Interpersonal Trust and Confidence in Labor Unions the Case of South Korea

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Abstract

How do ordinary citizens view labor unions? The importance of public opinions on unions has rarely been highlighted in the contemporary labor politics literature. Using five waves of the World Value Surveys on South Korea, this paper suggests that public confidence in labor unions is significantly affected by individuals' interpersonal trust, conditional on their perception of the political representation of labor. Unlike high-trust ones, low-trust individuals view unions as an agent seeking their exclusionary interests at the expense of the rest of the society. The difference between high- and low-trust individuals' confidence in labor unions is more pronounced when a liberal, rather than a conservative, government is in power because of the public perception that labor interests are already well-represented by the liberal government and union functions are simply redundant under such a circumstance. The empirical findings are found robust to alternative theoretical arguments and empirical techniques.

keywords: interpersonal trust; labor union; South Korea; institutional confidence; government partisanship

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1. Introduction

This paper studies public opinions on labor unions, a topic that has gotten surprisingly little traction in the traditional labor politics literature. One of the prominent subjects in the literature is, instead, the fate of organized labor in the age of economic globalization. Whether optimistic (Ross 2000), pessimistic (Thelen 2003), or mixed (The Economist 2015), one ontological premise undergirding this large body of debates is the instrumental understanding of labor unions: unions are social institutions mobilizing (potential) members to channel their demands through political and business elites. Under the assumption that the performance of unions determines their viability (Fiorito 1987; Chacko and Greer 1982), the labor research has evolved around topics focused on unions' organizational capacity (e.g., unionization rates) and legislative and bargaining successes.

Despite their significant contribution to our understanding of labor unions, the theoretical and empirical purview of this line of discussions is intrinsically narrow. The focus on the organizational capacity and legislative outcomes confines the scope of the research on labor politics to the trilateral relationship between corporatist actors—state, labor, and business (Kochan 1979; Groot and van den Berg 1994). This leaves one important actor in modern democracy—the public—as mere spectators of labor politics. Indeed, outside of the empirical realm of North America (e.g., Chang 2003; Kane and Newman 2017; Panagopoulos and Francia 2008), the analysis of public attitudes toward labor unions has been "downplayed" in the literature (Frangi and Hennebert 2015, 131). This lack of research on the public opinions on unions marks a glaring lacuna in the literature given a) the critical effects of public opinions on public policy making in general and labor policies in particular (Burstein 2003; Hobolt and Klemmemsen 2005; Bok and Dunlop 1970) as well as b) the transformative roles of unions as major actors in contemporary popular politics (Botz 2008).

This paper aims at contributing to filling this lacuna by examining the public opinion on labor unions in South Korea. I put forth an argument that is two-fold, one conditioning the other. First, consistent with the well-established social capital literature (e.g., Putnam 2000), I contend that the public attitude towards labor unions is a function of individuals' interpersonal trust. In many societies where unionization rates are low and the working class is politically and culturally marginalized (Koo 2001), individuals lacking interpersonal trust view unions as a group of social activists that demand redistribution of resources to their own advantage at the expense of the rest of the society. High-trust individuals, on the other hand, are much less likely to see these redistributive demands as free-riding, casting less suspicious eyes on unions.

Second, I propose that this relationship between trust and confidence in unions is strongly conditioned by individuals' *perception* on the political landscape, namely, the extent to which labor interests are seen represented in formal politics in the eyes of the public. Given that unions are perceived primarily as an agent for redistribution, when there already exists a seemingly feasible political representation of organized labor, the public views unions as redundant and their demands excessive. Such a perception reinforces the low-trust individuals' skepticism of unions. By contrast, when there is no visible political representation of labor, unions might be understood as the sole voice for labor, which has otherwise little recourse to channel its demands to the policy making processes. The low-trust individuals would consequently be less suspicious of organized labor and their demands. The marginal effect of trust in such a case would be weak.

This perceived degree of political representation of labor is captured by the partisanship of the presidential party in this paper. The public understanding of government partisanship (liberal-conservative) maps into the public perception of pro- and anti-labor policy orientations reasonably well (Kane and Newman 2017; Choi and Kim 2010; Lee 2015), even when actual labor policies might not necessarily so. Therefore, the difference between high- and low-trust individuals in terms of their confidence in unions is expected to be much less pronounced when conservative governments are in power: the public believes that labor interests are not effectively represented in formal political processes and unions indeed stand on a relatively legitimate ground to claim their interests. When liberal governments are in power, the necessity of unions would be questioned and the public would grow more suspicious of the nature of their redistributive demands accordingly.

Using public opinion data, I present empirical evidence supportive of this conditional argument in the context of South Korea. South Korea offers several analytical advantages in testing this argument. The country is one of the several emerging democracies where the survey data are available for an extended period time, enabling researchers to exploit the rich contextual variations. More importantly, the country makes a particularly suitable case for using government ideologies as an indicator of public perception of labor representation in politics. Despite research pointing otherwise regarding actual policies (e.g., Kim 2009), the Korean public seems to believe that liberal and conservative governments advance socioeconomic policies generally consistent with their publicly-recognized ideological orientations. In addition, despite the low unionization rate, the country's manufacturing sectors, where organized labors were born out (Koo 2001), are well developed. Union activities are, thus, a fairly salient social subject, warding off the possibility that many simply have 'no opinions' on unions due to the lack of attention (Sturgis, Roberts and Smith 2014).

The paper contributes to the existing comparative political economy literature by offering insights into the public attitudes towards labor unions in emerging democracies. Traditional research has been limited either 1) to the trilateral relations of labor, business, and state actors in their analytical framing or 2) to established democracies in their empirical space. Approaching labor politics in terms public opinions in South Korea, this paper attempts to overcome these limitations.

The paper also pushes the boundaries of the 'social capital' research both theoretically and empirically. Theoretically, the paper offers a novel framework that illuminates the strong conditioning effect of government partisanship, which the social capital literature rarely taps into. Likewise, the current study extends the scope of inquiry of the social capital literature to relatively uncharted empirical terrain by studying a non-governmental institution, namely, labor unions. Although the seemingly apparent association between interpersonal trust and institutional confidence has been extensively studied in the literature,¹ the empirical purview of this research has almost exclusively been confined to governmental institutions.

The paper consists of five sections. Following this introduction is a brief survey of existing studies on the determinants of public confidence in labor unions. Testable hypotheses are formulated building on this survey. The third and fourth sections present the research design for testing the hypotheses and the result of the statistical analyses. The last section summarizes the major findings of the paper and discusses their implications.

2. Interpersonal Trust and Confidence in Labor Unions

2.1. Existing Studies (or the lack thereof)

Studies on public opinions on labor unions are rare in traditional labor politics literature. This rarity is due in large part to the ontology of labor unions in social science research. Organized labor has long been construed as a social group actively seeking its interests that are intrinsically at odds with those of the social elites, be it the state or business (McIlroy 2014). This conflicting interests inspired at least two research avenues, one highlighting organized labor's external relationships with social elites (e.g., Rueschemeyer, Stephens and Stephens 1992; Wallerstein, Golden and Lange 1997; Murillo 2000) and the other focused on unions' internal workings (e.g., Murillo 2001; Groot and van den Berg 1994; Korpi 2006) that strongly shape the nature of this relationship (for an extensive review of this line of literature, see Collier and Mahoney 1999).

Not surprisingly, the empirical domain of opinion surveys on labor unions has been limited to those with (potential) union membership (Kochan 1979; Chacko and Greer 1982). Factors driving positive opinions about unions, thus, are found to be related to their instrumental role of advancing (potential) union members' economic interests such as job security and wage increases (Fiorito 1987; Scruggs and Lange 2002), which would not necessarily affect the general public's opinions on unions. The public was essentially left out as a bystander in the extant labor politics literature. Ordinary people, in other words, have rarely been subject to a systematic analysis in the studies of labor unions.

¹See Keele (2007) for an extensive literature review.

This lack of attention to the public in the literature is puzzling given that the public, through popular politics, often plays a pivotal role in determining union performances. The bargaining between political elites and unions, in particular, is directly determined by public opinions. A broad-based public support is often a necessary, though not sufficient, condition for channeling labor's demands through policy making processes (Rueda 2007; Sorensen 2011). In times of structural reforms, such a role of the public is particularly pronounced as popular sentiment affects whether and how labor interests are protected amid welfare retrenchment (Levitsky and Way 1998). Favorable public opinions play an even greater role for long-term political goals of unions such as being 'inserted' into formal political arena (Robertson 2004), usually by forging an alliance with left-leaning parties. Political parties might not be incentivized to seek an alliance with organized labor if unions do not command a certain level of public support beyond the existing social cleavages, which would in turn add to parties' strength significantly (Lee 2011, 75-77). Indeed, contemporary unions are increasingly conscious of the importance of 'civic engagement,' portraying themselves as seeking public goods to garner broad public support (Nissen 2010).

Exceptions to this dearth of attention to public opinions on unions exist, but with palpable limitations. Several studies emerged recently, illuminating how the general public reacts to the social cues about labor unions. Kane and Newman (2017), for instance, demonstrate that 'class-based anti-union rhetoric' employed by mass media turns public opinions on labor unions effectively negative in the United States. Frangi and Hennebert (2015) highlight the difference between Quebec and the rest of Canada in terms of how individual-level attributes to the formation of public confidence in labor unions. Not only are these studies simply exceptional ones directly focusing on public opinions on labor unions, they are confined exclusively to the North American context where unions feature unique characteristics. It is, therefore, plausible to conclude that how ordinary individuals perceive labor unions is under-theorized with a limited empirical breadth. A systematic analysis of public opinion data in a non-American context can help fill this glaring lacuna in the labor politics literature.

2.2. Argument

This paper studies public confidence in labor unions. Confidence in unions indicates the general belief that unions exercise their own self-interest within their own mandate and without any ill-intended aspirations (Lipset and Schneider 1987). Confidence in unions is, thus, conceptually distant from general favorability of unions. Favorability of an organization heavily reflects individuals' overall social preferences. One can, therefore, find unions (un)favorable simply by resorting to cognitive short cuts such as partisanship or ideology (Dalton and Wattenberg 1993), without actually thinking about the actual

unions of their society. Expressing confidence, on the other hand, requires individuals to draw on their direct and indirect observations of unions (Norris 2011, 19) as confidence highlights the perceived legitimacy of unions as a social institution operating in good faith.

Consider, for example, two hypothetical cases where favorability and confidence can point to very different public opinions. An individual generally supportive of egalitarian values might be naturally accepting of the need for labor unions but could still have a low level of confidence in the unions she actually observes if corruption scandals taint their legitimacy (Lipset and Schneider 1987, 217). A conservative person who does not in principle endorse a redistributive agenda, by contrast, could nonetheless acknowledge the legitimacy of specific demands of the unions.²

Synthesizing the political sociology and the welfare politics literatures, the paper proposes that two factors—one individual, the other national—help us construct a framework in which the determinants of public confidence in labor unions can be delineated. These two factors are closely interconnected, with the national factor strongly conditioning the effect of the individual one.

2.2.1. Individual Attribute: Interpersonal Trust

Following the contemporary political sociology literature (e.g, Brehm and Rahn 1997), I start with a Hobbesian assumption that a society is composed of individuals whose interests are potentially in conflict. For those who believe that their interests are strictly in conflict with one another, pursuing resource gains for one's own good should lead to others' loss. For the individuals who maintain otherwise, interests are reconcilable.

The literature has long explained this difference with interpersonal trust. Interpersonal trust is in essence a belief in "social reciprocity" (Putnam 2000, 135). When lacking trust, individuals are concerned primarily about being cheated by others. With trust, by contrast, they are motivated to take on actions that might benefit others as they expect that others would return their favor. Trusting people tend to assume that others' actions are "at least not detrimental" to their interests (Gambetta 1988, 217).

This effect of trust is particularly pronounced in how public perceives socially marginalized groups. These groups are often depicted as subversive actors that attempt to alter the social status quo (Kane and Newman 2017). If such a change is seen as an unfair reallocation of resources away from the rest of the society, as low-trust individuals would believe, these groups' perceived legitimacy stands on a precarious ground. Interpersonal trust negates this negative perception. Trusting individuals tend to assume a

²While conceptually distinguishable, empirically separating an individual's favorability of and confidence in unions would be a daunting challenge. As presented below, I alleviate this concern by including a control variable for individuals' ideological leanings in the benchmark model as well as by using this ideology variable as an alternative conditioning variable.

certain level of justifiability for the demands these groups make and, therefore, discount the expected cost associated tolerating such demands (Sullivan and Transue 1999; Uslaner 2002).

As such, interpersonal trust as an indicator of individuals' perception on others' intentions has direct implications on public confidence in unions. Unions are by and large considered by the public 'the others.' Despite their evolving roles and identities (Koo 2001), the mass public in most societies understands unions as a relatively minority group³ social agent whose mandate is to make redistributive demands to the government and business (Jones 2011). For instance, in a recent survey in the United States, almost seventy percent of the respondents answered that labor unions are a group that aims at redistributing the collective wealth toward themselves (Yglesias 2012).

Consequently, low-trust individuals would see unions as an illegitimate social group only interested in claiming their own resources. Without trust, it is likely that union activities are viewed at odds with the welfare of the rest of the society. The lack of trust leads them to believe that those making redistributive demands are 'free-riders' going after public goods to their exclusive advantages (Lee 2013). The public would assign little confidence in such a 'distributional coalition' (Olson 1982). When individuals do indeed trust others, on the other hand, redistributive demands of unions might not be seen as infringing on the public interests. Instead of casting suspicious eyes on labor demands, high-trust individuals are likely to presume justifiable reasons behind such demands (Bergh and Bjørnskov 2014) or, at least, assume away their maliciousness (Lipset and Schneider 1987). High-trust individuals' giving the benefit of doubt to unions in turn leads to assigning greater public confidence in organized labor than low-trust individuals do.

In short, *ceteris paribus*, it is plausible to posit that individuals' interpersonal trust increases their confidence in labor unions. Low-trust individuals are more likely to cast skeptical eyes on unions, concluding their demands as illegitimate. Individuals with strong interpersonal trust, on the other hand, would be much less inclined to assume ill-intentions in union demands.

2.2.2. The Perception of Over-representation as a Conditioning Factor

While interpersonal trust is expected to be associated with individuals' confidence in labor unions, this relationship is undergirded by the 'all-else-equal' assumption. Such an assumption might be untenable as institutions like unions rarely exist in sociopolitical vacuum. Instead, the public opinions on these institutions even in a same society are strongly affected by the structural landscape they are situated in (Norris 2011; Panagopoulos and Francia 2008). In delineating the effect of trust, therefore, it is important to identify

 $^{^3}$ Exceptions are several Nordic countries and Italy where unionization rates are generally well over 30% (OECD 2014).

the contextual factor that would strongly shape its size and significance. I contend that the perceived level of the political representation of labor interests is such a conditioning variable.

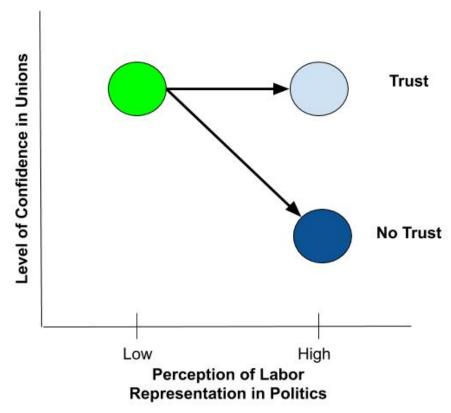
Representation has distributional implications. Political representation of a certain social group signifies the feasibility of its interests realized into public policies (Herrera, Herrera and Smith 1992). Social groups are in this sense in competition with each other for political representation, a situation that brews up potential tensions between political minorities and the rest of a society, particularly low-trust individuals. As the post-conflict power-sharing literature establishes (e.g., Krook and O'Brien 2010), when social trust is scarce, growing political representation of political minorities in governments amplifies public skepticism that their narrow interests are over-served at the expense of those of the society. This implies that when low-trust individuals perceive that labor interests are substantively represented in formal politics already, they grow more skeptical of the legitimacy of labor unions than when they believe that labor interests are still not effectively represented. Formal political representation of organized labor indicates to the low-trust individuals that labor unions, as another agent for the same kind of interests, are redundant—and, thus, excessive. Excessive demands are viewed illegitimate, reinforcing low-trust individuals' suspicion of the social legitimacy of unions. When labor representation in politics appears weak, by contrast, unions would be seen as a sole agent for the redistributive labor interests. The low-trust individuals in such a situation might be less inquisitive of the 'hidden' intentions of unions.

High-trust individuals' confidence in unions, on the contrary, is not as much affected by their sense of political representation of labor. Interpersonal trust negates the Hobbseian zero-sum worldview that others' gains result in one's loss even in an otherwise hostile situation (Bahry et al. 2005), which leaves little room for contextual factors to operate. To these high-trust individuals, increasing representation of a political minority would not pose a threat to their interests.

The idea that the degree of political representation conditions individuals' confidence in a marginalized social group is widely resonated in public opinion studies, particularly those on redistribution and minority politics. For instance, otherwise anti-egalitarian people are found to be much less skeptical of redistribution when informed that government support for the poor decreases dramatically (Slothuus 2007). By contrast, Kaiser et al. (2009) report that after the election of Obama, Americans' overall support for social justice declined due to the presumption that a substantive degree of social progress had now been achieved. Similarly, Georgeac and Rattan (2019) demonstrate that the public's disturbance with the gender pay gap declines with substantial female representation in top leadership.

As such, interpersonal trust in determines individuals' acontextual confidence in labor unions as it reflects the level of their skepticism about redistributive demands made

Figure 1: Conditioning Effect of Representation



by social groups. But this relationship is significantly conditioned by contextual factors indicative of the degree to which labor interests are represented in formal political processes, as illustrated in Figure 1. In particular, while high-trust individuals' confidence in unions stays relatively stable, low-trust individuals' is malleable depending on their perception of the labor representation in formal political processes. That is, where labor interests are viewed well-represented in formal politics, the positive effect of trust on popular confidence in unions is strong (Hypothesis 1) because low-trust individuals would find unions to be redundant and unnecessary political agents for labor. By contrast, where labor interests are viewed under-represented in formal politics, the positive effect of trust on popular confidence in unions is weak (Hypothesis 2) as low-trust citizens perceive unions as the sole voice for labor and their skepticism towards organized labor is abated.

2.3. South Korea

South Korea stands out as an interesting testing ground for the hypotheses put forth here for a number of reasons. First, the Korean public views labor unions primarily as an agent for redistribution that is not institutionalized into the mainstream social fabric. This view is strongly consistent with one of the core assumptions upon which the hypotheses are developed. In a multi-year survey conducted in South Korea, a great majority of respondents answered that employment protection and wage increases are the areas

where unions' primary roles are identified (Choi and Kim 2010, 30-35). Despite the evolving class identities and diversifying union activities in the post-democratization era, the Korean public still perceives unions as a social group primarily focused on redistribution. Likewise, labor is seen as an under-served, marginalized social group in Korea. As Koo (2001, 127) poignantly points out, the public image of factory workers, who constitute the great majority of the Korean unions, has traditionally been "a low-status, menial, and contemptible occupation." This marks a stark contrast with the public perceptions of other countries, be it those in Latin America (Lee 2016; Adelman 1998) or in Northern Europe (Wallerstein, Golden and Lange 1997), where a sizeable number of citizens consider unions a part of a broader sociopolitical institution that coordinates interests of diverse social actors.

Second, the country is a less-likely case for the hypotheses to be supported given that the public confidence in labor unions is conspicuously stable over time. As shown in Appendix Figure A4, the country's level of public confidence in unions is consistently high, though moderately declining. Since the conditional hypotheses point to changing public confidence of low-trust individuals, it is plausible to expect that they are more likely to be supported in a society where the level of confidence fluctuates quite drastically upon political changes such as Argentina than in South Korea. The result we obtain from this unlikely case, therefore, has more generalizeable implications than those produced on 'more-likely' cases.

Third, the country is a case where several structural variables are naturally controlled for, rendering the empirical test relatively parsimonious. For instance, although generally more militant than comparable countries such as Taiwan (Lee 2011), the union militancy in South Korea has hardly increased since the mid-1990s. The number of labor disputes reported to the government agency-the Labor Committee⁴-had mildly decreased from the 1990s to early 2000s and stayed nearly constantly ever since (Lee 2008). More important, according to the Korean General Social Survey (Kim et al. 2019), public perception of labor militancy has indeed decreased, albeit very marginally, since 2003 (see Appendix Figure A3). Had the unions grown significantly militant over the years, it would have been plausible to argue that the public confidence in the unions waned in reaction, regardless of the effect of interpersonal trust. In addition, the Korean democratic regime has remained fairly stable since the initial democratization in 1987 without any major authoritarian disruptions. The alternations of governments through elections have been peaceful and the Sixth Constitution that embodies the current regime has remained intact since 1987. Major disruptions such as coups and autocratic reversals dramatically redefine the roles of the labor unions. With such factors in presence, it would have been much harder to isolate the effect of trust on the public confidence in unions in a single-country study.

Fourth, the country's unionization level has traditionally been low, with about 12

⁴This report is legal obligation for disputing parties.

per cent being the upper bound. Given that union membership tends to be strongly correlated with individuals' confidence in unions (Palley and LaJeunesse 2007), the low unionization rates implies that one potential confounding variable is already controlled for.

Finally, the country is one of the few cases where the survey data are available for an extended period of time. This enables researchers to utilize rich contextual variations over time. Outside of North America and Northern Europe, public opinion data on labor unions of democratic countries that allow for such variations are rare.

3. Research Design

3.1. Variables

The data for all individual-level variables used in this paper come from five waves of the World Value Survey (WVS 2015). Ideally, it would best serve our purpose of testing the hypotheses if longitudinal survey data investigating public attitudes toward labor unions over a long time series were available. Unfortunately, such a data set does not exist to my knowledge. WVS is a reasonably viable alternative given that the variables central to this research have been surveyed consistently over a relatively long time period—from 1990 to 2010. To compensate for the temporally fragmented observations in this primary data source—i.e., only five waves over twenty-year period, I use the Korean General Social Survey (KGSS) data where available. KGSS offers a much less fragmented temporal coverage of the Korean public opinions, effectively complementing the sparseness of WVS. One apparent shortcoming of KGSS is that its earliest observation for the variables of interests in the current research is in 2004, substantially limiting the contextual variation that this paper highlights—government partisanship.

The dependent variable capturing ordinary South Korean citizens' confidence in labor unions is "Confidence in Labor Unions", which is a four-indicator ordinal item ranging from 1 ("a great deal") to 4 ("not at all"). This original variable is re-coded such that higher numbers represent stronger confidence.

One of the primary independent variables, Interpersonal Trust, comes directly from the WVS questionnaire that asks respondents if they believe that "most people can be trusted." This is a dummy variable with two possible answers: 1) "most people can be trusted" and 2) "can't be too careful." Again, the variable is re-coded such that one indicates a high-trust individual and zero, otherwise.

The other independent variable that captures the perceived political representation of labor is government partisanship. The public understanding of government partisanship

⁵The variable codes used in WVS are listed in Table A2.

Table 1: Summary Statistics

Variable	Mean	Std. Dev.	Min	Max
Confidence in Labor Union	1.476606	0.7236272	0	3
Leftist Ideology	5.352479	2.226299	1	10
Liberal Government	0.3943785	0.4887595	0	1
Interpersonal Trust	0.3069134	0.4612534	0	1
Income level	4.845845	2.150561	1	10
Male	0.492493	0.4999873	0	1
Age	39.7507	13.3606	17	91
Education	6.301152	1.667462	1	8
Financial Satisfaction	5.761173	2.089297	1	10
Years since 1987	13.43628	6.934662	3	23

(liberal-conservative) maps aptly into their perception of pro- and anti-labor policy orientations even when actual labor policies might not necessarily do so (Kane and Newman 2017; Bagashka and Stone 2013). Partisan politics operates as a cognitive shortcut for the public, most of whom would not examine individual policies in much detail (Bartels 2002). This regularity certainly extends to the case of South Korea. Not only did the policy platforms presented in elections follow the liberal-conservative party lines, the liberal parties (the Democratic Party and, its successor, Open Uri Party) recruited some of the high-profile student-labor activists (Lee 2011), helping reinforce the public perception that the liberal governments are pro-labor. In fact, Choi and Kim (2010) report a marked difference between public opinions on the government-labor relationship between the liberal and conservative governments. While about 63.7% of respondents in 2007 noted that the government "takes side with employers" in its labor policies, the number climbed up by about 10% points in a 2010 survey. Choi and Kim (2010, 20) attributes this to the public understanding of the pro- and anti-labor stances of the liberal Roh Moohyun and conservative Lee Myungbak governments, respectively.⁶ In addition, researchers appraised that the labor policies of the conservative governments, particularly those of Lee Myungbak government, appear repressive in the eyes of civil society groups compared to those of its two liberal predecessors (Kim 2015).

This perceived tie between organized labor and liberal governments serves as a plausible cognitive shortcut for the public regarding the representation of labor interests in formal political processes. In a political landscape where an established labor party does not exist and labor unions do not have "institutionalized methods of interest articulation" (Lee 2011, 6), it is plausible to assume that the public believes that labor interests are better represented in liberal governments than in conservative governments. Several

 $^{^6}$ The public outcry that the liberal Kim Daejung and Roh Moohyun governments did not live up to the expectation of implementing progressive welfare-labor policies (Hankyeore 2008; Nam and Song 2002) indeed indicates the public perception of the parallel between pro- and anti-labor policy orientations on one hand and the liberal-conservative partisanship of governments on the other in South Korea.

anecdotes where the labor policies of the conservative government led to new forms of resistance that attracted wide public attentions (Lee 2015) also adds to this ideological division. Given this reasoning, a dummy variable, Liberal Government, is coded one for the years where the incumbent president was Kim Daejung (Wave 4) or Roh Moohyun (Wave 5) and zero, otherwise.

A host of control variables capturing each individual's level of income, self-reported political ideology, gender, age, household financial satisfaction, and educational attainment are also used.⁷ Given that three of the four conservative governments temporally proceeded the liberal ones, it is possible that the government partisanship variable simply reflects the maturity of democracy within the time frame of the data. To ward off this possibility, an additional level-1 control variable, Year since 1987, is employed. This is simply a count variable of years that have elapsed since the 1987 democratization in each year of survey. The summary statistics for the variables used in the benchmark specification are presented in Table 1.

3.2. Model

Given that the dependent variable is ordinal, an ordered logit model would be best suited for testing our hypotheses. However, as the structure of the data is hierarchical, simply pooling all observations across the waves would assume that wave-specific components of the error term are the same for all individuals. This can be a source of bias (Wells and Krieckhaus 2006). Consequently, a multilevel ordered logit model with random intercepts is employed to estimate the benchmark model. A latent form of the benchmark model can be written formally as:

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Pr^*(Confidence\ in\ Unions_{ij} = k) = Pr(\kappa_{k-1} < \beta_0 + \beta_1 Trust_{ij} + \beta_2 Liberal\ Government_i + \beta_3 Trust_{ij} \times Liberal\ Government_i + \beta_4 Years\ since\ 1987_i + \psi_i + \upsilon_{ij} + \varepsilon_j \leq \kappa_k),
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where β s are coefficients for each variable, i indicates each wave of the survey (level-1), j identifies individuals (level-2), and k is each indicator of the dependent variable. v and ε are level-1 and level-2 error terms, respectively. ψ is a vector of individual level control variables. A significant β_3 is a necessary, but not sufficient, condition for the hypotheses to be supported.

While I argue that obtaining the multilevel estimates to gauge how large the marginal effect of interpersonal trust across different governments is important, a methodological issue based on the small number of waves—five—deserves some discussions here. Recent

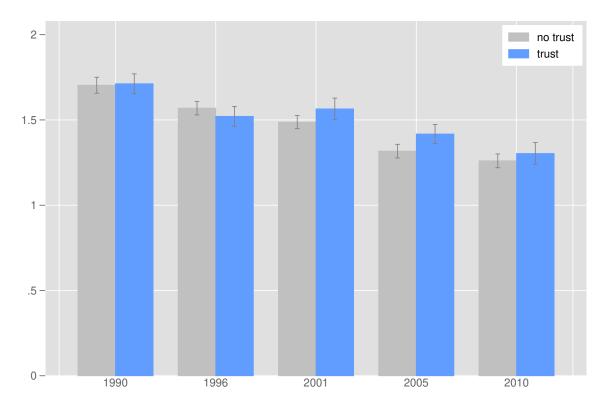
⁷See Table A2 for more detailed questionnaires.

studies suggest that using multilevel models when the number of clusters ('waves' in this paper) is too small, especially along with a cross-level interaction term, risks underestimating confidence intervals (Stegmueller 2013, 758). That is, when using higherachical data with a small number of clusters, the significance of multilevel estimates can be exaggerated. I address this concern in two ways. First, I set the minimum threshold for statistical significance for multilevel estimates in this paper at 95%, as opposed to 90%. In addition, I complement the multilevel estimates with a set of single-level ordered logit models where the data in each wave are analyzed separately. In this set of models, by definition, the country-level variables are excluded. For the hypotheses to be supported in this individual wave-level analysis, the trust variable should be positively significant only in the years of the liberal governments.

4. Empirical Analyses

4.1. Primary Result

Figure 2: Confidence in Unions by Interpersonal Trust with 90% Confidence Intervals



Y-axis indicates the mean level of confidence in labor unions. X-axis represents the year of the survey where 2001 and 2005 are the liberal Kim Daejung and Roh Moohyun governments, respectively.

Figure 2 plots the level of public confidence in labor unions across different governments of South Korea (2001 and 2005 are liberal governments). Albeit limited and irrespective

of the effects of other covariates, the figure lends an intuitive support to the conditional hypotheses. Under conservative governments (1990, 1996, and 2010), the level of confidence in labor unions between low-trust individuals and that of high-trust ones do not exhibit discernible differences. On the other hand, as the confidence interval bars indicate, the difference during the reign of liberal governments (2001 and 2005) is statistically significant at a traditional threshold. That is, the level of confidence in unions was significantly higher among the high-trust individuals than among their low-trust counterpart when the two liberal governments were in power.

Table 2 presents the multilevel ordered logit estimates for the baseline and benchmark models. The first column reveals that without the interaction term, neither the government partisanship nor interpersonal trust on its own has any notable monotonic effect on public confidence in labor unions. This is contrasted with the benchmark result reported in the third column, where the multiplicative interaction term for these two variables retains strong statistical significance. The second column indicates that the significance of the interaction term in the benchmark model is not a statistical artifact of including the control variables in the model: the benchmark result holds even when all the covariates are excluded.

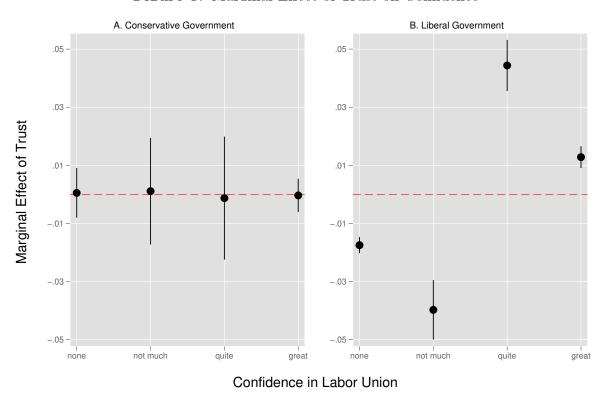


Figure 3: Marginal Effect of Trust on Confidence

Each dot indicates a point estimate of the marginal probability effect of interpersonal trust on each indicator (none, not much, quite, or great) of confidence in labor unions based on the benchmark result. The bars indicate 95% confidence intervals.

Since the information presented in the regression table alone is not readily inter-

Table 2: Baseline and Benchmark Models

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Liberal Government
Liberal Government
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cut1 -3.567** -2.285** -3.611**
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cut2 -1.098^{**} 0.137 -1.139^{**}
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[0.003] $[0.096]$ $[0.003]$
Observations 5728 6834 5728
AIC 12103.444 13856.368 12098.476
BIC 12130.056 13890.163 12125.088
loglikelihood -6047.722 -6923.184 -6045.238

^{*} p < 0.05, ** p < 0.01. Multilevel mixed effect ordered logit estimates with robust standard errors in brackets. The result reported in the second column is based on the analysis of all available data, including Wave 1 (1982) of WVS.

pretable, the marginal effect of interpersonal trust on public confidence in labor when the incumbent government is conservative (A) and when it is liberal (B) is visualized in Figure 3. The marginal effect figure offers evidence strongly supportive of the hypotheses. In the left panel, under conservative governments, the marginal effect of interpersonal trust—i.e. the difference in the probability of each indicator in the dependent variable (none, not much, quite, or great) between when Trust is zero and when it is one—is not distinguishable from zero. In other words, whether an individual is of high- or low-trust does not make any difference in terms of her or his confidence in labor unions at any level when the government is conservative. The result lends a strong support to Hypothesis 2.

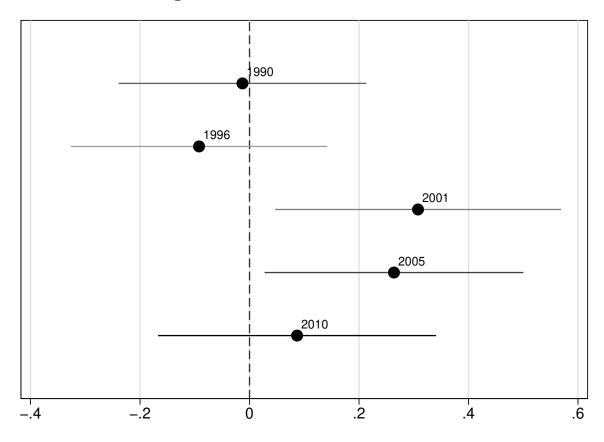


Figure 4: The Effect of Trust: wave-level

Each dot represents the coefficient of the interpersonal variable while each bar indicates the 95% confidence interval. For the full regression results, see Table A1.

A diametrically different result is illustrated in the right panel of Figure 3. Under liberal governments, interpersonal trust increases the probability that an individual has 'quite a lot' or 'a great deal' of confidence in unions by about 6 per cent (= 4.5 + 1.5). Similarly, trust reduces the probability that an individual has weak confidence in unions ('none' or 'not much') by about 5 per cent (= (-1.5) + (-3.5)). This result is strongly consistent with Hypothesis 1. Compared to the size of the marginal effects of other significant covariates (see Appendix Figure A1), these effects are in fact substantial.

The results of single-level ordered logit models offer evidence corroborative of this finding. As depicted in Figure 4, the effect of interpersonal trust (expressed as coefficients) is significantly positive only in the years where liberal governments were in power.

4.2. Robustness of the Benchmark Result to Alternative Empirical Scenarios

4.2.1. Alternative Data: Korean General Social Survey

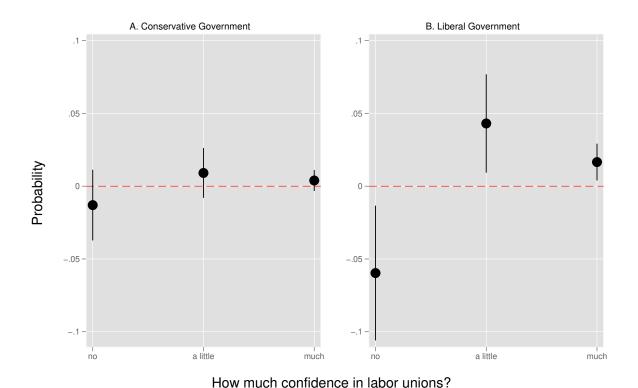
As noted above, one shortcoming of using the WVS data is its temporal sparseness. Each wave captures simply one year of each of the post-democratization Korean presidencies up to the Lee Myungbak government. Hence, it is certainly possible that the data did not really reflect the overall context of each presidency, or the public perception about political representation of labor interests in particular. It is certainly possible that the years WVS data covered were simply outliers of each presidency.

Using an alternative survey data set, KGSS, can address this concern as it provides near-complete annual observations between 2004 and 2018 for the variables of interest in this study, with the exception of 2007. It should be noted again here that the contextual variation using this data is limited given that the cases of the Kim Youngsam and Kim Daejung governments are not included. The government partisanship variable is indeed merely the difference between Roh Moohyun and the following two conservative governments. Nonetheless, if we obtain results using this data that is consistent with the benchmark, it adds strong confidence to the latter.

When the same model specification is applied, using the KGSS data produced results highly consistent with the benchmark estimates (see Appendix Table A4). The result is reported in Figure 5. As implied in the figure, the dependent variable, confidence in labor unions, in the KGSS data is three-level: 'no'; 'a little'; and 'much.' The result is reasonably comparable to the benchmark result (Figure 3): in conservative governments (left panel), the effect of trust is simply insignificant while in liberal governments (right panel), trust significantly increases the probability of "a little" and "much" confidence in unions and reduces the possibility of "no" confidence.

Since KGSS offers a near-annual series, one can also apply an alternative causal inference by implementing a difference-in-difference (DiD) model a la Acemoglu and Angrist (2001) who use a data set structured similarly as KGSS. In this case, the beginning of a conservative government in 2008 is taken as a 'shock' that should make difference between the 'treated' and 'control' groups, or low- and high-trust individuals, in terms of their perception of labor representation in politics. If the hypotheses are to be supported, the interaction term between trust and the year dummy should be positively significant after the shock (post-2008 period). The result reported in Appendix Table A3 and Figure A2

Figure 5: Korean General Social Survey, Marginal Effect using Multilevel estimates



Note: Marginal effect of 'interpersonal trust,' predicting the probability difference between high- and low-trust individuals answering 'no,' 'a little,' and 'much' confidence in labor unions in case of conservative (left) and liberal (right) governments. Bars indicate 95% confidence intervals.

indicates that this is indeed the case.⁸ The effect of trust, with the exception of 2009, switches the direction as the Lee government embarks. This result adds confidence in the benchmark, therefore.

4.3. Alternative *Model*: Matching

One oft-cited hurdle for causal inferences using observational data is that the assignment of treatment is not necessarily random (Cattaneo, Idrobo and Titiunik Forthcoming). Studies on matching methods extensively document the possible ways in which this concern can be addressed, most of which boil down to the balance of covariates between the treated and the control groups in order to foster their comparability. I use 'coarsened exact matching' (CEM) method (Blackwell et al. 2009; Iacus, King and Porro 2012) to generate balance-achieving weights for the high- and low-trust individuals. As opposed to other alternatives such as propensity-score matching, CEM does not risk deviating too much from the original sample data (i.e., 'congruence principle'), enabling a more robust

⁸For this DiD model the period is limited to 2012 because the data for the years between 2013 and 2018 are either very sparse or entirely missing, which is inconsistent with the core assumptions of DiD models.

causal inference (King and Nielsen 2019).

Wave3

Wave4

Wave5

Wave6

Figure 6: Robustness Check: Matching

Note: Circles are the average treatment effect of the interpersonal trust variable on confidence in unions using coarsened exact matching (Blackwell et al. 2009). Bars are 95% confidence intervals.

Figure 6 reports the result of the coefficients of Interpersonal Trust on Confidence in Unions in wave-level regressions with the weights generated by CEM. The covaraiates used for CEM are Income, Economic Satisfaction, and Education, all of which appear to be highly correlated with the trust variable. The result is nearly identical to that without matching (Figure 4), suggesting that the benchmark model does not suffer from biases caused by non-random treatment assignments in relation with the covariates.

4.3.1. Alternative Specification: The effect of individual-level ideology

The benchmark specification demonstrates that the significant marginal effect of trust conditional on government partisanship is robust to the inclusion of individual-level ideology as a covariate. However, given the palpable ideological orientation of most unions, one might not rule out other ways in which ideology affects confidence in unions. For example, ideology might have a similar conditioning effect as government partisanship. Ideology can also further condition the relationship between trust and government par-

tisanship. That is, a right-leaning high-trust individual might have a lower level of confidence in unions than a left-leaning high-trust individual does, particularly when liberal governments are in power.

To see if such is the case, I use an alternative multilevel-model where the government partisanship variable is replaced with individuals' ideological leaning (the higher the value, the more left-leaning the person is). If ideology affects confidence in unions in a similar way that government partisanship does, the marginal effect of trust should be significant conditional on ideology. In addition, I include an interaction term for ideology and trust for wave-level models to see if the conditioning effect of government partisanship can be further conditioned by ideology.

(1)(2)(3)(4)(5)(6)Multi-level 1990 1996 2001 2005 2010 Left Ideology 0.07^{*} 0.03 0.11^* 0.16*0.06 -0.03[0.03][0.03][0.04][0.04][0.04]|0.04|Trust -0.29-0.43-0.67-0.04-0.730.40[0.19][0.36][0.38]|0.26||0.39||0.40| $Trust \times Left Ideology$ 0.070.100.100.06 0.18*-0.06[0.06][0.07]|0.04||0.05|[0.06]|0.06|Random Effect 0.00[0.00]Observations 5728 1117 1197 1097 1162 1155

Table 3: Interaction with Ideology

Table 3 reports the result of these alternative specifications. The result of the multilevel model (first column) implies that the conditioning effect of ideology is very weak, if any (p=0.085). Likewise, the result of the year-by-year analysis presented in the rest of the table indicates that the ideology's conditioning effect on the benchmark result is weak as such an effect is significant in only one liberal presidency (Column 5). When marginal effect of trust is computed, even this significance is found to be driven by few observations at extreme values of the ideology variable. Ideology should still be an important predictor of individuals' confidence in labor unions as evidenced by the significant coefficient of the variable in the benchmark models, but not as a conditioning factor for interpersonal trust.

4.3.2. Alternative Argument: The effect of the 1997 financial crisis

The observational nature of the data does not preclude the possibilities of misleading causal identification. Granted, a reverse causality—i.e., decrease in confidence in labor unions leads to loss of interpersonal trust—does not seem plausible in the context of this

^{*} p < 0.05. The result for cuts and covariates are not reported (but available upon request) to save space. Multilevel ordered logit estimates with robust standard errors in brackets in the first column and ordered logit estimates with robust standard errors in brackets in the rest of the table.

study. There is, however, one avenue in which much of the result of the empirical analysis can be explained irrespective of the argument proposed.

One such scenario lies in the seismic effect that the 1997 Asian Financial Crisis brought onto the Korean society. The crisis is believed to have upended the existing social order, thereby taking tangible and intangible tolls on the society. The tangible economic costs are found to have led to significantly negative public attitudes toward the existing social orders and institutions (Son 2016).

This context poses a potential challenge to the benchmark model because the two liberal governments temporally overlap with the post-crisis period. That is, one could explain the benchmark result by highlighting that the crisis eroded interpersonal trust which in turn reduced confidence in unions. The ten years of the two liberal governments, the story goes, simply happened to be in this devastating period. Since individuals' economic well-being (Catterberg and Moreno 2006; Rahn and Transue 1998) significantly influence their interpersonal trust, one could plausibly posit that in the period following the crisis, these factors contributed to the diminishing public confidence in labor through interpersonal trust. The trust's true independent effect on public confidence in labor, in turn, could be much smaller than reported in the benchmark result.

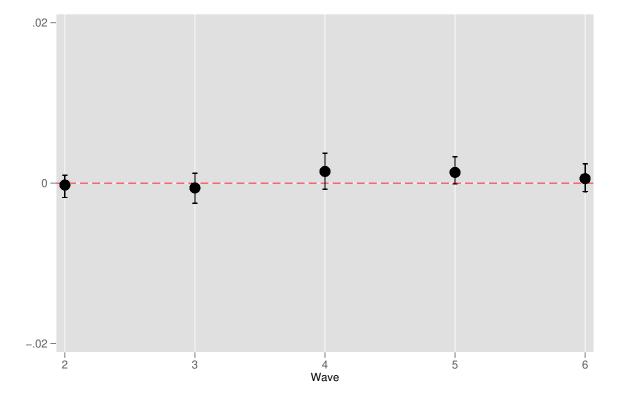


Figure 7: Indirect Effect of the 1997 Crisis

Note: Average causal mediation effects (ACME) of the Financial Dissatisfaction via Interpersonal Trust on Confidence in Labor Unions with 95% confidence intervals are plotted over survey waves.

One way to investigate if this concern is warranted is using 'causal mediation analysis' following (Imai et al. 2011). Drawing on the extant literature on welfare policies (e.g., Blekesaune 2007), I assume that the 'household financial satisfaction' variable (Economic Satisfaction), which is used as a control variable in the benchmark, is an effective proxy variable for individuals' economic insecurity/well-being. As implied in Appendix Figure A5, the benchmark result reports only the direct effect of trust (β) along with the direct effect of economic satisfaction (λ). If the benchmark model is robust to the alternative empirical scenario that the effect of the 1997 crisis operates through interpersonal trust, its average causal mediation effect (ACME, $\alpha \times \beta$, conceptually), should be insignificant, or at least small, in the two surveys conducted during the two liberal governments which overlapped with the post-crisis period.

Figue 7 presents a summary of the ACMEs for all five waves, confirming the insignificance of the indirect effect of Economic Satisfaction and, thus, the robustness of the benchmark result. In all cases, the *indirect* effect of Economic Satisfaction on confidence in unions through interpersonal trust is weak, if not at all absent, as they do not obtain statistical significance. Not only are they insignificant, the size of the effect mediated is also considerably small with their coefficients generally less than about ten percent of that of Interpersonal Trust. This does not preclude the possibility that the crisis had an impact on public confidence on its own at all. In fact, the direct effect of Economic Satisfaction is highly significant in 2001, implying that the post-crisis hardship might have undermined public confidence in unions. The indirect analysis implemented here simply indicates that such an effect did not operate through the primary independent variable, Interpersonal Trust. The relationship between trust and confidence in unions, in other words, is a causal process independent of the 1997 crisis.

5. Conclusion

What explains ordinary people's confidence in labor unions? Despite extensive research on labor unions, the public perceptions on organized labor has received little attention beyond the North American context. By utilizing public opinion data from South Korea, the current research fills this lacuna. It reports that public confidence in unions is significantly affected by their interpersonal trust while liberal governments are in power. Unlike high-trust individuals, those lacking interpersonal trust tend to cast skeptical eyes on unions given that they perceive them as agents seeking their exclusive interests at the expense of the rest of the society. This difference is less pronounced when conservative governments are in power, a political landscape that signifies to the public an under-representation of labor interests regardless of actual labor policies. In such circumstances, unions are viewed as the sole, and thus necessary, voice for the working class. The low-trust individuals' skeptical views on unions are abated, consequently.

The paper contributes to our understanding of contentious labor politics in several ways. First, the paper is one of the rare attempts to investigate ordinary citizens' attitudes toward labor unions. While recurrent economic turmoil and their dire consequences on ordinary people in the past decades rendered the studies on organized labor particularly important, the theoretical purview of such studies has been confined mostly to the corporatist framework (e.g., Avdagic 2010), where public opinions hardly play a role. Given that government policies are affected heavily by public opinions, this line of research overlooked a very consequential microfoundation of labor-government interactions. The paper fills this gap by identifying an attitudinal determinant for public confidence in labor unions, interpersonal trust. In doing so, it also proposes a novel theoretical framework which introduces a strong conditioning effect of government partisanship.

Second, the paper extends the scope of the existing 'social capital' literature. While it has long helped develop our understanding of the effect of interpersonal trust on the declining public confidence in democratic institutions (see Newton and Norris 1999 for an extensive review), the literature rarely included non-governmental and social institutions in the analysis. The paper offers a theoretical framework where public confidence in a prominent social institution, labor unions, can be affected by interpersonal trust. The empirical regularity found between trust and confidence in unions also indicates the possible application of this framework on other types of social institutions such as philanthropic organizations or social movement groups.

I acknowledge, however, the limitation of the generalizability of this paper. The central argument of the paper builds on the epistemological assumption that the general public considers unions a minority social group that is an agent of redistribution. The conclusion drawn here, therefore, might not be aptly applicable to the societies where unions are well institutionalized into mainstream politics.

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Appendix: Trust and Confidence in Labor Unions

Table A1: Disaggregated by Years

	(1)	(2)	(3)	(4)	(5)
	1990	1996	2001	2005	2010
Interpersonal Trust	-0.013	-0.092	0.308^*	0.264^*	0.087
	[0.115]	[0.119]	[0.133]	[0.121]	[0.130]
Left Ideology	0.062^{*}	0.093^{**}	0.129^{**}	0.024	0.140**
	[0.028]	[0.028]	[0.030]	[0.033]	[0.032]
Income	-0.107**	-0.000	0.008	0.017	-0.050
	[0.025]	[0.031]	[0.040]	[0.042]	[0.042]
Economic Satisfaction	0.064^{*}	0.003	0.066^{*}	0.033	0.085^{*}
	[0.031]	[0.032]	[0.032]	[0.035]	[0.040]
Male	-0.086	-0.285*	-0.240*	-0.085	-0.054
	[0.118]	[0.115]	[0.122]	[0.116]	[0.118]
Age	-0.010	-0.009	-0.007	-0.006	0.006
	[0.006]	[0.006]	[0.006]	[0.006]	[0.005]
Education	-0.062	-0.049	-0.215**	-0.104*	-0.064
	[0.059]	[0.043]	[0.050]	[0.044]	[0.046]
cut1	-3.088**	-3.015**	-3.411**	-2.815**	-1.074*
	[0.548]	[0.482]	[0.531]	[0.511]	[0.535]
$\mathrm{cut}2$	-1.249*	-0.494	-0.616	-0.095	1.363*
	[0.526]	[0.461]	[0.504]	[0.500]	[0.535]
cut3	1.496**	2.527**	2.767**	3.167**	4.548**
	[0.526]	[0.471]	[0.511]	[0.520]	[0.587]

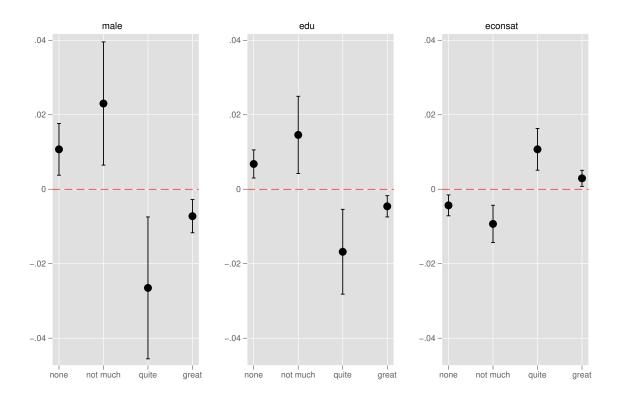
^{*} p < 0.05, ** p < 0.01. Ordered logit estimates with robust standard errors in brackets.

 ${\bf Table~A2:~WVS~Question naires}$

Variable Name	Code	Questionnaire	
confidence in labor	E069_5	Confidence: the la-	great deal; quite a lot;
unions		bor unions	not very; not at all
income	X047	Scale of income	low (1) to high (10)
economic satisfaction	C006	Satisfaction with fi-	dissatisfied (1) to satis-
		nancial situation of	fied (10)
		household	
interpersonal trust	A165	Most people can be	most poeple can be
		trusted	trusted; can't be too
			careful
interest in politics	E023	Interest in politics	very interested; some-
			what interested; not very
			interested; not at all in-
			terested
ideology	E033	Self positioning in	left (1) to right (10)
		political scale	
gender	X001	gender	
age	X003	age	

Note: The variable codes are those of "Values Surveys Integrated Dictionary," available at: "http://www.worldvaluessurvey.org/wvsdc/C000001/F00003843_WVS_EVS_Integrated_Dictionary_Codebook_v_2014_09_22.xls".

Figure A1: Marginal Effects of Control Variables



Note: Marginal effects (probabilities of each indicator of the dependent variable) of control variables based on the benchmark model. Only statistically significant results are report.

Table A3: Korean General Social Survey, Difference-in-Difference

	Coefficient	Standard Errors
Interpersonal Trust	0.660**	[0.009]
Interpersonal Trust \times Year 2004	-0.865**	[0.038]
Interpersonal Trust \times Year 2005	-0.486**	[0.014]
Interpersonal Trust \times Year 2006	-0.332**	[0.016]
Interpersonal Trust \times Year 2008	0.153^{**}	[0.020]
Interpersonal Trust \times Year 2009	-0.072**	[0.016]
Interpersonal Trust \times Year 2010	0.531^{**}	[0.048]
Interpersonal Trust \times Year 2011	0.235^{**}	[0.030]
Interpersonal Trust \times Year 2012	0.031	[0.042]
Constant	-1.640**	[0.297]
Observations	7047	

^{*} p < 0.05, ** p < 0.01. Logit estimates with robust standard errors in brackets. The results for other covariates and Year are abbreviated to spare space. The data for 2007 is not included as it lacks core covariates.

-.5--.5--1--2004 2005 2006 2008 2009 2010 2011 2012

Figure A2: Korean General Social Survey, Difference-in-Difference

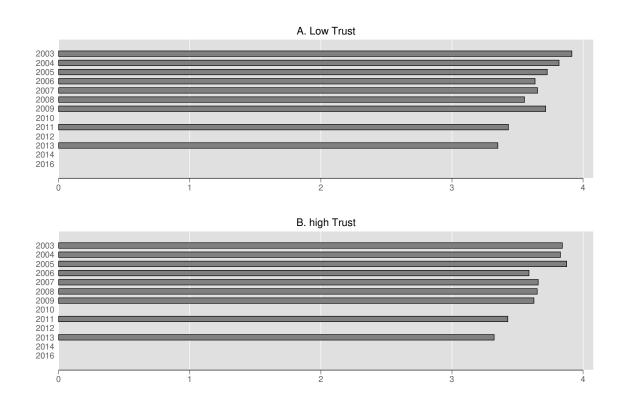
Plotted are the coefficient of the interaction between the trust and year variables as reported in Appendix Table A3. The data for 2007 is not included as it lacks core covariates. Bars indicate 95% confidence intervals.

Table A4: Korean General Social Survey, Multilevel Ordered Logit

	(1)		(1)		
	with co	with controls		ching	
Trust	0.045**	[0.012]	0.056	[0.053]	
Left Government	-0.288**	[0.007]	-0.172*	[0.090]	
Trust \times Left Government	0.336^{**}	[0.007]	0.196^{*}	[0.114]	
Control variables	√	√		√	
Obs	750	7567		8344	
Random Effect	0.003	[0.000]	0.003	0.004	

^{*} p < 0.05, ** p < 0.01. Multilevel ordered logit estimates with robust standard errors in brackets. In the first model, all the control variables used for the benchmark model are included. Coarsened exact matching is used for the second model. (Iacus, King and Porro 2012).

Figure A3: Perceived Militancy of Labor Unions, High- and Low-Trust Individuals



Note: Average levels of perceived militancy of labor unions each year using the KGSS data (Kim et al. 2019).

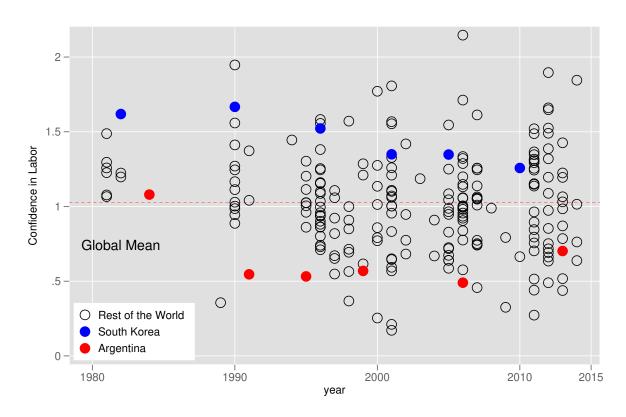


Figure A4: Confidence in Labor: A Global Comparison

Note: Average country-year level confidence in labor unions using the World Value Survey data (WVS 2015). Blue circles indicate the cases of South Korea and red, Argentina. The dashed line indicates the global average, which is 1.0262.

Figure A5: Causal Mediation

