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The Influence of Religion on Support for Free Trade in Latin America[1]

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Why do individuals in Latin America and the Caribbean support free trade policies? Some scholars have argued that such policies can produce negative consequences and economic insecurities (Goldberg and Pavcnik 2004; Merolla, Stephenson, Wilson and Zechmeister 2005). Yet, support for free trade exists among many in the region. In this *Insights* report, I discuss the importance of one particular influence on support for free trade policies: religious factors. Specifically, I argue that membership in religious communities provides mental and monetary support, which offsets the costs of, and therefore reduces resistance to, free trade policies.

The 2008 AmericasBarometer surveys, carried out by the Latin American Public Opinion Project (LAPOP), involved interviews conducted in 24 nations in Latin America and the Caribbean with a total of 40,567 probabilistically selected respondents, interviewed face-to-face (with the exception of web surveys in the U.S. and Canada).[2] In the particular case of support for free trade, a total of 29,982 respondents from 19 countries were asked the following question, to which they could respond on a 7-point scale where 1 means not at all and 7 means a lot:

B48. To what extent do you believe that free trade agreements will help to improve the economy?

Figure 1.
Average Support for Free Trade in Latin America and the Caribbean, 2008

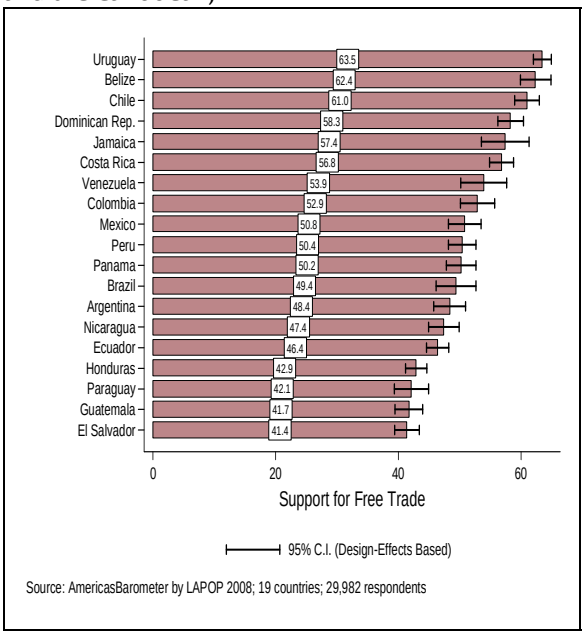

Figure 1 shows national averages for the 19 countries surveyed.[3] In order to facilitate comparisons, these responses were recoded on a

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[1] Prior issues in the *Insight*s series can be found at: http://www.vanderbilt.edu/lapop/studiesandpublications The data on which they are based can be found at http://www.vanderbilt.edu/lapop/datasets

[2] Funding for the 2008 AmericasBarometer round was mainly provided by the United States Agency for International Development (USAID). Other important sources of support were the Inter-American Development Bank (IADB), the United Nations Development Programme (UNDP), the Center for the Americas (CFA), and Vanderbilt University.

[3] Across these countries an average of 13.5% of respondents did not answer the free trade question.

0-100 scale. Uruguay is the country with the highest support for free trade with an average of 63.5 points. A total of eleven countries exceed the 50 unit mid-point indicating average support, whereas only four nations have average support levels lower than 43 points. In sum, Figure 1 indicates that trade is supported by many in the region, despite the fact that popular benefits are debatable (Goldberg and Pavcnik 2004).

Theoretical Perspectives

Prior scholarship suggests that there is a link between international economic integration associated with free trade and workers' insecurities due to the elasticity of labor demand, i.e. the ability of firms to easily substitute workers (Scheve and Slaughter 2004; Merolla, Stephenson, Wilson and Zechmeister 2005: 584). Thus, conventional theories explain support for free trade using variables that reflect individuals' positions in the economy, by factor (e.g., level of education) and/or sector (e.g., agriculture). At the same time, there is some evidence that the importance of those determinants is declining in comparison to the initial stage of trade reforms in Latin America (Baker 2003; 2009).[4]

Assuming there are nonetheless still some costs to free trade, I focus on a different theoretical perspective, which relates religious factors to support for free trade. My argument states that certain aspects of religion reduce psychological and monetary costs associated with free trade.

Put differently, assuming that free trade imposes, at a minimum, some psychological and, at a maximum, some economic costs as well, it is possible to import and adapt a theoretical perspective that suggests the existence of a religious coping effect. At the core of this perspective is the notion that religious attendance and affiliations can provide a type of social insurance.

More specifically, the theory is that adverse life events such as unemployment, illness, or workplace accidents generate monetary costs, but also impose important psychological costs, such as stress and loss of self-esteem (Scheve and Stasavage 2006a: 137). Religious attendance and affiliations potentially reduce the psychological and financial costs of those adverse life events because Churches can offer comfort and support during difficult times (Mainwaring 1986; Scheve and Stasavage 2006a; 2006b; Daniels and von der Ruhr 2005; Hagopian 2008). Therefore, if religious affiliations do provide such "insurance", we should find all else equal that those who participate in religious life have higher levels of support for free trade than those who do not.[5]

Modeling Support for Free Trade

In order to test the relationship between religious variables and support for free trade in the 19 countries surveyed, I use a survey linear model (a least squares regression for survey design). The dependent variable is respondents' level of support for free trade, measured using the variable described in Figure 1. The key independent variables are religious denominations and church attendance.

In addition, I control for a number of potential predictors of support for free trade. These include sociotropic and pocketbook evaluations of the economy (Seligson 1999; Merolla, Stephenson, Wilson and Zechmeister 2005); left and right in politics (Milner and Judkins 2004; Magaloni and Romero 2008); interpersonal trust as measure of potential social networks; interest in politics; and, both left-right placements and preferences over the role of the state with

[4] I ran different models using factor and/or sector variables related to the Stolper Samuelson theorem (Rogowski 1989); the Hecksher-Ohlin model (Ohlin 1967); and the Ricardo-Viner theorem (Alt, Frieden, Gilligan, Rodrik and Rogowski 1996), but neither factor nor sector variables reached conventional levels of statistical significance, excepting levels of education.

[5] The distribution of religious people in the 19 countries analyzed is 67.7% of Catholics (20,123 cases); 6.9% of Protestants (2,043 cases); 11.5% of Evangelicals (3,429 cases); 2.0% of LDS and Jehovah's Witness (596 cases); 2.1% of Eastern and Traditional religions (616 cases); and 9.9% of people who do not profess any faith (2,922 cases). The last category will be the reference category in the model.

respect to its social role[6] and its role as owner of critical industries (Baker 2003; Magaloni and Romero 2008; Zechmeister and Corral 2010).

Other control variables in the model are demographic and socio-economic measures: levels of education (Merolla, Stephenson, Wilson and Zechmeister 2005; Hainmueller and Hiscox 2006), wealth measured by ownership of assets (Scheve and Slaughter 2001), size of residence, gender (Seligson 1999), age, and indigenous identity (Magaloni and Romero 2008).

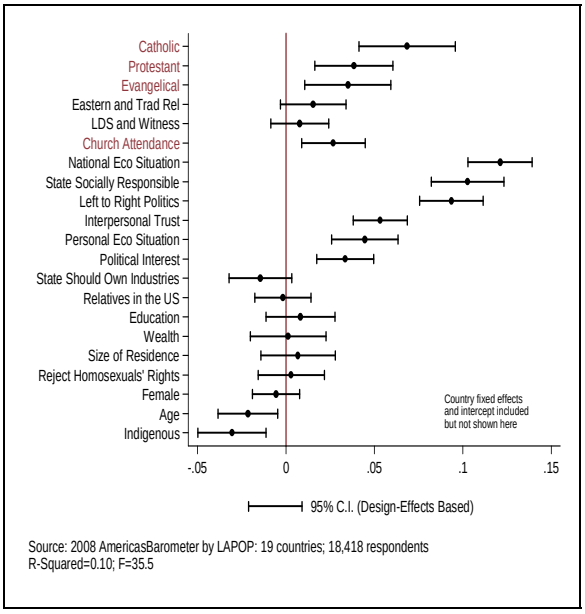
In addition, some scholars argue that a relationship between religious factors and free trade would simply suggest that religious people tend to be more conservative (De la O and Rodden 2008: 439), and others suggest that Christian (in particular non-Catholic) affiliations tend to be more oriented toward internationalism, in particular toward the U.S. (Rodriguez 1982). Controlling for socially conservative attitudes and international ties allows me to assert with more confidence that the connection between religious factors and support for free trade is due to a coping effect, and not one of these other plausible explanations. I therefore include a proxy variable for moral traditionalism by means of opinions on homosexuals' rights to run for office, and a very rough proxy of international linkages by means of whether the respondent has contact with relatives in the U.S.[7]

The Religious Coping Effect

The significance of the variables in the model is graphically represented in Figure 2 (fixed country effects are excluded from the graph, but available in the report appendix). Statistical significance is captured by a confidence interval that does not overlap the vertical "0" line (at .05 or better). When the dot, which represents the predicted impact of that variable, falls to the right of the vertical "0" line, it implies a positive relationship whereas when it falls to the left, it indicates a negative contribution.[8]

My expectations regarding the coping effect of religion on support for free trade are supported by the model. In particular, Catholics, Protestants, and Evangelicals tend to support free trade more in comparison to people who do not profess any religion, which is the reference category. In addition, Church attendance has a positive effect on support for free trade. In other words, as expected, those who attend Church more frequently hold more favorable opinions regarding free trade agreements.

Figure 2. Support for Free Trade in Latin America and the Caribbean, 2008



We also see that those who perceive their national and their personal economic situations

[6] State Socially Responsible is an index which includes citizens' perceptions about the state's responsibilities, such as promoting well-being of the people, creating jobs, and reducing economic inequalities, in which higher values represent state-oriented positions. For different uses of this index, see number 38 of this *Insights* Series (Zechmeister and Corral 2010: 4).

[7] In order to keep a manageable equation, I did not include factor/sector variables, excepting education. Across different specifications including additional factor/sector variables, religious affiliations and attendance remained statistically significant.

[8] I ran hierarchical models using the 2006 national Gini index by the WB, and the 2006 tariffs' index developed by the WSJ. The impact of the former on free trade was significant and negative (Goldberg and Pavcnik 2004), whereas the later was also significant but positive (Milner and Judkins 2004). In both specifications religious affiliations and attendance remained statistically significant. To keep the focus on religious variables, I show the more parsimonious and simpler model here.

in a more positive light are more supportive of free trade. Further, those who identify on the "right", those with higher levels of interpersonal trust, and those with greater political interest support trade at higher levels. In contrast, senior citizens and the indigenous are less supportive of free trade. One interesting result is that the State Socially Responsible index is a strong, positive predictor of support for free trade; this is in accord with post-Washington Consensus doctrine, which emphasizes the combination of pro-market policies with the provision of social welfare safety nets.[9]

Even after controlling for the above-noted factors and, as well, social conservativism and links to the U.S., the religious factors are significant. In short, the results are consistent with the argument that religious attendance and affiliations provide individuals with the necessary reserves to support free trade at greater levels than those without such religious characteristics.

Conclusions

The fact that religious affiliations have a positive relationship with support for free trade, and that this effect is felt across Catholics, Protestants, and Evangelicals, suggests a consensus among those religiously-minded in Latin America that free trade agreements can be beneficial to the economy (at least when compared to those who are not religious). This stands in contrast to some arguments that suggest religion can hinder progress toward modernization and other arguments that only specific religious affiliations are capable of advancing economic development (e.g., Weber [1905] 1958).

Overall, this initial evidence supports the argument that church participation and membership in a variety of religious communities provide psychological (and potentially monetary) support and comfort, reducing resistance to free trade policies. In addition, neither moral conservatism nor international influences explain support for free trade and the religious factors are significant even when these other variables are included in the model. Thus, the theorized coping effect is the most plausible explanation of the relationship between religious variables in the model and free trade support.[10]

The notion that religious attendance and affiliations may help individuals to cope with economic liberalization is consistent with the notion that in general, safety nets are useful mechanisms to put in place alongside market-oriented reforms. The more a society possesses means to cushion the negative effects of such reforms, the more accepting the public is likely to be of such restructuring. While much has been written on public policy safety nets (e.g., social investment funds), this report suggests that churches can also play, and arguably are playing, such a role in Latin America.[11]

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[9] In addition, there is a marginally significant negative effect for the role of the state as owner of critical industries.

[10] Although this evidence is supportive of the religious coping effect, a more extensive set of tests would include additional variables such as "do you find comfort from your Church?"; interaction terms between economic evaluations and religious variables; the ideological content of Churches' pastoral messages; and/or clergy's opinions on free trade and market-reforms, in order to allow explicit tests of the causal mechanism(s) underlying the positive relationship between religious factors and free trade support.

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Appendix. Support for Free Trade in Latin America and the Caribbean, 2008

Independent Variables	Coef.	Std. Err.	t
Catholic	0.069	0.014	**4.97**
Protestant	0.037	0.011	**3.41**
Evangelical	0.036	0.013	**2.82**
Eastern and Traditional Religions	0.016	0.010	1.64
Later Day Saints / Jehovah Witnesses	0.008	0.008	0.94
Church attendance	0.027	0.009	**2.94**
National Economic Situation	0.121	0.009	**13.16**
State Socially Responsible	0.102	0.010	**9.79**
Left to Right Politics	0.095	0.009	**10.26**
Interpersonal trust	0.053	0.008	**6.82**
Personal Economic Situation	0.044	0.009	**4.66**
Political Interest	0.034	0.008	**4.10**
State Should Own Industries	-0.015	0.009	-1.60
Relatives in the US	-0.002	0.008	-0.21
Education	0.008	0.010	0.83
Wealth	0.001	0.011	0.12
Size of Residence	0.007	0.011	0.65
Reject Homosexuals' Rights	0.003	0.010	0.32
Female	-0.006	0.007	-0.82
Age	-0.022	0.009	**-2.50**
Indigenous	-0.029	0.009	**-3.09**
Mexico	-0.095	0.011	**-8.53**
Guatemala	-0.116	0.012	**-9.83**
El Salvador	-0.138	0.010	**-13.32**
Honduras	-0.114	0.010	**-11.64**
Nicaragua	-0.080	0.010	**-6.72**
Costa Rica	-0.054	0.012	**-5.43**
Panama	-0.080	0.010	**-7.01**
Colombia	-0.094	0.011	**-7.83**
Ecuador	-0.156	0.012	**-11.76**
Peru	-0.084	0.013	**-8.48**
Paraguay	-0.128	0.011	**-11.53**
Chile	-0.015	0.010	-1.55
Brazil	-0.087	0.013	**-6.55**
Venezuela	-0.061	0.015	**-4.16**
Argentina	-0.112	0.012	**-9.41**
Dominican Republic	-0.051	0.010	**-4.99**
Jamaica	-0.036	0.017	**-2.06**
Belize	0.019	0.014	1.29
Intercept	0.023	0.011	**2.17**

Source: 2008 Americas Barometer by LAPOP; 19 countries; 18,418 respondents
R-Squared = 0.096; F= 35.5; Country of reference: Uruguay.
Coefficients and standard errors were estimated based on variation between 104 primary sampling units via survey linear regression.