0.114 (0.000)***	0.178 (0.009)***	0.197 (0.000)***
<i>Ds</i> x Unfair wages	-0.025 (0.598)		-0.029 (0.738)	
<i>Do</i> x Unfair wages	0.042 (0.387)		0.089 (0.314)	
Low prices	0.280 (0.000)***	0.285 (0.000)***	0.477 (0.000)***	0.515 (0.000)***
<i>Ds</i> x Low prices	0.005 (0.922)		0.044 (0.634)	
<i>Do</i> x Low prices	0.004 (0.945)		0.071 (0.480)	
Not fast changes	0.064 (0.086)	0.054 (0.024)**	0.128 (0.042)**	0.112 (0.010)**
<i>Ds</i> x Not fast changes	-0.021 (0.672)		-0.058 (0.508)	
<i>Do</i> x Not fast changes	-0.102 (0.039)**	-0.089 (0.012)**	-0.171 (0.056)	-0.161 (0.015)**
Foreign jobs	0.303 (0.000)***	0.333 (0.000)***	0.539 (0.000)***	0.624 (0.000)***
<i>Ds</i> x Foreign jobs	0.051 (0.337)		0.153 (0.111)	
<i>Do</i> x Foreign jobs	0.022 (0.676)		0.077 (0.420)	
Constant	-0.057 (0.728)	-0.216 (0.004)***		
Observations	2565	2565	2565	2565
R-squared	0.386	0.384		

Note: Robust p-values in parentheses. * significant at 10 percent level.; ** significant at 5 percent level; *** significant at 1 percent level.

The regression results in Table 2 can be summarised as follows.

All the five specific attitudes are significantly correlated with the general attitude. If we were to interpret the relationship as a causal one, this would imply that the five types of considerations reflected by these specific attitudes all influence the individual's overall valuation of the type of trade. Now, things may not be that simple, as it is possible that individuals also adjust their specific attitudes once they have decided on their overall valuation. This possibility is analysed in Section 4.

The intercept dummies for trade in services and offshoring are both negative in the full OLS and ordered logit regressions (columns one and three). However, the intercept dummies are significant only in the full ordered logit regression (with a larger effect and a higher significance level for offshoring than for services trade), but not in the other three regressions. So, there is some evidence in favour of an extra negative valuation of services trade and offshoring relative to goods trade over and above that explained by differences in the specific attitudes, but it is rather weak.

The interaction terms always turn out insignificant for services. This implies that the specific attitudes are related to the general attitude in the same way for trade in services and trade in goods. For offshoring the interaction terms are significant in a few cases.

If we take the regression results at face value, we can ask which of the differences in the specific attitudes between the various types of trade contribute the most to the differences in the general attitudes. This is illustrated in Table 3, where we use the OLS regression in column two of Table 2 to decompose the average differences in the general attitudes among the different types of trade in Table 1b. The third column of Table 3, which repeats the coefficients from the OLS regression, shows that a one unit difference in the specific attitude regarding 'foreign jobs' and 'low prices' has the largest 'impact' on the general attitude (0.333 and 0.285, respectively). It is also for these attitudes that the differences in specific attitudes are the largest between goods and services trade: 0.65 and 0.50 respectively (the first column in Table 3). As a consequence, it is differences in these two specific attitudes that account for most of the difference in general attitude between these two types of trade (the product of the regression coefficient and the difference in specific attitudes): 40 percent for 'foreign jobs' and 25.4 percent for 'low prices' (column five in Table 3). Differences in concerns over 'unfair competition' and 'unfair wages' play a role, though a somewhat small one, accounting in this assessment for only 12.7 and 5.4 percent of the difference in the general attitudes. Attitude differ-

Table 3: The contribution of the differences in specific attitudes to the differences in general attitudes between different types of low-wage trade competition

Variables	Mean difference		OLS coefficient	Explained difference: Goods vs Services		Explained difference: Goods vs Offshoring	
	Goods - Services	Goods - Offshoring		Mean difference x Coefficient	Percent	Mean difference x Coefficient	Percent
General attitude	0.55	0.40					
Unfair competition	0.41	0.28	0.163	0.07	12.7	0.05	12.5
Do x Unfair competition			0.072			0.02	5.0
Unfair wages	0.26	-0.05	0.114	0.03	5.4	-0.01	-2.5
Low prices	0.50	0.41	0.285	0.14	25.4	0.12	30.0
Not fast changes	0.03	-0.01	0.054	0.00	0.0	-0.00	0.0
Do x Not fast changes			-0.089			0.01	2.5
Foreign jobs	0.65	0.54	0.333	0.22	40.0	0.18	45.0
Total				0.46	83.5	0.37	92.5

Note: Reversed means for average general and specific attitudes to the different types of trade from Table 1 have been used in the calculations. Regression coefficients are from the OLS regression in column two of Table 2.

ences concerning ‘not fast changes’ account for almost nothing. The picture is similar for goods trade versus offshoring. On the whole, the regression analysis thus confirms the conclusions from the analysis of the means of raw data in Table 1b.

3.3 The relationship between attitudes and various demographic, socioeconomic and political–ideological variables

The next step is to study the relationships between, on the one hand, attitudes and, on the other hand, various demographic, socioeconomic and political–ideological variables. Our interest is twofold. First, we are interested in what background variables shape an individual’s attitudes to trade. Second, we want to explore whether the result that attitudes are more negative to trade in services (and offshoring) than to trade in goods is also robust when we control for such background variables. We examine the determinants of both the general and the specific attitudes.

The *demographic* variables studied are:

- a. *Age*. As discussed in Section 2, there is some evidence that younger persons are more pro-trade in general than older persons. A possible explanation is that younger persons can adapt more easily to structural change than older persons: the attitudinal differences could then be expected to be larger for trade in services and offshoring, which might induce larger structural changes in the future, than for trade in goods, where adjustments may to a larger extent already have taken place.
- b. *Gender*. Many empirical studies have found that males are more positive towards trade than females. It has been suggested that this could depend on a generally weaker labour-market position of females (Mayda and Rodrik 2005). An alternative (genetic or cultural) explanation could be that men normally have more ‘competitive’ attitudes than women and might therefore find trade competition more to their liking.
- c. *Geographical residence*. As job opportunities are more plentiful and diverse – facilitating labour mobility if trade causes structural change – in cities than in small towns and the countryside, geographical residence is likely to affect attitudes to trade. City dwellers could be expected to be more pro-trade in general than the rest of the population. They might also travel more and have a more ‘internationalist outlook’.

We look at the following four *socio-economic* factors:

- a. *Education*. The level of education is commonly used as a proxy for skill level to test the Heckscher–Ohlin model of trade. Since the model predicts that trade with low-wage economies reduces demand for low-skilled labour but increases it for high-skilled labour, individual economic self-interest motivates a more positive attitude to such trade, the higher the level of education. An alternative argument would instead stress that higher education (especially in economics) might make it easier to assess the gains from trade, since this does require understanding of both direct effects and indirect general-equilibrium effects.
- b. *Trade union membership*. We distinguish between membership in unions belonging to three separate central trade union confederations: LO (blue-collar workers), TCO (white-collar workers) and SACO (persons with a university or college education). This variable might to

a considerable degree reflect the level of education.⁸ However, as LO and TCO have been much more critical to the posting of foreign workers not covered by Swedish collective agreements than SACO, one should also for this reason expect their members to be more negative to such low-wage trade competition than the members of SACO.

- c. *Employment status.* Students might be expected to have a more positive attitude to trade in general than other groups, as they have not yet chosen an occupation and can therefore more easily adjust to structural changes. Retired people might also be more positive, as they cannot personally be affected by the restructuring of jobs. On the other hand, older people might be more conservative-minded in general. Unemployed persons have a more precarious labour market situation than employed persons and might for this reason be more negative to trade in general than other groups. Entrepreneurs could be thought to be more flexibly minded than employees and might therefore also be more pro-trade.
- d. *Sectoral affiliation.* If attitudes are determined by individual economic self-interest, we would expect employees in goods-producing sectors to be more negative towards low-wage competition in goods trade (and to offshoring) than to low-wage competition in services trade. For the same reason, one would expect service-sector employees to be more negative to trade competition for services than to such competition for goods (and to offshoring). However, to the extent that the choice of sector to work in reflects differences in the attitudes to risks of temporary unemployment and to job mobility – assuming that these risks are larger, the greater the exposure to trade – one could hypothesise that service sector employees are more negative towards trade competition in general than employees in traditional tradeables sectors. Work in a traditional non-tradeables sector might also give a less ‘internationalist outlook’ than work in a sector exposed to international competition.

Finally, political ideology can be expected to covary with the attitude to low-wage trade competition. As political attitudes may differ among individuals with otherwise similar characteristics, it makes sense to also run regressions in which we try to control for such differences. We look at the following two variables:

⁸ The rank-biserial correlation between education and trade union membership status is -0.50 ($p < 0.001$) for LO membership, 0.16 ($p < 0.01$) for TCO membership, 0.55 ($p < 0.001$) for SACO membership, -0.04 (ns) for membership of other unions, and 0.03 (ns) for no union membership.

- a. *General political attitude.* A more ‘right-wing’ political attitude is expected to go hand in hand with a more positive view of market competition in general and thus also of low-wage trade competition.
- b. *General attitude towards the EU.* More EU-positive persons could be expected to have a more favourable view of trade competition in general.

The main reason for including the political variables is to test for the robustness of the results in a similar way as in other studies. It is not obvious how the variables should be interpreted. For example, the general attitude to the EU may to some extent measure the same thing as the general attitude to low-wage competition from other EU countries, as the EU is very much about free trade. Those who favour European political integration may also accept more trade competition within the EU as the price of such integration.

General attitudes

Table 4 shows regressions with the general attitude to the three types of trade as the dependent variable. Again we show both OLS and ordered logit regressions (columns one–four and five–eight, respectively). We report regressions where only significant variables have been kept. As in Table 2, data for the various types of trade have been pooled and the possibility of systematic differences between the trade types is examined by way of dummy variables. Age, gender, residence and education have been tried in all specifications. In columns one and five employment status has been added; in columns two and six trade union affiliation; in columns three and seven employment status and political attitudes; and in columns four and eight both trade union affiliation and political attitudes.⁹ We have also systematically tested for interaction between the included background variables and the type of trade.

The OLS and order logit regressions give very similar results. The results can be summarised as follows.

The intercept dummy variable for low-wage trade competition for services, *D_s*, is significantly negative in all of the eight regressions shown. So, the result from the simple comparison of raw averages in Table 1b – that attitudes to low-wage competition are more negative for services trade than for goods trade – survives when we control for various background factors.

⁹ Employment status and trade union affiliation cannot be included in the same specification, since only employed respondents stated their trade union affiliation in the survey.

The intercept dummy variable for offshoring, *Do*, is also always significantly negative.¹⁰

As in other studies, males are generally more positive to trade than females: the variable ‘male’ is significantly positive in all eight regressions. There is, however, a significant *negative* interaction between services trade and male in five of the eight specifications. This indicates that the attitudinal difference between males and females is smaller for trade in services than for the other types of trade. A plausible explanation could be that the opening up of the service sector for low-wage competition in the EU has so far mainly concerned the building sector, where female employment is low.¹¹

Age matters in some specifications. The results are not, however, very robust: in some regressions younger persons are more positive towards trade than older persons; in some regressions the reverse holds true.¹²

We find support for the hypothesis that a higher education is associated with a more positive attitude to trade in general. The education variable is significantly positive in all eight specifications. Education does not seem to affect attitudes to trade in goods and to trade in services in different ways; however, the interaction term between education and offshoring is significantly positive in five specifications, indicating that persons with higher education are more positive to offshoring than to both goods and services trade.

The variable ‘city’ is significantly positive in three specifications, indicating that city people are more pro-trade than people living in small towns or the countryside.

Membership of a trade union belonging to LO (the confederation of blue-collar worker unions) is negative and significant in all four specifications

¹⁰ In the OLS regressions the coefficient for the intercept dummy for offshoring, *Do*, is always more negative than the coefficient for the intercept dummy for services, *Ds*. This might seem to contradict the results from Table 1b, where the average valuation is more negative for services than for offshoring. There is no contradiction, however, as the coefficients for the interaction terms involving *Do* are more positive than the coefficients for the interaction terms involving *Ds* in columns one–four of Table 4.

¹¹ In contrast, two of the regressions show larger attitudinal differences between males and females for offshoring than for goods trade.

¹² A positive sign implies that younger persons are more positive than older. When both age and age squared are included in the regression equation (columns one and five), we calculated the net effect. It is negative in both cases. The positive coefficient for the interaction term between offshoring and age indicates that young people are more positive towards offshoring than older people.

Table 4: The relationship between the general attitude to different types of trade (dependent variable) and demographic, socio-economic and political-ideological variables with dummy variables for trade in services (*Ds*) and offshoring (*Do*)

	(1) OLS Employment status	(2) OLS Trade union membership	(3) OLS Employment status + Political attitude	(4) OLS Trade union membership + Political attitude	(5) Ologit Employment status	(6) Ologit Trade union membership	(7) Ologit Employment status + Political attitude	(8) Ologit Trade union Membership + Political attitude
<i>Ds</i>	-0.605 (0.000)***	-0.539 (0.000)***	-0.593 (0.000)***	-0.542 (0.000)***	-0.836 (0.000)***	-0.769 (0.000)***	-0.846 (0.000)***	-0.829 (0.000)***
<i>Do</i>	-0.814 (0.000)***	-0.782 (0.000)***	-1.142 (0.000)***	-0.695 (0.000)***	-1.802 (0.000)***	-1.206 (0.000)***	-1.965 (0.000)***	-1.116 (0.000)***
Age squared	0.000 (0.052)				0.000 (0.073)			
Age	-0.038 (0.063)			0.007 (0.066)*	-0.047 (0.091)	0.010 (0.064)		0.015 (0.012)**
<i>Do</i> x Age			0.007 (0.027)**		0.008 (0.034)**		0.017 (0.001)***	
Male	0.360 (0.000)***	0.462 (0.000)***	0.378 (0.000)***	0.470 (0.000)***	0.448 (0.000)***	0.616 (0.000)***	0.510 (0.000)***	0.668 (0.000)***
<i>Ds</i> x Male		-0.215 (0.023)**		-0.247 (0.022)**		-0.390 (0.007)***		-0.407 (0.016)**
<i>Do</i> x Male	0.170 (0.033)**				0.279 (0.015)**			
City	0.111 (0.099)	0.172 (0.043)**				0.231 (0.065)		
Education	0.185 (0.000)***	0.114 (0.013)**	0.087 (0.013)**	0.114 (0.008)**	0.271 (0.000)***	0.148 (0.025)**	0.169 (0.000)***	0.171 (0.007)**
<i>Do</i> x Education	0.104 (0.004)***	0.115 (0.010)**	0.073 (0.084)		0.173 (0.001)***	0.179 (0.008)**		
Entrepreneur	0.590 (0.000)***		0.330 (0.010)**		0.797 (0.000)***		0.452 (0.016)**	
Student	0.373 (0.006)***		0.474 (0.000)***		0.509 (0.004)***		0.805 (0.000)***	

where the variable is entered. Membership in a trade union belonging to TCO (the confederation for white-collar workers) is negative and significant in two regressions, but becomes insignificant when political–attitude variables are included. Membership of an LO union is associated with a more negative attitude to trade than membership of a TCO union. No interaction terms were found to be significant, so membership of an LO or a TCO union appears to be associated with a significantly more negative attitude to low-wage trade competition in general, but not with a more negative attitude to low-wage trade competition in the service sector than to other types of low-wage trade competition.

The control group in terms of employment status is ‘employed’. Since the dummy variables for entrepreneurs and students are both significantly positive, the implication is that these groups have a more favourable attitude to trade in general than the employed, as we hypothesised. In two specifications, the dummy variables for the unemployed are significantly negative, which is also as expected. The interactions between employment status and type of trade do not follow any expected pattern. On the one hand, both students and the retired are more negative to offshoring than to the other types of trade, but on the other hand the unemployed are more positive to services trade and offshoring than goods trade.

Finally, as expected, both a right-wing political attitude and an EU-friendly attitude are associated with positive attitudes to trade in general. These political–ideological variables do not appear to influence attitudes to services trade and to goods trade differently.¹³

Table 5 shows regressions where sectoral affiliation is included together with a set of the variables (not shown) from Table 4. We have aggregated individual sectors into a traditional non-tradeables sector (including construction, hotels and restaurants, the public sector, health, and education) and a tradeables sector (including agriculture/forestry/fishing, manufacturing, transport, retail/wholesale trade, finance, and other services). We found employment in the non-tradeables sector to be associated with a more *negative* attitude towards *all* types of trade than employment in the tradeables sector.¹⁴ The interaction effects were found to be insignificant, so there was no evidence that sectoral affiliation had differential effects depending on the type of trade. These results do not square with the idea

¹³ The political–ideological variables do, however, seem to influence the attitudes to offshoring more strongly than the attitudes to trade in goods and in services (five cases of positive significance for the interaction between political attitudes and offshoring).

¹⁴ This result is opposed to that of Mayda (2007), who found that working in a non-traded goods sector increases the likelihood of being pro-trade. See Section 2.

Table 5: The relationship between the general attitude to different types of trade (dependent variable) and sectoral affiliation

	(1) OLS	(2) Ologit
Ds	-0.481 (0.244)	-1.011 (0.106)
Do	-0.737 (0.083) [*]	-1.374 (0.031) ^{***}
Non-tradeables sector	-0.232 (0.049) ^{***}	-0.311 (0.058) [*]
Ds x Non-tradeables sector	0.117 (0.362)	0.147 (0.433)
Do x Non-tradeables sector	0.080 (0.546)	0.073 (0.709)
Demographic and socio-economic controls	Yes	Yes
Political–ideological attitude controls	Yes	Yes
Constant	2.527 (0.021) ^{***}	
Observations	1581	1581
R-squared	0.231	

Note: The dependent variable is the general attitude to trade. Control variables not reported are age, age squared, gender, residence, education, political attitude and attitude towards the EU. The non-traded goods sector is defined as construction, hotels and restaurants, public sector, health and medical care, and education. The control group is defined as agriculture/forestry/fishing, manufacturing, transport, retail/wholesale trade, finance and other services. See also Table 4.

that attitudes are motivated mainly by individual economic self-interest, as in this case employees in the non-tradeables sector ought to be more negative to services trade than to goods trade and offshoring. The results are more in line with the hypotheses that those working in the non-tradeables sector have chosen to do so because of a preference for lower unemployment risk/lower mobility or that these employees acquire less trade-friendly attitudes than employees in the tradeables sector.

Specific attitudes

We next studied the relationship between the specific attitudes and the various demographic, socioeconomic and political–ideological variables. We ran similar regressions as in Table 4 for each specific attitude. The results of the OLS regressions are displayed in Table 6. Ordered logit regressions gave similar results and are reported in the Appendix.

Table 6: The relationships between specific attitudes (dependent variable) and demographic, socio-economic and political-ideological variables with dummy variables for trade in services (*Ds*) and offshoring (*Do*)

	(1) Unfair competition	(2) Unfair wages	(3) Low prices	(4) Not fast changes	(5) Foreign jobs
<i>Ds</i>	-0.180 (0.087) ^{***}	-1.217 (0.003) ^{***}			-1.221 (0.000) ^{***}
<i>Do</i>	-0.671 (0.001) ^{***}	-1.000 (0.022) ^{**}	-0.494 (0.000) ^{***}	-0.566 (0.002) ^{***}	-0.545 (0.000) ^{***}
Age squared		-0.000 (0.001) ^{***}	0.000 (0.059) [†]		
Age					
<i>Ds</i> x Age		0.018 (0.002) ^{***}	-0.012 (0.000) ^{***}		0.009 (0.085) [†]
<i>Do</i> x Age		0.011 (0.084) [†]			
Male	0.487 (0.000) ^{***}	0.462 (0.000) ^{***}	0.234 (0.006) ^{***}	0.312 (0.001) ^{***}	
<i>Ds</i> x Male	-0.323 (0.011) ^{**}			-0.212 (0.014) ^{**}	
City		0.290 (0.019) ^{**}			
<i>Ds</i> x City		-0.356 (0.012) ^{**}	0.219 (0.053) [†]		
<i>Do</i> x City		-0.274 (0.063) [*]			
<i>Do</i> x Education	0.115 (0.056) [†]	0.186 (0.002) ^{***}		0.153 (0.015) ^{**}	
LO	-0.467 (0.000) ^{***}	-0.308 (0.007) ^{**}		-0.280 (0.015) ^{**}	
<i>Do</i> x LO	0.276 (0.041) ^{**}				
TCO				-0.241 (0.038) ^{**}	-0.212 (0.027) ^{**}
<i>Ds</i> x TCO	-0.436 (0.002) ^{***}	-0.259 (0.083) [†]			
<i>Do</i> x SACO				-0.342 (0.045) ^{**}	
EU-positive	0.396 (0.000) ^{***}	0.315 (0.003) ^{***}	0.500 (0.000) ^{***}		0.631 (0.000) ^{***}
<i>Do</i> x EU-positive				0.212 (0.090) [†]	
Right wing	0.305 (0.004) ^{***}	0.341 (0.002) ^{***}	0.554 (0.000) ^{***}		0.416 (0.000) ^{***}
Constant	2.440 (0.000) ^{***}	3.095 (0.000) ^{***}	2.444 (0.000) ^{***}	2.640 (0.000) ^{***}	2.950 (0.000) ^{***}
Observations	1289	1285	1294	1233	1283
R-squared	0.145	0.145	0.183	0.035	0.177

Note: Method of estimation: OLS with stepwise backward selection. See also Table 4.

Controlling for the background variables, the specific attitudes regarding ‘unfair wages’, ‘foreign jobs’ and ‘unfair competition’ are less favourable to low-wage trade competition in services trade than to such competition in goods trade: the *Ds* dummy variable is significantly negative in these cases.¹⁵ For offshoring all the specific attitudes are more negative than for goods trade.

As in Table 4, there is a positive association between pro-trade attitudes and male gender, right-wing political preferences and a pro-EU view. There is a negative association with trade union membership of LO and TCO but not with membership of a SACO union (except in one regression for offshoring). The following observations can also be made:

- Males are more pro-trade than females regarding all the specific attitudes except ‘foreign jobs’. This is in line with the view that males are generally less altruistic than females. Interestingly enough, the attitudinal differences between males and females are smaller for trade in services with regard to ‘unfair competition’ and ‘not fast changes’. This might reflect the possibility that males worry more about the threat to their own jobs from low-wage competition in services trade than from such competition in goods trade and from offshoring.
- LO and TCO memberships are associated with negative attitudes to trade competition. For LO members this applies to trade in general for ‘unfair competition’, ‘unfair wages’ and ‘not fast changes’. TCO members have more negative attitudes to trade in general than non-union members regarding ‘not fast changes’ and ‘foreign jobs’. For LO members, attitudes do not differ between services trade and goods trade more than for non-unionised persons and SACO members, whereas they do for TCO members regarding ‘unfair competition’ and ‘unfair wages’ (negative and significant interaction effects). These results again suggest that both economic self-interest (threat of job loss) and altruistic considerations (unfair to pay foreign workers less than domestic workers) are important for attitudes to low-wage trade competition, and especially so for services.¹⁶

¹⁵ In the ordered logit regressions in the appendix, the *Ds* dummy variable is also significantly negative for ‘low prices’.

¹⁶ The ordered logit estimations in Table 9 in the appendix give similar, but not identical, results. There, both LO and TCO members have a more negative attitude to low-wage trade competition in general than non-unionised persons and SACO members regarding ‘not fast changes’. LO members have a more negative attitude regarding ‘unfair wages’ in the case of services. SACO members make a more negative evaluation of the ‘not fast changes’ argument regarding offshoring than non-unionised people.

- Right-wing attitudes and generally EU-positive views are associated with more pro-trade specific attitudes except for ‘not fast changes’. Differing political attitudes, however, do not seem to influence the relative evaluation of the different types of trade much.¹⁷

3.4 Conclusions from the survey study

To sum up, the respondents in our survey study indicated their general attitudes to different types of low-wage trade competition as well as their specific attitudes to various aspects of it. The specific attitudes were measured by the respondents’ extent of agreement with statements that trade with low-wage countries represents ‘unfair competition’, that it is bad because foreign workers are paid ‘unfair wages’, that it gives benefits in terms of ‘low consumer prices’, that ‘it must not lead to fast changes’ and that it is good because it provides ‘foreign jobs’. The survey answers confirmed our prior belief that attitudes are indeed more negative to low-wage competition in services trade than to such competition in goods trade. This holds both for the general attitude and for all the specific attitudes except ‘not fast changes’. These results emerge both when we look at simple means for the different types of trade and when we control for various demographic, socio-economic and political–ideological factors.

Taken at face value, our survey supports the view that both perceived national economic self-interest (encompassing both the individual herself and/or the in-group with which she identifies; that is, a larger group of Swedes or Swedes in general) and international altruistic concerns shape individuals’ general attitudes to different types of trade. Both the ‘unfair competition’ argument (perceived national economic self-interest) and the ‘unfair wages’ argument (international altruism) receive more support for services trade than for goods trade.

Looking at demographic, socio-economic and political–ideological background variables, we find that being male, having a higher level of education, being a member of a trade union for persons with an academic education (belonging to SACO), living in a city, being a student or an entrepreneur, having right-wing and EU-positive political attitudes all are conducive to pro-trade attitudes in general. Employment in the traditional non-tradeables sector is conducive to a negative attitude to low-wage trade

¹⁷ For services, the only significant interaction effect for political attitudes applies to ‘unfair competition’ in the ordered logit regressions in the appendix: the implication is that right-wing persons do not only see this as a weaker argument against trade in general than left-wing persons, but that they see it as an even weaker argument in the case of services.

competition in general, but not to a more negative attitude to such competition for services. This is difficult to explain with individual economic self-interest; a more plausible explanation is that persons with preferences for low unemployment risk/low job mobility may self-select into the non-tradeables sector or that employment there may lead to a less 'internationalist outlook'.

The background variables seem to matter more for the attitude to low-wage trade competition in general than for differences in attitudes among different types of trade. There are just a few exceptions. One is that the attitudinal differences between services trade and goods trade are smaller for males than females. For members of unions belonging to TCO (white-collar workers) the attitudinal differences between service trade and goods trade are larger than for others when it comes to both the 'unfair competition' and 'unfair wages' considerations.¹⁸

When estimating the relationship between the general attitude to the various types of trade and the five specific attitudes, all of them turned out to be significant. Using such a regression to account for the average difference between the general attitudes to services and the general attitudes to goods trade, the most important specific attitudes turned out to be 'foreign jobs' and 'low prices'. Differences in the specific attitudes to 'unfair competition' and 'unfair wages' also played a role, but a smaller one. The high correlation among all the attitudes raises the question of direction of causality; that is, to what extent the specific attitudes determine the general attitude and to what extent the general attitude may affect the specific attitudes. This is the subject of the next section.

¹⁸ In the regressions the background variables matter for general as well as specific attitudes to trade. These results are consistent with several interpretations of causality. There could be a causal link from background variables to specific attitudes, which in turn determine general attitudes. Another possibility is that the background variables cause both specific and general attitudes and that there in addition is a two-way causation between specific and general attitudes, in which case the specification can be interpreted as a reduced form.

4 THE EXPERIMENTAL STUDY

For an economist the natural assumption is that an individual's general evaluation of a particular type of trade is derived from a number of specific considerations. More specifically, the assumption would be that an individual calculates the utility of that type of trade using a well-defined utility function with a number of arguments corresponding to the various specific attitudes. Such 'rational' formulation of general attitudes has also been analysed in psychology by, for example, Fishbein (1963), Anderson (1971), and Fishbein and Ajzen (1975).¹⁹ However, an individual who has formed an overall view on an issue may also try to justify this view by adjusting specific attitudes to fit in with this overall evaluation. If so, we may also have reverse causation in the regressions in Section 3.2, which makes it difficult to interpret the results.

One group of theories postulates that people form a general attitude based on a positive or negative evaluation of an object, and that more specific attitudes, beliefs or arguments about that object are constructed from this general attitude (Marsh and Wallace 2005, Eagly and Chaiken 2007). Attitudes are then seen as stable trait-like constructs that guide people's evaluation and behaviour in different contexts. Judgments in specific situations are formulated in such a way that they do not contradict this general attitude.

Psychological research on decision-making and attitudes has shown that people adjust their attitudes and behaviour in search for consistency (Festinger 1957, Abelson 1959, Rosenberg 1960). For example, Festinger (1957) assumed that incongruence in attitudes makes people change either their attitudes or behaviour to reduce dissonance. Recent research indicates that this dissonance reduction already happens in the preliminary decision processes in which people try to positively differentiate the favoured alternative from competing alternatives (Montgomery 1983, Svenson 1996). Simon and colleagues (Holyoak and Simon 1999, Simon et al. 2008) have conducted a number of experiments to examine how people change or maintain their arguments in favour of or against certain alternatives before and after they have reached a decision. Their findings show that people seek maximum consistency among the underlying inferences when making decisions based on complex, but ambiguous, information; this tendency has been labelled 'coherence-seeking'.

¹⁹ See Eagly and Chaiken (1993) for a review.

To study the importance of coherence-seeking for the attitudes to low-wage trade competition in the service sector, we devised a controlled experiment. In a first stage (pre-test) the participants were asked about their specific attitudes concerning different dimensions of the issue without being informed that they were later to be asked to take an overall stand. To conceal the overall issue at this stage, the questions on low-wage trade competition were mixed with questions about other labour market issues. In a second stage the participants were asked to indicate their general attitude to low-wage trade competition for services. In the third and final stage, the respondents were again asked to state their specific attitudes regarding various dimensions of the issue (post-test).

The purpose of the experiment was to examine to what extent the respondents adjusted their specific attitudes after they expressed their general attitude. This can be seen as a study of how rational individuals are when forming their general attitudes to trade in services. We also wanted to separate attitudes that are more stable or trait-like from other attitudes that are context-dependent and constructed on the spot. The aim was to explore what fundamental considerations determine the overall views on low-wage trade competition for services.

4.1 The design of the experiment

For the two questionnaires we chose six specific attitude areas. Each specific attitude was measured by two arguments from opposite perspectives: one in favour of free low-wage competition (subsequently denoted ‘free competition’), the other opposed to such competition (subsequently denoted ‘wage regulation’). In the questionnaire, the arguments for each side were parallel in form so as to encourage participants to align and compare the conflicting arguments for each specific attitude. The specific attitudes and arguments chosen were as follows:

1. *Competition*
 - Wage regulation: low-wage competition is unfair;
 - Free competition: low-wage competition is fair.
2. *Long-term consequences for exporting country*
 - Wage regulation: exporting country will remain in a trap with low-wage production;
 - Free competition: low-wage exports will create job opportunities and stimulate economic growth.
3. *Long-term consequences for importing country*
 - Wage regulation: low-wage competition will cause business closings as well as long-term stagnation and unemployment;

- Free competition: some firms will disappear but other more efficient ones will replace them.

4. *Low import prices*

- Wage regulation: cheap low-wage imports are bad because they build on the exploitation of foreign employees;
- Free competition: low-wage imports are good because they imply low prices.

5. *Low-wage work abroad*

- Wage regulation: low-wage work abroad represents exploitation of workers;
- Free competition: low-wage work abroad provides the individual with an opportunity to develop and learn from other countries.

6. *Historical development*

- Wage regulation: stable employer–employee relations are the prime cause of growth;
- Free competition: international competition and free trade are the prime causes of growth.

Again, the specific attitudes reflect both perceived national economic self-interest and international altruism. The ‘competition’, ‘long-term consequences for importing country’ and ‘historical development’ arguments all represent perceived national economic self-interest. The ‘long-term consequences for exporting country’ and ‘low-wage abroad’ arguments reflect altruistic considerations vis-à-vis other countries. The wage regulation perspective of the ‘low import prices’ question reflects international altruism (‘exploitation of foreign workers’) and the free competition perspective represents economic self-interest (‘low prices’).

The set-up of the experiment

The questions about the specific attitudes in the pre-test were asked ‘in isolation’, without the participants having been informed about the purpose of the experiment. The pre-test questionnaire was presented as a survey of attitudes and beliefs regarding ‘business, labour markets, consumption and trade’. In addition to the six questions about attitudes to trade competition, the questionnaire contained six neutral questions covering other issues as filler items. Each specific attitude question was presented in a context involving a scenario about a company, region or individual.

After completion of the pre-test questionnaire, the participants were distracted by having to work on a filler task involving six logical questions from the Swedish College Entrance Test (‘Högskoleprovet’). In the next step, the respondents were asked to take a general stand regarding low-

wage competition from foreign service providers with posted workers. The participants were presented with two constructed ‘debate articles’: one arguing in favour of such low-wage competition and one arguing against. In line with the original paradigm used by Simon and colleagues (Holyoak and Simon 1999, Simon et al. 2008), this design ensured that, before stating their general attitudes, all participants were provided with balanced information representing the opinions of both sides. The debate articles contained arguments reflecting the specific attitudes asked about in the two questionnaires. The articles were balanced in such a way that every argument in one article had a counterargument in the other.²⁰ Participants were instructed to assess which article best corresponded to their attitudes. After the respondents had taken a general stand, they were presented with the post-test questionnaire. It contained questions regarding the same specific attitudes as in the pre-test questionnaire, but the questions were now embedded in the context of the debate on low-wage trade competition in the service sector.

The difference between the pre-test and the post-test can be illustrated by the questions regarding the long-term consequences of import competition. In the pre-test, this attitude was measured by the following questions:

In a small town there is a large firm and a number of smaller firms. Both the large firm and the smaller firms compete with foreign firms. The large firm dominates the local labour market: the majority of the labour force in the town works there. Recently, the large firm has been unable to compete successfully with foreign firms. This has finally resulted in a decision to close down the entire business. What is your forecast of the town’s future development?

- a. The situation enables the town to focus on the activities for which it is best suited. New businesses can be established and the smaller firms can expand. This leads to high long-term growth. (Free competition argument.)
- b. The situation is the start of a negative spiral with low wage growth and high unemployment. The consequence will be stagnation and low long-term growth. (Wage regulation argument.)

In the post-test, the same attitude was measured via the following options:

- a. Free trade in services with low-wage competition implies that some Swedish firms will have to close down. But other companies

²⁰ To ensure that we gave each position a fair treatment, we checked with proponents of the two positions in Swedish labour market organisations that they felt this to be the case.

will then expand and new businesses will be established. Long-term growth will be higher because we can concentrate on activities where we have a high competence. (Free competition argument.)

- b. Free trade in services with low-wage competition leads to low wage growth and high unemployment in Sweden. This will cause stagnation and low long-term growth. (Wage regulation argument.)

All specific attitudes were measured on an 11-point rating scale (from –5 to 5), with the endpoints labelled ‘Do not agree at all’ to ‘Agree fully’, where 0 indicated neutrality.

The post-test questionnaire ended with questions on background variables (gender, age) and questions on the extent to which respondents identified with different groups. The identification subjects were: workers who might lose their jobs, workers who might find a job, workers who could work abroad, countries that might lose in terms of welfare, countries that might gain in terms of welfare, consumers and trade unions.

The order of questions and the order of debate articles was counter-balanced across the participants.

Participants

There were 125 participants (76 women and 44 men) in the experiment. They consisted of three different groups:

1. Passport applicants waiting at the Passport Office in Stockholm (23 women, 19 men and 5 persons with missing gender). These participants were compensated with two lottery tickets.
2. Undergraduate students at the Department of Economics, Stockholm University (12 women and 21 men). The students were given a free lunch.
3. Undergraduate students at the Department of Psychology, Stockholm University (41 women and 4 men). These students were rewarded with course credit (participation in a preannounced number of experiments is required to satisfy course requirements at the department).

4.2 Results

To analyse the specific attitudes and their patterns of change, we distinguished between two attitude groups based on the participants’ general attitudes to low-wage trade competition in service provision (captured by which debate article was preferred). The group preferring the article in favour of such trade competition is henceforth labelled the ‘free competi-

tion group'. The group preferring the article arguing against such trade is labelled the 'wage regulation group'.

For each specific attitude and respondent, we computed a score that provided an index of how positive the respondent was to low-wage trade competition. The ratings for the questions asked from the wage regulation perspective were reversed and the score for each specific attitude was calculated as the mean of the ratings for the two arguments that assessed each specific attitude. The scores (after reversing and averaging) ranged from -5 (maximum support for the wage regulation view) to +5 (maximum support for the free competition view) with 0 indicating neutrality.

Distribution of attitudes

Seventy participants (56 percent) preferred the wage regulation debate article, whereas 55 participants (44 percent) favoured the free competition article. The close to 50 percent split between the articles implies that they were approximately similar in terms of the persuasiveness of the presented arguments.

Seventy percent of the participants rated their confidence in their debate article preference from moderate to high (rating 3-5 on a 5-point scale). Nine percent rated their confidence low (from 0-1 on the 5-point scale). The confidence levels were approximately the same for the two groups.

The results in Section 3.3 indicated gender differences in the attitudes to low-wage trade competition. We could not, however, find any support for this in our experiment data. The participant group at the Department of Economics was - not very surprisingly as this is in line with what economics students are taught - most positive to low-wage trade competition and the students at the Department of Psychology the least positive. This is illustrated in Table 7, which shows the average scores over all the specific attitudes for the three subgroups in both the pre-test and the post-test.

Change in averaged attitude from pre-test to post-test

Figure 1 presents the mean scores over all the specific attitudes in the pre-test and the post-test, respectively, plotted separately for the free competition and the wage regulation groups. The free competition group was clearly positive to low-wage trade competition in the pre-test (mean score = 2.04). The wage regulation group, too, was positive in the pre-test, but only weakly so (mean score = 0.36). In line with our hypothesis of coherence-seeking, the (average) difference in specific attitudes between the two groups widened after the respondents had expressed their general attitudes. In the post-test, the free competition group was even more posi-

Table 7: Mean scores in the free competition and wage regulation groups by sub-sample

	Pre-test	Post-test	Average	Percent in favour
Psychology students				
Wage regulation	0.73	-1.18	-0.23	67
Free competition	1.01	1.96	1.49	33
Economics students				
Wage regulation	0.99	-0.35	0.32	40.5
Free competition	2.54	2.87	2.70	59.5
Passport Office				
Wage regulation	0.30	-0.67	-0.19	57
Free competition	2.33	2.67	2.50	43
Average				
Wage regulation	0.38	-0.80	-0.21	56
Free competition	2.07	2.56	2.32	44

Note: The scores in the table show the averaged scores over all specific attitudes for the various groups. A higher rating indicates a more positive attitude to low-wage competition in services trade. The last column shows the percentage of respondents in the sub-sample favouring each position.

tive (mean score = 2.66), whereas the wage regulation group became negative (mean score = -0.8). Thus, both groups adjusted their specific attitudes to fit in with their general evaluation. However, a t-test showed that the change between pre-test and post-test ratings was significantly larger in the wage regulation group than in the free competition group.²¹ A possible interpretation of these results is that there are ‘non-rational’ elements in the formation of attitudes to low-wage trade competition in services with posted workers both among those in favour and among those against, but that the degree of ‘rationality’ is smaller in the latter group.

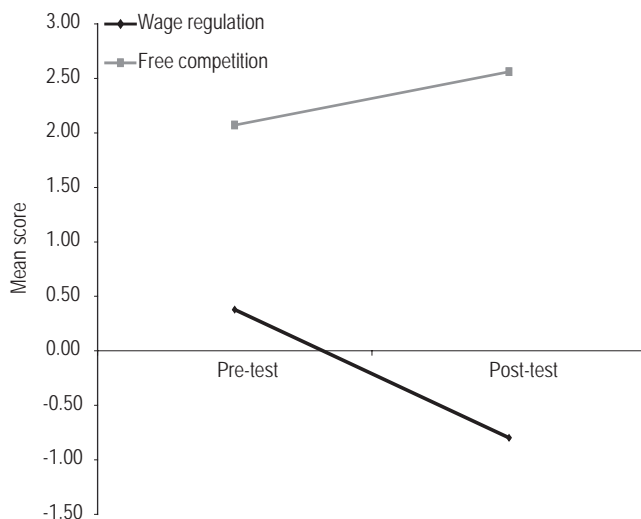
Figure 2 shows that the perspective from which an argument is presented matters for how much attitudes differ between the two attitude groups. In the pre-test, the groups differed only in the evaluation of arguments reflecting their own group’s perspective. There was no difference in attitudes when arguments were framed in terms of the other group’s perspective. In the post-test, however, all measures of the specific attitudes differed significantly.

Change in specific attitudes

Figures 1 and 2 show the averaged attitudes in the pre-test and the post-test. Figures 3–8 show how each specific attitude developed. The following observations can be made.

²¹ $t(119) = 8.3, p = 0.001$.

Figure 1 Change in mean score for specific attitudes between pre-test and post-test



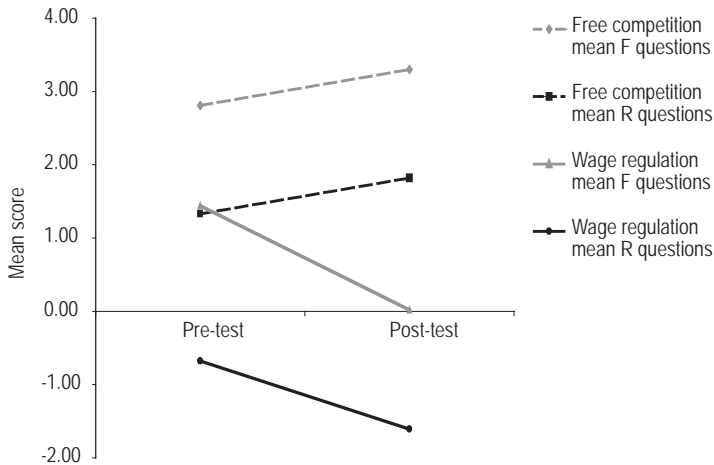
Note: A higher score indicates a more positive attitude to low-wage trade competition in service provision. A 2 x 2 mixed model ANOVA with phase (pre-test and post-test) as a within-subject factor and attitude group (free competition and wage regulation) as a between-subject factor yielded a significant interaction effect: $F(1,119) = 67.2, p < 0.001, \eta^2 = 0.36$.²²

All specific attitudes except ‘long-term consequences for the importing country’ differed significantly between the two groups already in the pre-test.²³ The differences were the largest for the attitudes regarding competition, low import prices and historical development. A possible interpretation is that the attitudes with respect to these dimensions are the most fundamental ones, possibly ‘determining’ the general attitude, whereas the other specific attitudes to a larger extent adjust to the general attitude.

²² ANOVA (analysis of variance) is a statistical technique for estimating how much variance in the dependent variable can be ascribed to each (discrete) independent variable, and to interaction between independent variables. It is the method of choice for significance tests in experimental designs in psychology. An interaction effect means that the effect of one independent variable systematically differs depending on the value of another independent variable.

²³ Competition $F(122,1) = 41.26, p < 0.001$; exporting country $F(123,1) = 10.93, p < 0.001$; importing country $F(123,1) = .26, ns$; low prices $F(123,1) = 33.72, p < 0.001$; low wage abroad $F(122,1) = 10.22, p = 0.002$; historical development $F(123,1) = 24.57, p < 0.001$. Test statistics from one-way ANOVA.

Figure 2 Change in mean score for specific attitudes between pre-test and post-test depending on perspective

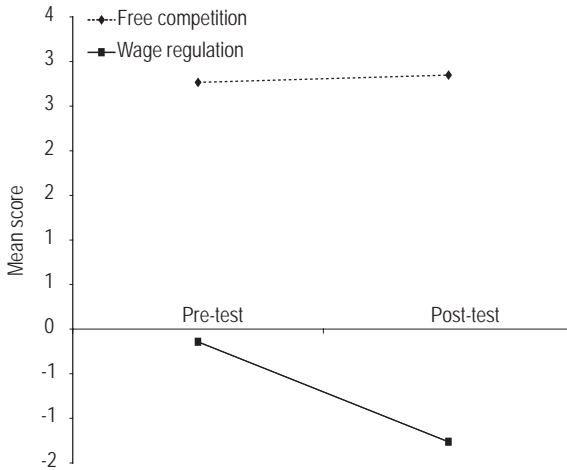


Note: A higher score indicates a more positive attitude to low-wage trade competition in service provision. F questions indicate that the questions have been framed in terms of the free competition group’s perspective and R questions that the questions have been framed in terms of the wage regulation group’s perspective. A mixed model 2 x 2 x 2 ANOVA with phase and argument perspective as within-subject factors, and attitude group as a between-subject factor, revealed a marginally significant three-way interaction effect: $F(1,119) = 3.61, p = 0.06, \eta^2 = 0.03$.

For all the specific attitudes except for historical development the difference between the two groups increased significantly from the pre-test to the post-test (see Figures 3–7). For all attitudes except ‘long-run consequences for the importing country’ the changes were larger for the wage regulation group than for the free competition group. Almost all attitude changes were in line with the hypothesis of coherence-seeking; that is, they strengthened the differences between the two groups. There were only two exceptions: the attitudes towards ‘historical development’ and ‘low-wage work abroad’, where the attitudes of the free competition group became less trade-friendly (a marginal and insignificant reduction in the first case, but a substantial and significant reduction in the second case). The most stable attitude for both groups was the one concerning historical development. This is rather logical since the issue of what explains historical developments may be perceived as more straightforward and less complex than the other issues and may therefore be easier to form a view on.

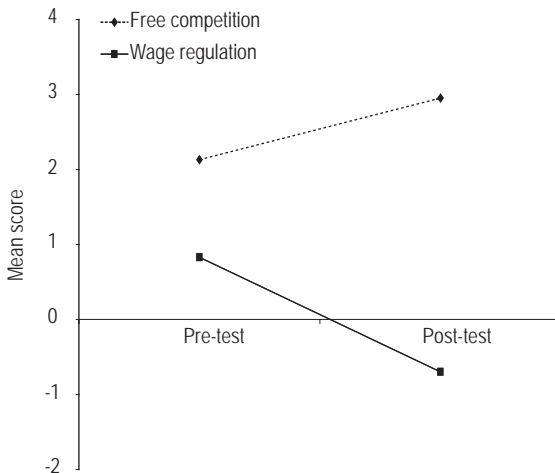
Figures 3-8 Development of attitudes†

Figure 3 Change in mean score for 'competition'



Note: Phase by attitude group interaction effect: $F(1,122) = 8.122$, $p = 0.005$, $\eta^2 = 0.062$.

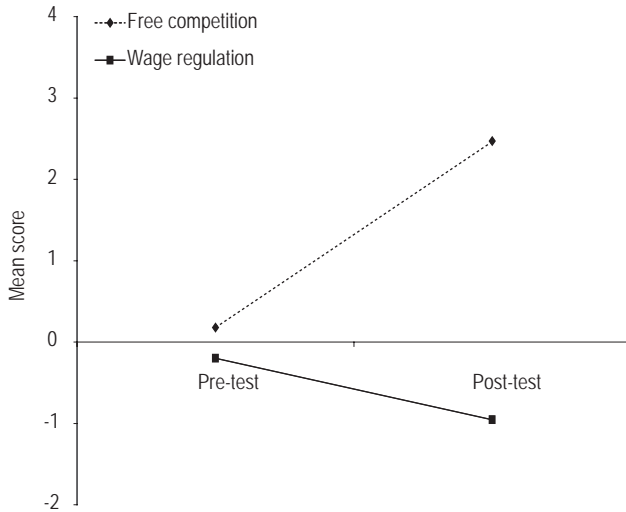
Figure 4 Change in mean score for 'long-term consequences for exporting country'



Note: Phase by attitude group interaction effect: $F(1,121) = 25.959$, $p = 0.001$, $\eta^2 = 0.175$.

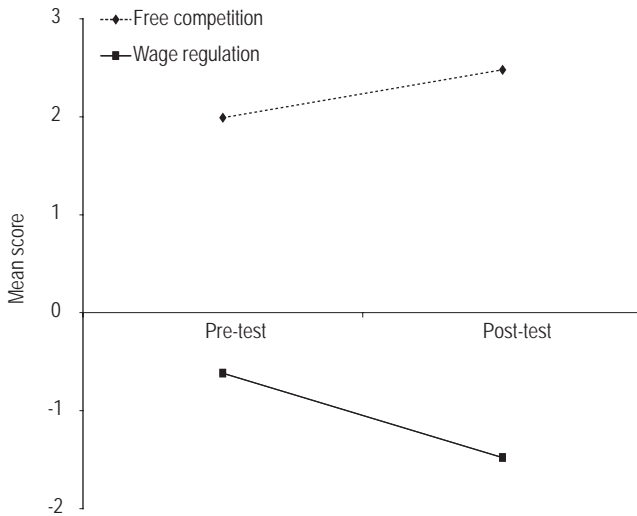
† A higher score indicates a more positive attitude to low-wage trade competition in service provision. The change in attitude difference between the two groups from the pre-test to the post-test was significant for all variables except 'historical development' (Figure 8).

Figure 5 Change in mean score for 'long-term consequences for importing country'



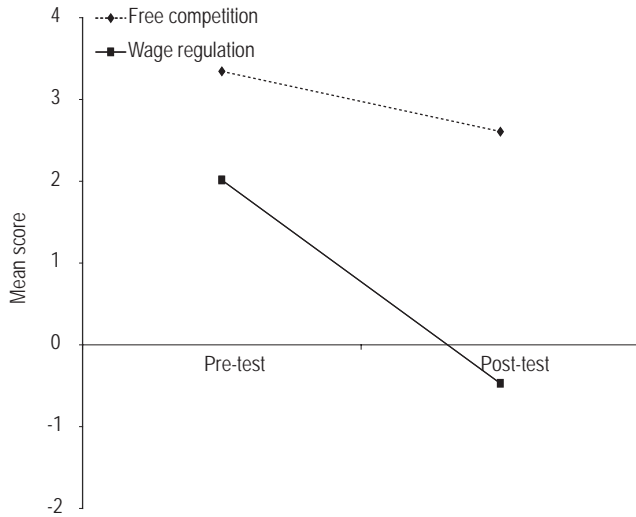
Note: Phase by attitude group interaction effect: $F(1,123) = 39.795$, $p = 0.001$, $\eta^2 = 0.244$

Figure 6 Change in mean score for 'low import prices'



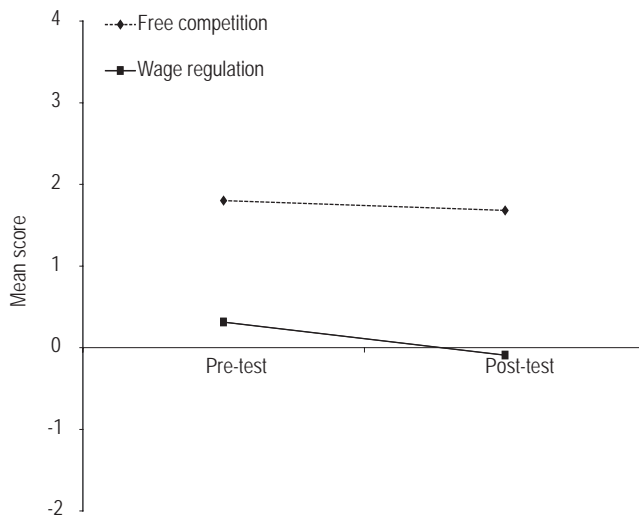
Note: Phase by attitude group interaction effect: $F(1,121) = 11.33$, $p = 0.001$, $\eta^2 = 0.087$.

Figure 7 Change in mean score for 'low-wage work abroad'



Note: Phase by attitude group interaction effect: $F(1,122) = 14.551$, $p = 0.001$, $\eta^2 = 0.107$.

Figure 8 Change in mean score for 'historical development'



Note: The change in attitude difference between the two groups from the pre-test to the post-test was not significant.

To further illustrate which attitudes were the most stable, and thus according to our interpretation the ‘most basic’ for determining the general attitude, we also distinguished between the perspectives (free competition or wage regulation) in the attitude questions (see Figure 2 and the discussion of the questions in Section 4.1). This gave us twelve attitude scores for each participant. We then ran a regression with the general attitude as the dependent variable and the pre-test scores for the specific attitudes distinguished by perspective as explanatory variables. The results are displayed in Table 8. The variables that turned out to be significant were: ‘competition’ (wage regulation argument), ‘historical development’ (both the free competition and the wage regulation argument), ‘low import prices’ (wage regulation argument) and ‘low-wage work abroad’ (free competition argument). The first three variables (the wage regulation ‘competition’ argument and the two ‘historical development’ arguments) concern perceived economic self-interest for the in-group (Swedish citizens). The last two arguments, on the other hand, reflect altruistic considerations with regard to foreign workers. (Remember that the ‘low import prices’ argument from the wage regulation perspective concerned the attitude that ‘cheap low-wage imports are bad because they build on exploitation of foreign employees’.)²⁴ Hence, we can again conclude that attitudes concerning both economic self-interest for the in-group and altruistic concerns for foreign labour seem to matter for attitude formation regarding low-wage trade competition.

Correlation analysis

The coherence-seeking hypothesis implies that the correlations among the specific attitudes should increase after the general attitude is expressed. Pre-test and post-test correlations are displayed in Table 9. The general attitude (the stand on the debate article) was treated as a binary variable and point-biserial correlations were computed between the general attitude and all the specific attitudes. All correlations were positive in both the pre-test and the post-test, but the correlation coefficients were generally much higher in the post-test than in the pre-test. In the pre-test, 14 out of 21 correlations were significant and the mean correlation was 0.22. In the post-test, all correlations were significant and the mean correlation was as high as 0.64. This provides strong evidence of coherence-seeking.

²⁴ See Section 4.1.

Table 8: The relationship between the general attitude to low-wage trade competition (dependent variable) and specific attitude questions from the free competition and wage regulation perspectives

Variable	Coefficient
Wage regulation: competition	-0.228 (0.011)**
Wage regulation: low import prices	-0.166 (0.033)**
Free competition: low-wage work abroad	0.234 (0.030)**
Free competition: historical development	0.302 (0.037)**
Wage regulation: historical development	-0.222 (0.028)**
Constant	-1.868 (0.002)***

Notes: ***p < 0.01, **p < 0.05, p-values in parentheses. A stepwise backward-elimination logit regression was used with attitude group membership as the dependent variable and responses to the twelve pre-test questions as explanatory variables. The regression model classified 79.7 percent of the participants correctly (compared to 56.1 percent with no regression model). A pro-free-competition general attitude was coded as one and a pro-wage regulation general attitude was coded as zero in the outcome variable. In the regression, the unreversed scores for the questions from the wage regulation perspective were used. Hence, negative coefficients for the wage regulation items imply that a higher degree of agreement with these items reduces the odds that a respondent has a general pro-free-trade attitude.

Table 9a: Correlations among attitudes in pre-test

	1	2	3	4	5	6	7
1. Competition	-	0.561 ***	0.441 ***	-0.047	0.215**	0.358 **	0.503 ***
2. Low prices		-	0.557 ***	0.101	0.211**	0.280 ***	0.464 ***
3. Consequences for exporting country			-	0.046	0.209**	0.335 ***	0.286 ***
4. Consequences for importing country				-	0.112	-0.069	0.046
5. Work abroad					-	0.001	0.278 ***
6. Historical development						-	0.408 ***
7. General attitude							-

Note: ***p < 0.01, **p < 0.05. Mean correlation = 0.25. Chronbach's alpha = 0.66.

Table 9b: Correlations among attitudes in post-test

	1	2	3	4	5	6	7
1. Competition	-	0.827***	0.638***	0.707***	0.697***	0.529***	0.741***
2. Low prices		-	0.640***	0.723***	0.692***	0.525***	0.733***
3. Consequences for exporting country			-	0.578***	0.641***	0.580***	0.628***
4. Consequences for importing country				-	0.705***	0.632***	0.628***
5. Work abroad					-	0.531***	0.618***
6. Historical development						-	0.499***
7. General attitude							-

Note: ***p < 0.01. **p < 0.05. Mean correlation = 0.64. Chronbach's alpha = 0.90.

Identification

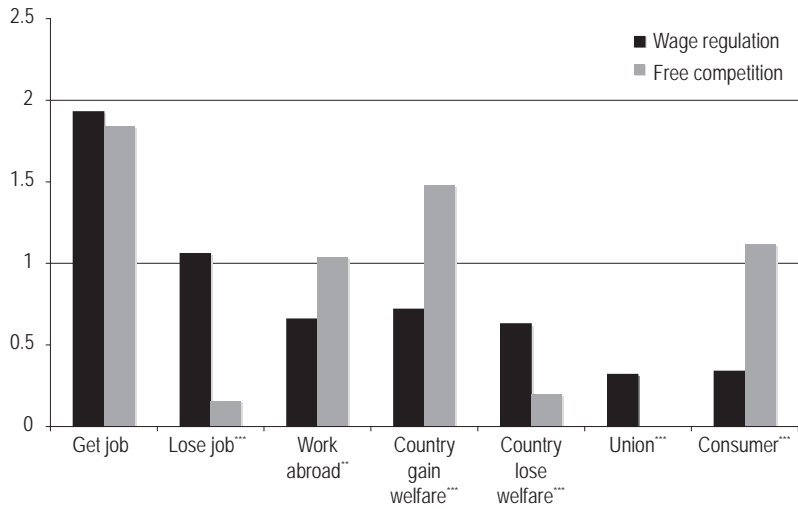
After the participants had completed the questionnaires they ranked the three groups which they identified the most with. Both groups identified the most with workers who might find a job. However, the free competition group identified more with countries that might gain in terms of welfare, workers who can work abroad, and consumers. The wage regulation group expressed more identification with workers and countries that might lose in terms of welfare, and with trade unions. There were significant differences between the attitude groups regarding all identification objects, except identification with workers who might find a job (p-values are shown in Figure 9).

Robustness tests

One feature of our experiment, designed to hide the overall issue from the participants in the pre-test, was that we used a local and specific perspective in the formulation of the questions. In contrast, the questions were formulated in terms of general principles in the post-test. This raises the possibility that the higher degree of coherence between the arguments and the larger attitudinal differences in the post-test than in the pre-test could be due to the differing framing of the questions. To check the robustness of our results, we ran a replication experiment in which we switched the order of pre-test and post-test questions for half of the participants.

In this replication study 38 students (33 females, 5 males) at the Department of Psychology participated in exchange for course credits. Nineteen participants completed the survey in the original order (specific local ques-

Figure 9 Mean values for identification with various groups



Note: A higher value indicates a stronger identification. *** $p < 0.01$, ** $p < 0.05$

tions in pre-test and general questions in post-test); the other 19 participants completed the study in reversed order (general questions in pre-test and specific questions in post-test). The same pattern of results as in the original study was found regardless of the order of the questions. A 2 (group) \times 2 (order) \times 2 (phase) ANOVA did not yield any significant effects involving the order of the questions. The results of the follow-up study indicate that the differences between the pre-test and post-test responses in the original study are not likely to have been the result of differing framing of the questions.

Another possibility that we tested was that the polarisation of responses may have occurred not because of coherence-seeking (after formulating a general attitude), but simply as a by-product of repeated measurement of the same attitudes. To test this possibility, we conducted another replication study in which the participants did not have to formulate their general attitudes between the pre-test and post-test phases of the experiment.

In this second replication study, 42 people (23 females, 19 males) waiting in line at the Passport Office in Stockholm took part in exchange for a lottery ticket. The participants completed both parts of the attitude survey; half of the participants answered the local questions first, and the other

half answered the general principles questions first. Between both blocks of attitude questions, the participants completed a filler task (six logical questions from the Swedish College Entrance Test), but did not read any debate articles and did not indicate their general attitude before answering the second block of attitude questions. The participants indicated their general attitude (free competition or wage regulation) at the end of the questionnaire. A 2 (group) x 2 (order) x 2 (phase) ANOVA did not yield any significant effects involving the phase of the study. This means that the attitudes did not change between pre-test and post-test when the participants did not formulate a general attitude. In other words, no evidence of coherence-seeking could be observed when the general attitude was not formulated. None of the order effects were significant either, thus confirming the results of the previous replication study.

To summarise, the experimental study provides support for the coherence-seeking hypothesis. After people had formulated their general attitudes to low-wage trade competition, they tended to adjust their specific attitudes to various aspects of low-wage trade competition in such a way that they were in line with the general attitude. However, the results also indicated that for some attitudes this change was more substantial than for others. The most stable attitudes were those related to historical development, competition and import prices. These attitudes reflected both perceived national economic self-interest and international altruism. The overall conclusion from the experimental study is that specific attitudes play a role in determining the general attitude towards low-wage trade competition, but, when the general attitude is formulated, the specific attitudes are adjusted in such a way that they support this general attitude. This tendency holds for both those opposed to low-wage trade competition in service provision and for those in favour, but it is stronger for the former group. This could be taken to suggest that the former group forms its general views about such trade competition in a less rational way than the latter group.

5 OVERALL CONCLUSIONS

The extent to which low-wage trade competition in the service sector with posted workers should be allowed in the EU has been a hot issue recently. It has concerned, for example, building workers (Sweden and the UK), plumbers (France) and butchers (Germany). The general public seems to have a more negative attitude to such imports of services from low-wage countries than to imports of goods from them.

Our report distinguishes between three types of trade: imports of goods, imports of services requiring the presence of posted workers, and offshoring of domestic production. We studied how the attitudes to low-wage competition differ among these various types of trade and how these attitudes are formed. Economic and psychological research are combined to explore to what extent attitudes are based on perceived *national economic self-interest* (involving benefits for the individual herself or for a broader in-group of nationals with which the individual identifies) and to what extent they are based on *international altruistic concerns*. These are key questions as the main arguments in the public debate against low-wage trade competition reflect both these motives: fear that ‘wage dumping’ threatens domestic jobs and concerns about ‘exploitation of foreign labour’.

We performed two empirical studies of attitude formation in Sweden. The first was based on a survey of a representative sample of the population. The second involved experiments with small groups.

In the survey study we examined both *general attitudes* to different types of low-wage trade competition and *specific attitudes* regarding different dimensions of the issue. These dimensions concern ‘unfair competition’, ‘unfair wages’ for foreign labour, the benefits of ‘low prices’, adjustment (‘not too fast changes’) and the creation of ‘foreign jobs’.

The results confirm that attitudes to low-wage trade competition in services trade, requiring the posting of foreign workers, are more negative than to low-wage trade in goods. This applies both to the general attitude and to all specific attitudes except that regarding pace of adjustment. Attitudes to offshoring are also more negative than those to conventional goods trade, but attitudes to services trade are even more negative than attitudes to offshoring.

Demographic, socio-economic and political–ideological background variables influence attitudes to trade. Being male, having a higher level of education, being a member of a union organising persons with academic

education, living in a city, being a student or an entrepreneur, and having right-wing or EU-positive attitudes are all conducive to pro-trade attitudes in general. The background variables matter less for differences in attitudes among different types of trade.

The specific attitudes held by an individual to various types of trade are strongly correlated. We decomposed the differences in the general attitudes to low-wage competition in services trade and to such competition in goods trade into contributions from the various specific attitudes. Somewhat surprisingly, the differences between the attitudes regarding 'foreign jobs' and 'low prices' were more important than the differences in the attitudes regarding 'unfair competition' and 'unfair wages', although the latter matter as well.

The strong correlation between all of the specific attitudes and the general attitude suggests a problem of causality. It may not be that an individual simply forms an overall view from a number of specific considerations, but that an individual may also rationalise her overall view by adjusting her evaluations of different dimensions of it. Such 'coherence-seeking' has been suggested by research in psychology on other issues.

We designed experiments in which participants first had to state their specific attitudes to low-wage trade competition in a local context in which they were not aware of the general issue (pre-test). In a second stage, participants were asked about their general attitude to service provision from foreign low-wage firms using posted workers. In a third stage, participants were again asked about their specific attitudes (post-test).

We found strong evidence of coherence-seeking. The differences in specific attitudes at the second stage between those in favour of low-wage trade competition and those against increased substantially between the pre-test and the post-test. The correlations between the specific attitudes were also much higher in the post-test than in the pre-test. Coherence-seeking was stronger for those opposed to low-wage trade competition than for those in favour.

The most stable specific attitude, that is, the attitude that changed the least between the pre-test and the post-test, concerned the role played by international trade versus good union-employer relationships for economic growth in the past ('historical development'). This is logical, since the issue of 'historical development' was probably the most tangible of the issues participants were asked to evaluate. When running a regression to explain the general attitude to service provision by foreign low-wage firms with the specific attitudes in the pre-test, the attitudes to 'historical

development', but also attitudes regarding 'unfair competition', 'unfair wages' and 'foreign jobs' turned out to be significant.

To sum up, both perceived national economic self-interest and international altruistic motives appear to explain attitudes to low-wage trade in general, as well as why attitudes to such trade are more negative for services than for goods, although perceived national economic self-interest seems to matter more. Attitude formation seems to have both 'rational' and 'irrational' components. This holds for both those in favour of low-wage competition in services trade and those against, although the degree of 'rationality' appears to be larger for the former group.

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APPENDIX

Table 9: The relationships between specific attitudes (dependent variables) and demographic, socio-economic and political-ideological variables with dummy variables for trade in services (*Ds*) and offshoring (*Do*) according to ordered logit regressions

	(1) Unfair competition	(2) Unfair wages	(3) Low prices	(4) Not fast changes	(5) Foreign jobs
Ds	-0.446 (0.014)**	-1.152 (0.032)**	-0.934 (0.000)***		-1.945 (0.000)***
Do	-0.775 (0.002)***	-0.632 (0.021)**	-1.594 (0.001)***	-0.875 (0.001)***	-0.845 (0.000)***
Age squared		-0.000 (0.002)***			
Ds x Age		0.019 (0.008)***			0.014 (0.060)*
Do x Age			0.012 (0.097)*		
Male	0.680 (0.000)***	0.662 (0.000)***	0.370 (0.006)***	0.444 (0.001)***	
Ds x Male	-0.495 (0.008)***			-0.343 (0.006)***	
City		0.408 (0.014)**			
Ds x City		-0.543 (0.008)***			
Do x City		-0.370 (0.075)*			
Education					0.114 (0.090)*
Do x Education	0.132 (0.088)*	0.271 (0.002)***		0.231 (0.010)***	
LO	-0.594 (0.000)***	-0.326 (0.042)**		-0.431 (0.012)**	
Ds x LO		-0.392 (0.068)*			
TCO				-0.351 (0.037)**	-0.331 (0.028)**
Ds x TCO	-0.596 (0.004)***	-0.475 (0.044)**			
Do x SACO				-0.490 (0.034)**	

	(1) Unfair competition	(2) Unfair wages	(3) Low prices	(4) Not fast changes	(5) Foreign jobs
Right-wing	0.322 (0.044)**	0.494 (0.001)***	0.870 (0.000)***		0.608 (0.000)***
Ds x Right-wing	0.323 (0.079)				
Positive EU	0.625 (0.000)***	0.334 (0.039)**	0.783 (0.000)***		0.863 (0.000)***
Do x Positive EU		0.296 (0.099)		0.309 (0.087)	
Observations	1289	1285	1294	1233	1283

Note: Robust p-values in parentheses. * significant at 10 percent level; ** significant at 5 percent level; *** significant at 1 percent level. Method of estimation: ordered logit with stepwise backward selection. The dependent variable is general attitude to trade and is measured along an ordinal scale from 1 to 5. See also Table 4.

SAMMANFATTNING PÅ SVENSKA

Frågan om i vilken utsträckning låglönekonkurrens med utstationerad arbetskraft ska tillåtas inom EU eller om denna arbetskraft ska betalas samma löner som i värdlandet har varit flitigt debatterad under senare år. Debatten har bland annat handlat om byggnadsarbetare i Sverige (Vaxholmsfallet) och Storbritannien, rörmokare i Frankrike och slaktare i Tyskland. De flesta medborgare tycks ha en mer negativ inställning till låglönekonkurrens när det gäller import av tjänster än när det gäller import av varor.

Vår rapport skiljer mellan tre typer av handel: import av varor, import av tjänster som innefattar utstationerad arbetskraft samt utlokalisering av inhemsk produktion (så kallad *offshoring* eller *international outsourcing*). Vi studerar hur attityderna till låglönekonkurrens skiljer sig åt mellan dessa tre former av utrikeshandel och hur attityderna bildas. National-ekonomisk och psykologisk forskning kombineras för att undersöka i vilken omfattning attityderna speglar *nationellt ekonomiskt egenintresse* (innefattande fördelar såväl för den enskilda individen som för en bredare nationell ”inne-grupp” som individen identifierar sig med) respektive *internationell altruism*. Dessa motiv är centrala eftersom den allmänna debatten reflekterar både farhågor för att ”lönedumpning” ska hota inhemska jobb och oro över ”exploatering av utländsk arbetskraft”.

Vi har genomfört två empiriska studier om attitydbildningen på dessa områden i Sverige. Den första studien baseras på en intervjuundersökning av ett representativt urval av befolkningen. Den andra studien omfattar experiment med mindre grupper.

I intervjuundersökningen undersöks både allmänna attityder till låglönekonkurrens i olika typer av utrikeshandel och ett antal specifika attityder rörande olika dimensioner. Dessa dimensioner avser ”orättvis konkurrens”, ”orättvisa löner” för utländsk arbetskraft, fördelar med ”lägre priser”, alltför ”snabb omställningstakt” och ”fler jobb” för utländsk arbetskraft.

Resultaten bekräftar att attityderna är mer negativa till låglönekonkurrens i tjänstehandel som innefattar utstationerad arbetskraft än till ”vanlig” import av varor från låglöneländer. Med andra ord upplevs import av till exempel billiga byggtjänster från ett baltiskt land eller Polen som mer negativt än import av till exempel billiga konserver från samma länder. Detta gäller för både den allmänna inställningen och samtliga specifika attityder utom attityden till omställningstakt. Attityderna är också mer negativa till offshoring än till traditionell varuhandel, men attityderna till tjänstehandel är ännu mer negativa.

Demografiska, socioekonomiska och politisk-ideologiska bakgrundsfaktorer påverkar attityderna till handel. Män, högre utbildade, SACO-medlemmar, storstadsbor, studenter, företagare samt personer med borgerliga sympatier och en allmänt EU-positiv inställning är generellt mer positiva till alla typer av låglöneimport. Bakgrundsvariablerna förefaller dock ha liten betydelse för skillnader i attityderna mellan olika typer av handel.

Enskilda individers specifika attityder samvarierar kraftigt. Vi har beräknat i vilken grad olika specifika attityder kan förklara skillnaden i generell inställning mellan låglöneimport av varor och låglöneimport av tjänster. Något förvånande visade sig attitydskillnaderna rörande ”fler jobb” för utländsk arbetskraft och ”låga priser” viktigare än attitydskillnaderna i fråga om ”orättvis konkurrens” och ”orättvisa löner”.

Den starka samvariationen mellan samtliga specifika attityder och de generella attityderna tyder på att orsakssambanden kan gå i flera riktningar. En individ kanske inte bestämmer sin allmänna inställning utifrån ett antal specifika ställningstaganden rörande olika dimensioner utan rationaliserar kanske den genom att i stället anpassa sina specifika ställningstaganden. Psykologisk forskning har betonat sådan så kallad *coherence seeking* för att förklara andra typer av beslutsfattande och attitydbildning.

Vi utformade experiment där deltagarna i ett första steg fick uppge sina specifika attityder till låglönekonkurrens utifrån ett lokalt perspektiv utan att vara medvetna om det generella sammanhanget (*förtest*). I ett andra steg tillfrågades deltagarna om sin allmänna inställning till fri tjänsteimport från utländska låglöneföretag med utstationerad arbetskraft. I ett tredje steg tillfrågades deltagarna igen om sina specifika attityder (*eftertest*).

Vi hittade starka bevis för *coherence seeking*. Skillnaderna i specifika attityder mellan dem som förespråkar låglönekonkurrens i det andra steget och dem som är emot ökade avsevärt mellan förtestet och eftertestet. Samvariationen mellan de specifika attityderna var dessutom betydligt högre i eftertestet än i förtestet. Tendensen till sådan *coherence seeking* var starkare för dem som motsätter sig låglönekonkurrens i tjänstehandeln än för dem som är positiva.

Den mest stabila attityden, det vill säga den värdering som förändrades minst mellan förtest och eftertest, gällde den roll som internationell handel kontra goda arbetsgivar-arbetstagarrelationer har spelat för den historiska utvecklingen. Detta skulle kunna förklaras av att frågan om historisk utveckling var den mest konkreta av de specifika frågor som experimentdeltagarna fick ta ställning till. En regressionsanalys, där den generella attity-

den till fri tjänstehandel med låglöneföretag förklaras av de specifika attityderna i förtestet, visar att attityden till "historisk utveckling" är signifikant, liksom attityderna till "orättvis konkurrens", "orättvisa löner" och "fler jobb" för utländsk arbetskraft.

Sammanfattningsvis förefaller både nationellt ekonomiskt egenintresse och internationell altruism vara av betydelse för såväl attityderna till låglöneimport i allmänhet som skillnaderna i attityder mellan låglöneimport av tjänster och låglöneimport av varor. Men nationellt egenintresse tycks spela den största rollen. Attitydbildningen verkar ha såväl "rationella" som "irrationella" komponenter. Detta gäller både de som förespråkar fri lönekonkurrens och de som är emot, även om det rationella inslaget förefaller vara större för dem som är positiva till låglönekonkurrens i tjänstehandeln. Det skulle kunna tolkas som att denna grupp har en mer genomtänkt syn än de som vill begränsa möjligheterna för utländska tjänsteföretag att konkurrera med låga löner för utstationerad arbetskraft.

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