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BRINGING TRADE TO LIFE: WHAT DO AMERICANS KNOW ABOUT THEIR STAKE IN INTERNATIONAL TRADE?¹

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INTRODUCTION

When the nightly news features tear-gassed anti-globalization demonstrators or tear-stained faces of older workers dismissed because of overseas competition, American consumers, voters, politicians, and workers readily recognize the effects of international trade on the lives of individuals. Ironically, however, a public opinion poll sponsored by the WIIT Charitable Trust reveals that these same people often fail to see the role of trade in their own lives, to understand trade's relevance, or to have sufficient information on which to base well-informed opinions.

Using data from this poll, this paper examines how the American public views seven questions about international trade and globalization. It explores differences between the responses of those who think they are knowledgeable about trade and those who admit not being knowledgeable.

It also looks across generations. America enters the 21st century more demographically diverse than any time in its history, and segmenting the population by generation is one way to probe this diversity.³ Each generation has different experiences, motivations and consumption patterns.⁴ Do these differences translate into different views on globalization, free trade and international trade institutions?

QUESTIONS AND ANSWERS

1. Is Globalization Good for the US Economy?

In all four generations, about two thirds of respondents to the poll believed that the country was generally going in the right direction and that the US should stay in the WTO and NAFTA. However, there was less positive feeling toward globalization's effect on the economy, with only a bare majority in most generations agreeing that globalization had a positive impact on the US economy. The exception to this pattern was Generation Y, where slightly over 70% believed that globalization had a positive impact on the US economy.

Given that this age group is the one most frequently featured in anti - globalization demonstrations, this is somewhat surprising.

Table 1. Is Globalization Good for the US Economy?

Opinions	The Silent Generation	Baby Boomers	Gen X	Gen Y
Country is going in the right direction	65%	67%	60%	64%
Globalization has positive impact on US economy	58	56	51	72
Approves of free trade agreements	76	69	57	76
Should pull out of NAFTA	20	15	21	18
Should pull out of WTO	25	27	33	20

2. Does International Trade Feature in Everyday Life?

Importing and exporting, especially for the Silent Generation, did not feature prominently in the work lives of the generations, although over two thirds reported that they paid attention at least half of the time to where a product was made. About half of each generation and nearly two thirds of Gen Y did not believe that trade issues were important when voting in the last federal elections.

Table 2. Does International Trade Feature in Everyday Life?

Opinions	The Silent Generation	Baby Boomers	Gen X	Gen Y
Employer does not import or export	80%	67%	59%	60%
Pays attention at least half the time to the country where the product is made	74	72	69	67
Believes trade issues some - what or very important when voting for President & Congress in the last election	53	46	44	36

3. Can Free Trade and Protectionism Coexist?

All generations, especially Generation Y, were supportive of the benefits from free trade. Concurrently, over half of each generation (and 70% of Generation Y) also believed that protectionism for some US companies was good for the US. However, only about half of the respondents were willing to pay more to protect U.S. jobs.

Table 3. Can Free Trade and Protectionism Coexist?

Opinions	The Silent Generation	Baby Boomers	Gen X	Gen Y
Free trade is good for consumers' choice of goods	81%	86%	85%	90%
Free trade keeps US manufacturers on their toes (better price & quality)	70	70	79	84
Protectionism for certain companies is good for US	58	53	61	70
Willing to pay more to protect US jobs	51	54	39	46

4. Does Altruism Trump Low Product Prices?

Advocates of international trade point out that one benefit of trade for US consumers is lower prices. These lower prices may stem from lower wage costs and fewer regulations in international markets. They may also be the result of lower costs associated with child labor, poorly paid workers or cheaper manufacturing processes that harm the environment. Slightly over half of the respondents were willing to pay more to avoid products made by child labor but less than 13 percent were willing to pay more to avoid products made by poorly paid workers. The environment did not fare much better. The greatest percentage of respondents (22%) willing to pay more for products to avoid harming the environment was Generation Y.

Table 4. Does Altruism Trump Low Product Prices?

Opinions	The Silent Generation	Baby Boomers	Gen X	Gen Y
Willingness to pay more to avoid a product				
Made by children	57%	58%	65%	54%
Made by poorly paid workers	12	9	7	6
Hurts environment	13	13	9	22

5. Do Americans Believe They Are Knowledgeable about Trade?

There was a similar level of self-professed ignorance about international trade across generations. This lack of knowledge also persisted when applying a more objective measure, such as asking respondents to identify correctly the functions of the World Trade Organization (WTO). Gen Xers were the least confident in their knowledge of trade, yet among the generations, had the greatest percentage identifying correctly the functions of the WTO.

Table 5. Do Americans Believe They Are Knowledgeable about Trade?

Opinions	The Silent Generation	Baby Boomers	Gen X	Gen Y
Fairly or very knowledgeable about trade	38%	42%	31%	42%
Know only a little or less about “fast track”	84	86	87	83
Identified functions of WTO correctly	54	61	64	59

6. Do Americans Know What They Think They Know about Trade?⁵

A greater percentage of respondents who identified themselves as “not knowledgeable” correctly identified the functions of the WTO than those who claimed to be “knowledgeable” about trade. While a greater percentage of those who claimed not to be knowledgeable about trade were less supportive of globalization and free trade agreements than those who said they were knowledgeable, the groups were similar in their opinions about the benefits from free trade and support of “fast track.”

Table 6. Do Americans Know What They Think They Know about Trade?

Opinions	Knowledgeable	Not Knowledgeable
Identified functions of WTO correctly	58%	67%
Globalization has positive impact on US economy	63	54
Approve of free trade agreements	76	67
In favor of “fast track”	57	55
Free trade is good for consumers’ choice of goods	81	84
Free trade keeps US manufacturers on their toes (better prices & quality)	75	70

7. Does Not Being Knowledgeable about Trade Lead to Support for Protectionism?

Those respondents claiming to be more knowledgeable about trade were less protectionist and less willing to pay to protect US jobs than respondents who said they were not knowledgeable about trade. Less than 15% of either group was willing to pay more to protect the environment or help poorly paid workers, although over half would pay more to avoid products made by child labor.

Table 7. Does Not Being Knowledgeable about Trade Lead to Support for Protectionism?

Opinions	Knowledgeable	Not Knowledgeable
Protectionism for certain companies good for US	46%	66%
Percent willing to pay more to protect US jobs	47	54
Willingness to pay more to avoid a product		
Made by children	58	58
Made by poorly paid workers	11	7
Hurts environment	10	14

CONCLUSION

While poll results indicated that respondents across generations had generally positive attitudes toward trade, this support, nevertheless, had a fragile quality to it. Respondents' answers often manifested a lack of awareness and lukewarm interest in trade's role in their daily economic and political lives. Even those respondents who defined themselves as knowledgeable about trade appeared not to know what they thought they knew. Finally, except for avoiding products made by child labor, there was weak support for various causes often linked to trade, such as protecting US jobs, protecting the environment, or paying higher wages to poorly paid workers overseas, when it required paying higher prices.

One obvious conclusion is that there are gaps in Americans' knowledge about trade and its role in everyday life. Because of respondents' generally positive attitudes toward trade, although there was less support for globalization, it might indicate greater receptivity toward learning more about trade and trade policy. However, how greater understanding about trade translates into support for policies that affect individuals' pocketbooks remains to be seen.

¹ This paper is based on a public opinion poll survey of 850 adult (18 years and older) US residents conducted by EPIC-MRA in October 2001. The survey was commissioned by the WIIT Charitable Trust. Additional survey results can be found at <http://www.wiittrust.org>.

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³ Mogelonsky, Marcia, "It's Almost the New Millennium. Do You Know Where Your Shoppers Are? 1999, <http://www.acnielsen.com/pubs/ci/1999/q1/features/customer.htm> and "Guide to Recent U.S. Generations," 1999, <http://www.uta.fi/fast/us7/ref/genguide.html>

⁴ Four generations are represented among the respondents to our survey. They are: the Silent Generation (born 1925 – 1945) who are described as hard working, trusting of the government, optimistic about the future, and holding strong moral values. Baby Boomers (born 1946 – 1964) have a strong set of ideals and traditions, are very family oriented, more fearful of the future, politically conservative and rather liberal socially. They will comprise 34% of the US population in 2015. Generation X (born 1965 – 1976) are the first generation of "latchkey kids" who grew up with a shaky economic climate, reminding them that they might not reach the same level of affluence as their parents. They also are the first generation to grow up with the Internet and expect to get information quickly. They tend not to be as idealistic as Boomers and are often described as cynical and self-absorbed. Generation Y (born 1977 – 1994) are described as very technologically literate, aware of the world and trying to grow up too fast. They are the children of the Boomers. They are often described as very materialistic, selfish and disrespectful. Mogelonsky, 1999.

⁵ Includes respondents born before 1925.