

Investigating Individual Exchange Rate Preferences

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How we explain opposition to international processes

- **Material factors are the determinant of opposition of globalization and social integration** (Malhotra et al. 2013, Baker 2003; et al. 2004, Scheve and Slaughter 2001, Kaltenthaler et al. 2004; Mayda and Rodrik 2005)
- **Findings about relations between symbolic predispositions such as prejudice and nationalism, on the one hand, and opposition to globalization processes, on the other** (Dong et al. 2013; Mansfield and Mutz 2009; Margalit 2012; O'Rourke and Sinnott 2001; Rankin 2001; Sabet 2012)

Puzzle

- Exchange rate policy is one of the aspects of economic relations between countries



preferences toward exchange rate policy should be formulated according material or cultural factors

- **Purpose of this paper:** examine the exchange rate preferences from the cultural point of view
- **RQ:**
 1. Do prejudices have a causal effect on protectionism and consequently to individual exchange rates preferences and why?
 2. When do people forget about prejudices and start thinking rationally?

Methods and data

- Survey Experiment (random selection)
- fielded on a nationally representative sample of Finishes

Economic realtions in recent years between Finland and Russia make it possible to test both theory approaches at the same time

- Cultural threat (name, keeping constant economic characteristics)
- Economic threat (amount of money that Finland will lose if stabilization polici will not be applied)

- **H1** policy that might help the integration between Russia and Finland have higher likelihood of rejection among publicity, than the same policy for Sweden and Finland
- **H2:** the higher economic costs of Finish citizens, the less likelihood of rejection that might help the integration between Russia and Finland

