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The China Shock and the Nationalist Backlash against Globalization: Attitudinal Evidence from the British Household Panel Survey

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Abstract: While recent studies have examined how economic shocks arising from trade competition affect voting results at the aggregate level, we know little about the individual-level mechanisms that bring such effects about. In this contribution, we use long-term individual-level panel data to study the effects of local exposure to import competition on political attitudes. We specifically hypothesize that losing out from trade causes a broad nationalist backlash against globalization, i.e. a decrease in support for international cooperation and a rise in nationalist sentiments. In addition, we explore effects on political disaffection and economic policy preferences. Drawing on the British Household Panel Study (1991-2008), we study intra-individual change in individuals' political attitudes to allow for a clean identification of causal effects. We focus on the local consequences of the “China shock” and measure the exposure of British NUTS3-regions to the growth in imports from China as a function of their initial sectoral employment structure.

We first verify that the “China shock” had significant negative effects on individual incomes. Our results on the effects on political attitudes are broadly supportive of the nationalist backlash-thesis. Individuals residing in regions with a stronger “China shock” turn more critical of EU membership as well as of international cooperation in general and show an increase in nationalist sentiment. In contrast, we find no evidence for an effect on positions on economic left-right issues. Our study speaks to the debate about the sources behind the anti-globalization backlash observed in Western democracies and shows how citizen's attitudes towards issues that are primarily seen as cultural, like national identity, are endogenous to the distributional consequences of international trade.

1. Introduction

With Donald Trump becoming US president, the outcome of the Brexit referendum in the UK and the electoral gains of right-wing populist parties with anti-globalization platforms in several European countries, recent years have witnessed a nationalist backlash against globalization in rich Western democracies. What are the sources of this public discontent with globalization? Many contributions point to nationalist and xenophobic attitudes as main drivers of voting for right-wing populist parties in general (Arzheimer 2018; Inglehart and Norris 2017; Rydgren 2008) or Donald Trump (Mutz 2018) and Brexit (Hobolt 2016) in particular. Even preferences towards the *prima facie* “economic” issue of international trade are shaped to a large degree by nationalist and ethnocentric sentiments (Mansfield and Mutz 2009; Margalit 2012). At first sight, such analyses seem to indicate that “culturalist” explanations rooted in individual attitudes like xenophobia or nationalism vastly outperform economic explanations of public resistance to the various facets of globalization. Does this imply that material issues are largely irrelevant for understanding the public backlash against globalization?

We think not. Like many others within this literature (e.g. Hobolt 2016; Inglehart and Norris 2017; Mutz 2018), we find it plausible that xenophobic and nationalist orientations are, to some extent, rooted in economic distress experienced by individuals—and in particular by distress caused by economic globalization specifically. Indeed, an important research tradition in international political economy suggests that the distributional effects of international trade are key to understanding the public backlash against globalization in Western democracies. The theory of embedded liberalism (Ruggie 1982) and the related compensation hypothesis (Cameron 1978; Rodrik 1998) propose that the vagaries of open markets endanger not only public support for international economic openness but also multilateral cooperation more broadly. In line with these ideas, we argue that economically losing from trade causes a broad nationalist backlash against globalization among affected individuals. To our knowledge, this paper represents the first effort to test this idea on the level of individual attitudes within a panel data design that allows us to study how measures of nationalism evolve over time in response to exposure to import competition.

Our study builds upon and complements a set of recent contributions finding that local trade shocks—specifically the exposure to increasing imports from China—affect voting behavior at the aggregate regional level (Autor et al. 2016a, 2016b; Colantone and Stanig 2018a, 2018b; Dippel et al. 2015; Malgouyres 2017). In line with the idea of a nationalist backlash, this research shows, for example, that regions hurt by imports from China were more likely to vote leave in the Brexit referendum (Colantone and Stanig 2018a) and, in a larger Western European perspective, experienced more success of parties with nationalist platforms (Colantone and Stanig 2018b). While

insightful and important, these contributions face limitations in establishing causal mechanisms that connect import shocks and voting behavior at the individual level. In other words, they tell us that import shocks increase the likelihood that individuals vote for right-wing populist parties with nationalist platforms, but they do not tell us exactly why this is the case. It is for example, conceivable, that right-wing populists profit mainly from a general increase in political disaffection, rather than from an increase in nationalist attitudes specifically. We focus on changes in political attitudes over time to enable direct and clean inferences on the attitudinal shifts that underlie voting behavior.

Our empirical analysis draws on the British Household Panel Survey (BHPS), a household panel survey conducted in the UK that covers the years 1991 to 2008 and, thus, allows us to track individuals over a relatively long-time span. Importantly, the BHPS contains a relatively rich set of questions on respondent’s political attitudes. Several of these tap into different aspects of the expected nationalist backlash. In particular, we study support for international political integration – in the form of EU membership and in general – as well as nationalist sentiment, i.e. affective measures of uncritical attachment to one’s nation. Additional items allow us to address whether import competition shows effects beyond the nationalist backlash. We test for a decrease in individuals’ satisfaction with governments and, presumably caused by increasing demands for compensation, a shift in economic policy positions in a leftward direction.

In line with most previous studies, we measure exposure to import competition, our main independent variable, at the local level drawing on the approach pioneered by Autor et al. (2013). We follow the idea that the massive growth in imports from China from the 1990s onward constitutes an exogenous shock—the “China shock” (Autor et al. 2016c)—that caused structural adjustments and regional disparities in economic activity in rich countries. Specifically, we construct measures of exposure of British NUTS3-region to the growth in imports from China from (initial) differences in industry specialization or, more specifically, sectoral employment shares. We match the local China shocks via information on household residence with the BHPS.

Our identification strategy rests crucially on the fact that all the attitudinal items of interests run repeatedly in the BHPS. By controlling for prior attitudes, we leverage intra-individual variation in attitudes over time for a clean and conservative identification of the effect of the China shock. In contrast, pure cross-sectional analyses have a hard time to rule out the concern that import shocks are correlated with initial differences across regions, be it in political attitudes or voting patterns. The underlying problem is that the variation in industry specialization across regions—from which the regional China shock is computed—in itself likely contributes to differences in political attitudes among regions given the strong role of the workplace in shaping political preferences

(Kitschelt and Rehm 2014). This type of confoundedness seems difficult to get rid of by the inclusion of control variables and it is not solved by instrumenting for the growth in imports across sectors. On the methodological side, we thus improve upon previous research designs on the political ramifications of the China shock in this important regard.¹

In addition to providing us with the necessary data, the British case constitutes an interesting case for examining the effects of import competition on political attitudes for at least three reasons. First, studying nationalism and attitudes towards international political integration in the UK is of obvious intrinsic relevance given the outcome of the Brexit referendum. Second and relatedly, by analyzing the British case, we can directly juxtapose our results to the findings reported in Colantone and Stanig's (2018a) article on the Brexit referendum. Third, the liberal British welfare state provides only limited compensation to globalization losers, which leads us to expect relatively pronounced effects of import competition. As suggested by the theory of embedded liberalism (Ruggie 1982) and the compensation hypothesis (Cameron 1978; Rodrik 1998), in more generous welfare states—like the social-democratic welfare regimes in Scandinavian countries—such effects might be muted as the welfare state dampens the economic distress caused by import competition. Moreover, the UK is a country with exceptionally diverse economic developments across regions. From this perspective, the UK constitutes one among the more likely cases for finding trade shocks to cause a nationalist backlash. If we find evidence in this most likely scenario, future research might extend this line of research to the less likely cases.

The remainder of this paper is structured as follows. In the next section, we discuss previous literature and propose a set of hypotheses to be tested in the empirical part. The third section introduces our data and inferential strategy. The fourth section presents our empirical results. A final section summarizes our key findings and discusses avenues for future research.

¹ Two parallel working papers pursue a similar approach in that they also examine the effects of local import shocks on political attitudes. Colantone and Stanig (2018c) use cross-sectional data from the European Social Survey (ESS) and the European Values Study (EVS) for Western European countries pooled over time to study the impact of trade shocks at the regional level of NUTS2 regions on political attitudes. Their findings indicate that respondents residing in regions with a larger Chinese import shock are less supportive of democracy as well as more supportive of strong leaders and hold more negative views on immigration, particularly its cultural aspects. Ballard-Rosa et al. (2017) connect measures of local trade shocks due to imports from China with an original survey conducted in the UK in 2017. They find that a stronger local Chinese import shock is related to more authoritarian values, and in particular to authoritarian aggression. We regard these two studies and ours as complimentary. A big advantage of our design is the use of long-term panel data that allow us to study intra-individual changes in attitudes and to address the confoundedness issue discussed above. However, we are limited to the items included in the BHPS – and are not able to, for example, investigate attitudes towards immigration, studied by Colantone and Stanig (2018c), or authoritarian values, studied by Ballard-Rosa et al. (2017).

2. Import competition and political attitudes: The nationalist anti-globalization backlash and beyond

Our study connects most closely to a rapidly growing body of research that studies the effects of trade shocks on voting results at the local level. We develop our hypotheses on the impact of trade shocks on political attitudes out of a discussion of this literature. These studies build on the seminal contribution of Autor et al. (2013) on the labor market effects of growing Chinese imports in the US. To study the effects of the “China shock”, Autor et al. (2013) propose to exploit variation in import exposure originating from initial differences in industry specialization across US commuting zones. They find strong negative effects of exposure to Chinese import competition in terms of higher unemployment, lower labor force participation and lower wages. Given these economic consequences, scholars have turned to the potential political ramifications of trade shocks and investigated how similar measures of local import exposure are related to aggregate voting results at the local level.

For the US, Autor et al. (2016a), for example, report a polarization effect according to which trade-exposed districts that were initially Republican become more likely to elect conservative instead of moderate Republicans, whereas Democratic districts would become more likely to elect liberal Democrats or turn to conservative Republicans. In a follow-up research note, Autor et al. (2016b) show that the change in the Republican vote share in presidential elections between 2000 and 2016 is positively related to local exposure to Chinese imports (but see Che et al. 2016 for somewhat divergent findings). Their calculations suggest that Donald Trump might not have won the crucial “rust-belt” states in 2016—and accordingly the majority in the Electoral College—had the Chinese import shock been smaller. Using somewhat different approaches, Margalit (2011) as well as Jensen et al. (2017) uncover that incumbents of both parties lose from negative effects of trade at the local level.

Turning to Europe, Malgouyres (2017) presents evidence that the Front National tends to fare better in French localities exposed to low-wage country import competition. Relying on data for Germany from 1987 to 2009, Dippel et al. (2015) find that parties of the extreme-right profit from local import competition with China and Eastern Europe. Notably, they obtain similar, albeit smaller effects on voting for the extreme right for a measure of personal trade exposure computed from sectors of employment using individual-level data from the German Socioeconomic Panel (SOEP). Studying a broader set of 15 West European countries over 1988 and 2007, Colantone and Stanig (2018b) find exposure to Chinese imports at the NUTS2 level to be related to increasing support for radical-right parties. Moreover, using data on party’s positions, they uncover the ideological center of gravity of party systems at the district level to move into a nationalist direction

in response to the Chinese import shock. Finally, Colantone and Stanig (2018a) suggest that the Chinese import shock affected the outcome of the Brexit referendum: Their study provides empirical evidence that NUTS3 regions hurt by imports from China were more likely to vote leave in the Brexit referendum. Finding little heterogeneity in the effect of the China shock across individual with different socio-economic characteristics, Colantone and Stanig (2018a; 2018b) conclude that individuals react to economic consequences for their localities in a sociotropic way.

Taken together, these findings provide complementary evidence that local import shocks affect voting behavior, and that it is parties of the radical right—who oppose globalization most vividly, particularly on the cultural dimension—that profit from local trade shocks. These findings on voting results are in line with the idea of the China shock having caused a nationalist backlash against globalization among regions particularly affected by it. While our study focusses on this possibility, it is important to consider that this is not the only a priori plausible political reaction to economic hardships from trade at the local level. Drawing on Colantone and Stanig (2018b), we distinguish between three general types of potential reactions of losers from globalization: Demand for protectionism, demand for compensation and political disaffection.

First, globalization losers might demand protection from the negative effects of globalization in terms of nationalist autarky, isolationism and closed borders. From a purely rational perspective, this demand for protection could be expected to be well targeted, i.e. that it focusses only on protection from those aspects of globalization individuals were hurt by, like e.g. protection from imports from China. For reasons mentioned below, we think it is more plausible to expect this demand for protection to materialize as a backlash against globalization at large with economic losers becoming more nationalist overall and more critical of various aspects of globalization. Second, globalization losers might demand compensation for economic distress and risks in terms of welfare-state policies and redistribution. This is the micro-level logic behind the well-known compensation hypothesis: As globalization increases economic risks, it leads to demands for economic safeguarding in terms of government spending, which in turn results in a positive association between trade openness and the size of government (Cameron 1978; Rodrik 1998; Walter 2010). Third, globalization losers might become politically disaffected as they are frustrated with socio-economic conditions and blame political actors. If they blame just the current government, the popularity of incumbents is likely to suffer in line with standard models of economic voting (Lewis-Beck and Stegmaier 2018). If the political discontent goes deeper and blame is not limited to the current government, we might observe growing discontent with dominant political elites and the political system at large. Such general discontent might fuel

populist attitudes (Akkermann et al. 2014) with globalization's losers perceiving a rift between "the people" and a political "elite" that is seen as unresponsive to the "will of the people".

While these three reactions hold somewhat distinct implications for voting behavior, it is ultimately difficult to infer empirically from voting results how the respective attitudes change in response to trade shocks. Growing demands for protectionism should lead to increasing vote shares for parties with anti-globalization positions and nationalist platforms; growing demands for welfare compensation would lead us to expect an increase in the vote shares of parties with economically left positions; and growing political disaffection should hurt incumbent governments or established mainstream parties more generally and help populist challenger parties or candidates. That we tend to observe increasing vote shares of the radical right in regions hurt by import competition suggests that the demand for protectionism dominates the demand for compensation and it suggests that growing political disaffection might also be part of the story. Yet, from voting results alone, it is difficult to tell if the demand for compensation does not go up in affected regions in the first place. Alternatively, the demand for protectionism might be just more salient for voting decisions, perhaps because it is easier to mobilize politically. Moreover, it is not clear to what extent the success of right-wing populists reflects the demand for protectionism or growing political disaffection, or a mixture of both. These issues illustrate a more general challenge: We cannot infer from voting results why exactly specific parties profit, and others lose, from import competition. We maintain that studying individuals' political attitudes serves as a useful complement to existing studies on trade shocks and voting behavior as they help us to address this why question. In particular, our study allows us testing whether political attitudes change in a manner suggested by the three hypothesized ramifications of trade shocks and to thereby discriminate between the three potential reactions.

In the following, we put forward our specific hypotheses on how import competition affects individuals' political attitudes. We devote most of our attention to the demand for protectionism, that is, the possibility of a nationalist backlash in political attitudes. On top of that, we present hypotheses that address the possibilities of rising demand for compensation and growing political disaffection.

We start with the notion of a nationalist anti-globalization backlash. The basic, and simple, idea behind this nationalist-backlash thesis is that those who lose out from globalization, and import competition specifically, are likely to turn against it. Part of this reaction is likely driven by economic interests. Previous research establishes that attitudes towards international trade to some extent reflect such economic self-interest considerations (e.g. Mayda and Rodrik 2005; O'Rourke and Sinnott 2001; Scheve and Slaughter 2001), but more so when gains and losses are visible to

individuals (Rho and Tomz 2017, Steiner 2018). Gains and losses seem relatively visible in a context where trade shocks have already had material effects and significantly affected economic activity across localities. Against this background, we would expect individuals residing in regions that lost out from import competition to become more opposed to free trade. While our data do not allow to address attitudes towards trade—or even trade with China specifically—we reason that the backlash is not limited to attitudes towards trade but extends to a more critical position on globalization in general that goes along with an increased uncritical attachment to one’s nation. It is this possibility of a general nationalist anti-globalization backlash that concerns us here and which we empirically address by investigating different manifestations of this nationalist syndrome.

In making this argument, we assume that individuals do not neatly distinguish between the different facets of globalization, but that they are connected within their belief systems. This assumption seems justified in light of evidence showing that individuals’ attitudes on different facets of globalization, such as immigration, European integration and free trade, are typically closely related to each other and align on a single ideological dimension (Kriesi et al. 2008; Hellwig 2014). Yotam Margalit (2012: 487) speaks of an “openness package” to denote the idea that “[p]eople view the material effects or trade as only one component of a broader ‘package’ of openness that includes processes such as [...] the increasing exposure to foreign influences [or] a shift towards a less traditionalist society”. It is because of this mental connection, Margalit argues, that nationalist and ethnocentric sentiments affect support for the *prima facie* economic issue of international trade. Our argument is that this logic works in the other direction as well, in that the material consequences of trade affect nationalist policy positions and sentiments due to the connections between these issues in individual belief systems. We therefore expect that exposure to import competition reduces not only support for international trade, but—more interestingly—causes a decrease in support for political aspects of internationalization and an increase in nationalist sentiment. To test this, we propose a set of three hypotheses dealing with different manifestations of the expected nationalist backlash caused by trade competition. Having several hypothesis on different observable implications of our theory comes with the additional advantage that it allows us to assess the robustness of the nationalist backlash-thesis.

First, applying the nationalist backlash-idea to support for the EU and EU membership, we expect those who lose from trade competition to become more critical of European integration, as one salient manifestation of globalization in the political domain. Our first hypothesis is thus a straightforward extension of Colantone and Stanig’s (2018a) findings on voting for Brexit.

H1: Individuals residing in regions that are move heavily exposed to competition from Chinese imports turn more critical of the European Union.

Second, we extend this reasoning from European integration to support for international cooperation and the willingness to give up national independence more generally. If regional trade shocks cause a general nationalist backlash against globalization, import competition should drive up support for isolationist positions and lower support for multilateralism.

H2: Individuals residing in regions that are move heavily exposed to competition from Chinese imports become less supportive of international cooperation and more supportive of national independence.

Third, in line with the idea of general nationalist backlash, we expect these mechanisms to not only affect individuals' issue positions on the desired level of international integration but to extend to affective orientations towards their nation. Specifically, trade shocks might lead to an increase in nationalist sentiment. More precisely, where trade shocks hit harder beliefs in the inherent superiority of one's nation and uncritical attachment to it are likely to become more widespread. Following the literature on types of national identity, we may speak of an increase in "national chauvinism" (Davidov 2009; Herrmann 2017) and "blind patriotism" (Schatz et al. 1999). This expectation finds additional justification from research in the tradition of social identity theory (Tajfel and Turner 1986) which emphasizes that uncritical attachment to the nation can be an attractive social identity for individuals who face economic hardships, particularly if they perceive common external threats and if international competition is salient (Shayo 2009).

H3: Individuals residing in regions that are move heavily exposed to competition from Chinese imports show increases in nationalist sentiments.

To complete the picture of how import competition might affect political attitudes, we next consider the possibilities of rising demand for compensation and growing political disaffection. The former perspective would lead us to expect that trade shocks cause rising demands for redistribution to the economically disadvantaged, for risk insurance through welfare state policies and for generally more state intervention in the economy. In short, individuals exposed to trade competition should move to the left on the economic left-right scale. While, at least superficially, at odds with findings on the effects of import shocks on voting results discussed above, such a response would be in line with previous research on the micro-level mechanisms underlying the compensation hypothesis. These studies reveal higher job insecurity, stronger demands for welfare state policies and an increased tendency to vote for left parties with such policy positions among those (negatively) exposed to international economic competition (Walter 2010; Rommel and Walter 2017; Walter 2017).

H4: Individuals residing in regions that are move heavily exposed to competition from Chinese imports change their economic policy positions in a leftward direction.

A final possibility is that trade shocks cause dissatisfaction with political actors, institutions and the political system. As stated above, depending on how deep such discontents go and who is blamed, reactions might range from merely a decreasing popularity of incumbent parties to a growing dissatisfaction with the political system altogether. Data constraints prevent us from studying these phenomena separately. Here we focus on generalized satisfaction with the working of national governments and with that on the institution that is likely perceived as primarily responsible for the economic development of regions across the UK. In particular, we study whether governments in Britain are viewed as being responsive to the interests of the citizenry. To the extent that individuals (rightfully or not) blame national governments for local economic difficulties brought about by import competition, they might be less satisfied with national governments perceiving them as unresponsiveness to citizens' needs.

H5: Individuals residing in regions that are move heavily exposed to competition from Chinese imports become more disaffected with governments.

3. Data and methods

We test our hypotheses through data from the British Household Panel Study (BHPS). This household panel runs from 1991 to 2008, consisting of yearly observations, and thus allows us to track individuals over a relatively long time-span. The survey was designed to include a nationally representative sample of more than 5,000 households and approximately 10,000 individuals within these households. Additional subsamples were added later, in particular wave 9 (1999) added additional samples from Scotland and Wales and wave 11 (2001) added an additional sample from Northern Ireland. The interview fieldwork for a wave began in September of the respective year (e.g. 1991 for wave 1), with the bulk of interviews taking place until the end of December, and lasted till the end of April of the following year. We assign to each individual the year of the wave their interview was part of.

As is usual for a household panel study, the data contain rich information on individuals' socio-economic situation, including their formal education, their labor market status, earnings, etc. This set of questions is part of a core questionnaire included in every wave, i.e. year. We use the information on earnings and related outcomes to conduct some validity checks, i.e. to validate our measurement of the China shock as well as our modelling strategy. In the next step, we describe the measures of political attitudes that build our main dependent variables.

3.1 Dependent variables

What sets the BHPS apart from other household panels (we are familiar with) is the relatively rich set of items on individuals' views towards political issues and the fact that many of them were repeatedly included—which allow us to address our five hypotheses. The items we are interested in are all part of a so called “rotating core” which means that they were repeatedly included in the BHPS but not in every year and partly in irregular intervals. **Table 1** gives an overview on the inclusion of the relevant political attitudes in the different waves of the BHPS.

Table 1: Overview on the inclusion of political attitudes in the different waves of the BHPS

Wave	Year	Support for EU membership	Support for international cooperation	Nationalist sentiment	Dissatisfaction with governments	Left-right economic policy
1	1991					X
2	1992				X	
3	1993					X
4	1994				X	
5	1995					X
6	1996				X	
7	1997					X
8	1998				X	
9	1999	X	X	X		
10	2000					X
11	2001				X	
12	2002	X	X	X		
13	2003				X	
14	2004					X
15	2005		X	X		
16	2006	X			X	
17	2007					X
18	2008		X	X		

Note: Observations used as outcomes in **black**, observations used as lagged dependent variables in **dark gray**, observations not used in **light gray**.

Note that the questions related to the possibility of a nationalist backlash—in which we are primarily interested—were all first asked in 1999. The questions on membership in the European Union were repeated in 2002 and 2006. The questions we use to measure general support for international cooperation and nationalist sentiment were both repeated in 2002, 2005 and 2008. Note that, because we aim to control for prior attitudes, we can only use these two respectively three later observations as outcome variables. For all three measures, we can thus study change in nationalist attitudes in the 2000s and, thus, focus on a period in which imports from China into

the UK surged following its entry in the WTO in 2001 (see e.g. Colantone and Stanig 2018b). While questions on government satisfaction and left-right economic policy positions start earlier, we decided to parallelize the investigation and focus on a similar period for these attitudes as well. In case of government satisfaction, we use observations for 2001 (with the lagged value in 1998 serving as control), 2003 and 2006. For economic policy positions, we use observations from 2004 (with the lagged value in 2000 serving as control) and 2007.

In **Table 2**, we list the items we use to measure our five dependent variables. For all constructs apart from support for international cooperation, we have multiple items per construct. In these cases, we run a principal component factor analysis to combine the items into a single latent scale. This worked out well in all cases resulting in one factor-solutions which reasonably strong factor loadings (see the last column). For attitudes towards the EU, we have three different questions that each ask about opinions on British membership in the EU. Support for international cooperation is measured by an item asking for agreement with the statement that “Britain should co-operate with other countries, even if it means giving up some independence”. For a measure of nationalist sentiment, we combine an item on whether individuals “would rather be a citizen of Britain than of any other country in the world” and one on whether “[p]eople in Britain are too ready to criticise their country”. The first is perhaps best conceived of as a measure of “national chauvinism”, i.e. the belief in the inherent superiority of one’s nation, yet it captures a relatively weak form of such chauvinism compared to alternative instruments (see e.g. Herrmann 2017: S70). The second is a measure of “blind patriotism”, i.e. the “attachment to country characterized by unquestioning positive evaluation, staunch allegiance, and intolerance of criticism” (Schatz et al. 1999: 151). Together, these items measure nationalist sentiment in the sense of national pride and uncritical attachment to one’s nation.

Table 2: Operationalization of political attitudes in the BHPS

Construct	Question/Statement	Scale	Loading on factor
Support for EU membership	“Generally speaking, do you think that Britain's membership of the European Union is a good thing, a bad thing or is it neither good nor bad?”	0-2	0.89
	“Taking everything into consideration, would you say that Britain has on balance benefited or not from being a member of the European Union?”	0-1	0.85
	“Do you think Britain's long-term policy should be... - to leave the European Union - to stay in the EU and try to reduce the EU's powers - to leave things as they are - to stay in the EU and try and increase the EU's powers or - to work for the formation of a single European government?”	0-4	0.77

Support for international cooperation	“Britain should co-operate with other countries, even if it means giving up some independence”	0-4	single item only
Nationalist sentiment	“I would rather be a citizen of Britain than of any other country in the world”	0-4	0.77
	“People in Britain are too ready to criticise their country”	0-4	0.77
Government (dis-) satisfaction	“On the whole, what governments do in Britain reflects the wishes of the people”	0-4	0.83
	“Ordinary people don't really have a chance to influence what governments do”	0-4	-0.68
	“Governments can be trusted to place the needs of the nation above the interests of their own party”	0-4	0.74
Left-right economic policy	“Private enterprise is the best way to solve Britain's economic problems”	0-4	-0.61
	“Major public services and industries ought to be in state ownership”	0-4	0.64
	“It is the government's responsibility to provide a job for everyone who wants one”	0-4	0.66
	“Strong trade unions are needed to protect the working conditions and wages of employees”	0-4	0.70

Note: The leftmost column shows loadings from a principal component factor analysis with the items for the respective construct. All factor analyses suggest a solution with one factor with an eigenvalue above one.

The three questions on government (dis-)satisfaction ask about whether “governments can be trusted to place the needs of the nation above the interests of their own party” and the responsiveness of governments to “ordinary people” and “the wishes of the people”. All three items can also be conceptualized as measures of the classic concept of “external efficacy”, i.e. the belief that political decision makers are responsive to one’s demands (Balch 1974). By referring to the “wishes of the people”, “ordinary people” and “the needs of nation”, these items also overlap with measures of populist attitudes (Ackerman et al. 2014). Note that we have reversed the sign of the factor scores from this solution to obtain a measure of government dissatisfaction rather than satisfaction. Finally, we can draw on four questions that capture classic left-right views on economic policy. Individuals with higher scores on the resulting factor overall prefer a stronger role of the state in the economy and more regulation of markets.

3.2 Model specification

Before we describe in detail how we computed the Chinese import shock for the different NUTS3-regions, we need to explain our modeling strategy. As mentioned above, a crucial component of our strategy to identify the causal effect of exposure to import competition is to control for individuals’ prior attitudes, effectively studying change in attitudes over time. To leverage the panel structure best, we thus focus on two consecutive observations, regressing the level value of an

attitude in t on the lagged value of this attitude in $t-x$ and other covariates.² Our baseline specification is this:

$$Y_{i,t} = \alpha + \beta_0 Y_{i,t-x} + \beta_1 \text{China shock}_{j,t} + \boldsymbol{\beta} \text{CONTROLS}_{i,t} + \boldsymbol{\gamma} \text{YEAR}_t + e_{i,t} + e_j \quad (1)$$

where i indexes individuals, t years and j regions. We regress an attitude $Y_{i,t}$ on its lagged value $Y_{i,t-x}$, the corresponding Chinese import shock for the region the individual resides in (at t), a vector of individual level controls and a set of year dummies, i.e. year fixed effects. Given the multilevel structure of our data with individuals nested in NUTS3 regions, we not only include error terms at the individual level, but additionally at the regional levels. Technically, we estimate multilevel hierarchical models with random intercepts for NUTS3-regions. For the factor scores as response variables, we estimate hierarchical linear models; for single item measures, we estimate ordered logit hierarchical models.

The fact that some of the political attitudes were included in irregular intervals poses challenges. First, we might expect more change in an attitude from $t-x$ to t the larger is x . For models with irregular intervals, we thus additionally included interactions between the lagged dependent variable and the year dummies, allowing β_0 to take different values for each wave. Second, we took great care to compute the Chinese import shock such that it corresponds to the time structure of our observations on political attitudes, as explained next.

3.3 Measuring local exposure to Chinese imports

Our measure of Chinese import shocks at the level of NUTS3-regions is based on the approach developed by Autor et al. (2013) and combines two pieces of information: The initial employment structure of a region and the growth in imports from China at the level of industries. This approach allows one to compute how strongly regions are affected by import growth within an industry based on how many workers were initially employed in this industry in this region. Quite intuitively, the import shock will be high if many of the jobs within a region were in an industry that subsequently experienced high import growth from China (like e.g. manufacturing of consumer electronics). Our formula is effectively a weighted average of the growth in Chinese imports with the weights being sectoral employment shares:

$$\text{China shock}_{r,t,\Delta t=x} = \sum_{j=1}^J w_{j,r,t-x} [\ln M_{j,t} - \ln M_{j,t-x}] \quad (2)$$

² Note that such a specification is equivalent to regressing change in the value of an attitude from $t-x$ to t on its lagged level value in $t-x$. Both approaches give us the exact same results for the impact of the China shock.

with i indicating regions, j industries and t standing for years. $M_{j,t}$ is the value in UK imports in Pound Sterling from China in industry j . Our measure of growth in imports in an industry is the difference in the logged values of M_j between t and a base year $t-x$. This metric approximates the percentage change in import from China. We weight this increase in imports by $w_{j,r,t-x}$, i.e. the share of employment for an industry in a region in the base year $t-x$. It is defined as $w_{j,r,t-x} = \frac{L_{j,r,t-x}}{L_{r,t-x}}$, i.e. as a ratio that divides the number of workers in region r and industry j by the total number of workers in region r .

We computed the China shock measure such that it corresponds to the time structure of our survey data, with $t-x$ always being the year in which the lagged dependent variable is measured. For instance, if we predict nationalist sentiment in 2008 by its prior lagged value in 2005, t is 2008, $t-x$ is 2005 and x (or Δt) is 3. This way we effectively explain change in an attitude with change in exposure to Chinese imports over the exact time period and on the basis of the employment shares at the beginning of this time period. We believe that this approach allows us to identify the effect of interest in the most clean and conservative way.

Our regional units are NUTS3-regions according to the 2006 revision in the UK, excluding Northern Ireland for which we lack regional employment data ($n=128$). The data on regional employment shares are from NOMIS, the database on UK labor market statistics by the Office for National Statistics. NOMIS provides data of the total number of workers (full-time & part-time) per industry (according to SIC 2003) for NUTS3-regions in the 2003 revision for the years 1998 to 2008. We converted this information to the 2006 NUTS3-revision, yet were not able to convert the information to more recent revisions given that some of the NUTS3-regions were split in later revisions. On the other hand, it proved largely unproblematic to assign individuals to 2006 NUTS3-regions based on the residence information provided in the BHPS. To assign individuals to NUTS3 regions, we rely on a variable on the local authority districts (LADs) households are situated in (based on the November 2013 version of the ONS Postcode Directory). With a few minor exceptions, it is unequivocal to assign LADs to 2006 NUTS3 regions, as the NUTS3 regions represent a higher level of aggregation and usually do not cut through LADs.³

³ Specifically, we used a lookup file from the Office for National Statistics to assign LADs (as at 31 December 2013) to 2015 NUTS3-regions. Using correspondence tables from Eurostat, we then moved backward to convert 2015 NUTS3-regions to 2010 NUTS-3-regions and then 2010 NUTS3-regions to 2006 NUTS3-regions. We lost only few observations along the way. Specifically, three LADs in the (North-)West of Scotland—"Highlands", "North Ayrshire" and "Argyll and Bute"—that cut through NUTS3 boundaries could not be assigned to a 2015-NUTS3 region in the first place.

We obtained data on imports from China by industry from two sources: the UN COMTRADE and the OECD STAN database. They contain imports by industry according to SITC revision 3 and ISIC revision 3, respectively. We transformed these information to SIC 2003 (which conforms to ISIC revision 3.1) using the most disaggregated industry classifications possible, i.e. the one at the highest possible digit level. For UN COMTRADE we distinguish between 55 industries (see **Table A 1**) and for OECD STAN between 25 (see **Table A 2**).⁴ Using correspondingly harmonized industry classifications for the regional employment shares, we compute the “China shock” according to equation (1). Having two measures of the China shock computed from two different sources enables us to check the robustness of our results with respect to how we measure the import shock.

3.4 Control variables

At this stage, we consider only control variables at the individual level. Given our strong research design relating short-run within-individual changes in political attitudes to change in local exposure to Chinese imports, we believe that there is little reason to worry about confoundedness at the regional level. Moreover, we want to avoid including post-treatment variables, i.e. right-hand side variables that are plausibly affected by the China shock, like, for example, indicators of regional economic activity. At the individual-level, we are similarly worried foremost about post-treatment bias. We include gender, age and education. Education measures as categories the highest formal qualification obtained distinguishing between no qualification (used as baseline category), other qualification, GCSE or equivalent, A-level or equivalent, other higher degree and university degree. All these controls are pre-treatment and should be (largely, in case of education) unaffected by the import shock.

As potential individual-level moderators of the import shock, we additionally consider labor market status. This measure records the status of individuals as of the week prior to the interview. Combining some of the weakly populated categories, we distinguish between three active (in paid employment, self-employed, unemployed) and three inactive (retired, student, other inactive) labor force categories. One might expect those in the active labor force to be economically more heavily affected by the import shock and to therefore show a stronger attitudinal reaction to it. Yet, previous research has found only limited evidence of such heterogeneity (Colantone and Stanig 2018a; 2019b).

⁴ Note that, for OECD Stan, we excluded information for “E-Q other activities” as these would otherwise dominate our measure, given the high corresponding employment shares, and introduce a lot of noise.

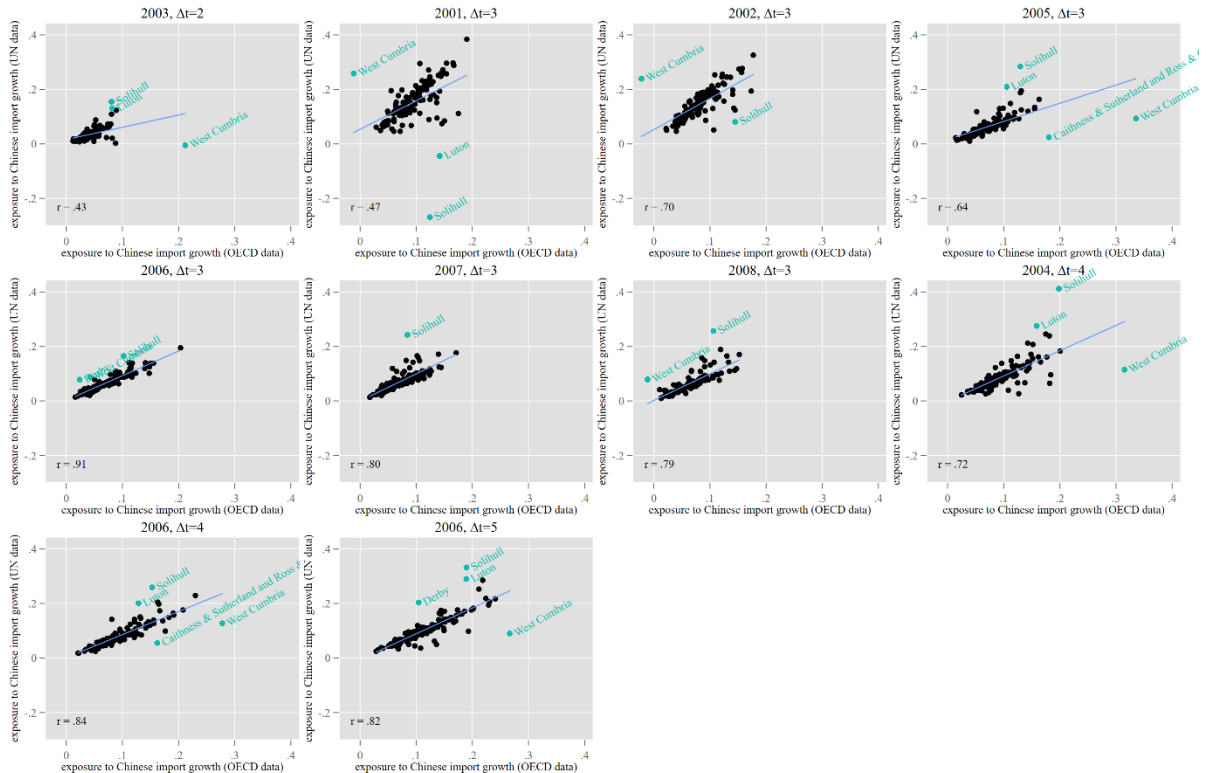
4. Results

Before turning to our main results, we present some descriptive information and report the results of validity checks. We first focus on the correspondence between our two measures of the regional China shock (section 4.1). Next, we present further descriptive information on our main variables (section 4.2). We then report the results of a series of estimations investigating the impact of the China shock on individual income (section 4.3). We then turn to our main findings on the effect of the China shock on political attitudes (section 4.4). Finally, we discuss some extensions and robustness checks (section 4.5).

4.1 Correspondence between the two China shock variables

In **Figure 1**, we show scatterplots of the China shock from the two different sources for the different years and Δt 's. Reassuringly, the two measures correlate generally well with each other. Yet, there are a few notable outliers, which tend to concern the same NUTS3-regions. On this basis, we decided to exclude observations from “Luton”, “Solihull” and “West Cumbria” from all subsequent analyses.

Figure 1: Scatterplots between regional China shocks computed from UN and OECD data



Note: Pearson correlation coefficients (at the NUTS3 level) displayed within the figures. Outlier observations with studentized residuals greater than 3.5 marked with labels. On this basis, we excluded observations from “Luton”, “Solihull” and “West Cumbria”—for which we often observe strong discrepancies between the UN and OECD based data—from all subsequent analysis. “Caithness & Sutherland and Ross & Comarty” could not be included in the analysis below in the first place as the respective local authority areas belong to different NUTS3 regions and respondents residing in these areas could not be assigned to any NUTS3 region specifically (see footnote 3).

4.2 Descriptive statistics

Table 1 lists descriptive information on the China shock measures (excluding the outliers). The first thing to note is that the China shock is always positive, i.e. we observe an increase in exposure to imports from China for every NUTS3-region and Δt -version of the measure. Second, we observe substantive variation in the strength of the import shock. Looking at the UN COMTRADE-based measure with $\Delta t=3$, we observe an increase in import exposure of only 0.009 (approximately corresponding to a 0.9 percent increase) for “Inner London – West” in 2008. At the other end, we observe an increase of 0.297 for „Stoke-on-Trent” in 2001. Unsurprisingly, the China shock tends to get somewhat larger when it measures the increase in exposure over a longer period (i.e. with a larger Δt).

Table 3: Descriptive statistics for regional China shock

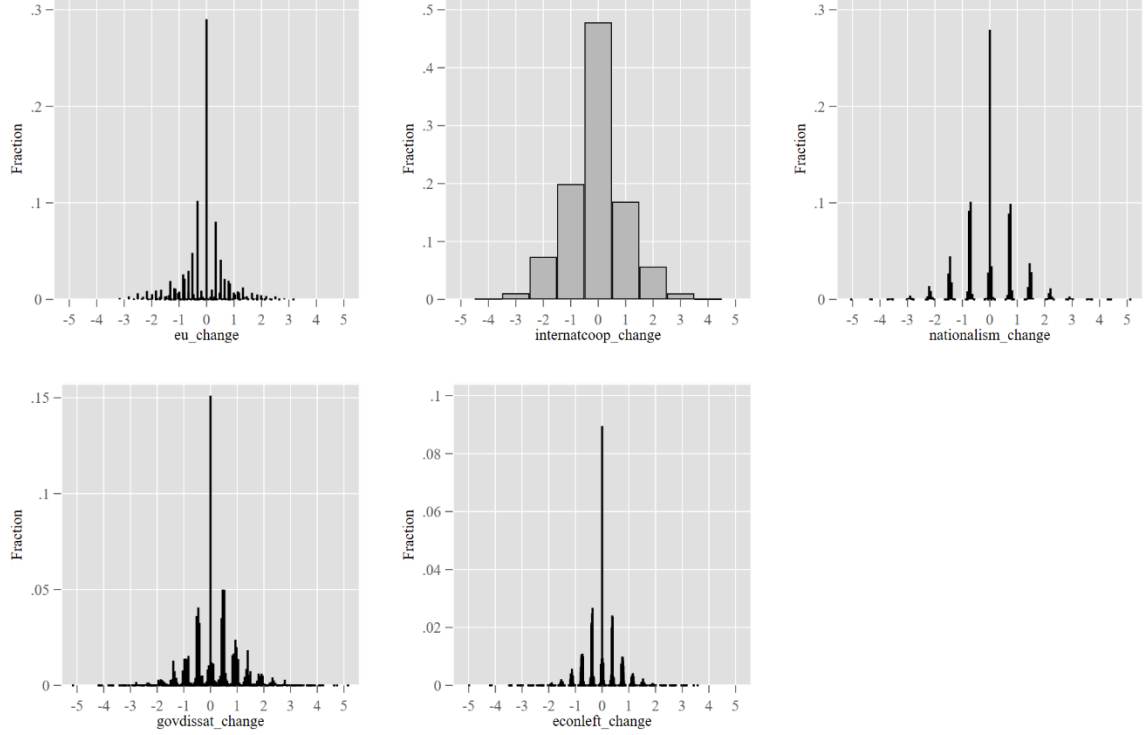
Variable	Available for years	Observ.	Mean	Std. Dev.	Min.	Max.
China shock $_{\Delta t=2}$ (UN)	2003	12,944	0.034	0.016	0.008	0.123
China shock $_{\Delta t=3}$ (UN)	2001, 2002, 2005, 2006, 2007, 2008	76,811	0.101	0.064	0.009	0.297
China shock $_{\Delta t=4}$ (UN)	2004, 2006	25,164	0.083	0.040	0.018	0.246
China shock $_{\Delta t=5}$ (UN)	2006	12,449	0.104	0.046	0.025	0.285
China shock $_{\Delta t=2}$ (OECD)	2003	12,944	0.039	0.015	0.012	0.089
China shock $_{\Delta t=3}$ (OECD)	2001, 2002, 2005, 2006, 2007, 2008	76,811	0.079	0.034	0.013	0.204
China shock $_{\Delta t=4}$ (OECD)	2004, 2006	25,164	0.095	0.040	0.021	0.230
China shock $_{\Delta t=5}$ (OECD)	2006	12,449	0.117	0.048	0.029	0.241

Note: Descriptive statistics computed for the individual-level dataset. Outliers (West Cumbria, Solihull and Luton) with respect to **Figure 1** excluded.

As our analysis identifies the effect of the China shock from within-individual variation in political attitudes over time, it is crucial to check how much change we actually observe. We computed the difference in our dependent variable for all two subsequent observations that are part of our empirical analysis and plot the distributions of these variables in the histograms of **Figure 2**. The figure reveals much stability in the political attitudes of interest. Yet, we do observe a reasonable amount of change, some of which might reflect measurement error and some of which is likely to

reflect real change in the underlying attitudes of individuals. We leverage this limited, but existing variation below for our empirical tests.

Figure 2: Histograms with change in political attitudes over time



4.3 Effect of the China shock on income

As a first check, we tested for an effect of exposure to Chinese import competition on individual income. We are interested in the effect for substantive reasons, yet we also think of this exercise as a validity check that serves to increase the confidence in the general inferential strategy behind our model specification. For this purpose, we adopt the same time structure as for our models on support for international cooperation and nationalist sentiment, i.e. we predict income in 2002, 2005 and 2008 using lagged income from 1999, 2002 and 2005 and from the China shock computed with $\Delta t=3$. We looked at three measures of income (annual income from labor, usual gross pay per month in current job and usual net pay per month in current job) in British Pounds and employed both measures of the China shock (UN COMTRADE and OECD STAN). As shown in **Table 4**, we obtain relatively tightly estimated negative effects in all cases, which are consistent with each other. Multiplying the estimate in model (1) by its standard deviation (0.064), the model predicts annual income from labor to be lower by 387£ for a one standard deviation increase in the China shock. This is an economically relevant effect, especially bearing in mind that it is cumulative in

two ways: First, the model contains three first-differences in income and each of the three China shocks may affect income—essentially, the China shock might hit three times. Second, in the the lagged dependent variable specification -387£ indicates only the short-run effect. Via the dynamics specified by the dependent variable the short-run effect transmits into future periods leading (in theory) to a corresponding long-run equilibrium effect of $1,019\text{£}$ ($\frac{-6051.6}{1-0.62} * 0.064$).

Table 4: Effect of Chinese import shock on income

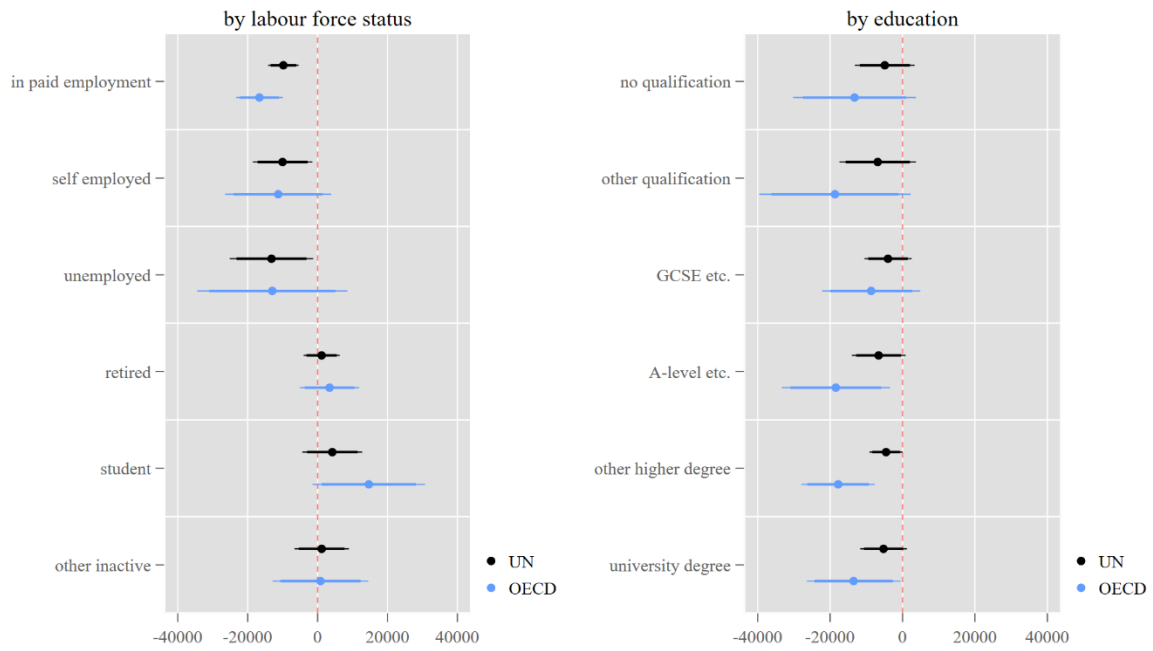
	Annual labor income		Usual gross pay per month in current job		Usual net pay per month in current job	
	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable _{t-3}	0.62*** (0.0048)	0.62*** (0.0048)	0.86*** (0.0066)	0.86*** (0.0066)	0.84*** (0.0065)	0.84*** (0.0065)
China shock (UN)	-6051.6** (2180.1)		-560.3** (194.2)		-410.8*** (123.9)	
China shock (OECD)		-8666.7** (3174.9)		-949.4*** (271.8)		-618.0*** (175.4)
<i>Education (ref: no qualification)</i>						
Other qualification	69.7 (280.6)	72.2 (280.6)	18.6 (34.5)	19.1 (34.5)	19.7 (21.3)	20.1 (21.3)
GCSE etc.	577.6* (230.1)	578.8* (230.0)	33.5 (27.5)	33.4 (27.5)	30.3+ (17.0)	30.3+ (17.0)
A-level etc.	764.5** (260.7)	765.5** (260.7)	68.6* (29.0)	68.6* (29.0)	50.8** (17.9)	50.8** (17.9)
Other higher degree	2133.9*** (202.1)	2135.7*** (202.1)	133.3*** (25.1)	133.2*** (25.1)	96.0*** (15.5)	96.1*** (15.5)
Degree	6048.4*** (246.2)	6045.2*** (246.3)	357.9*** (27.9)	356.8*** (27.9)	238.0*** (17.2)	237.7*** (17.2)
Male	3245.5*** (132.9)	3246.9*** (132.9)	196.3*** (12.9)	196.4*** (12.9)	133.9*** (8.03)	133.9*** (8.03)
Age	162.0*** (21.0)	162.5*** (21.0)	11.5*** (3.43)	11.6*** (3.43)	6.60** (2.12)	6.66** (2.12)
Age ²	-2.81*** (0.20)	-2.81*** (0.20)	-0.21*** (0.040)	-0.21*** (0.040)	-0.13*** (0.025)	-0.13*** (0.025)
<i>Year fixed effects (ref: 2002)</i>						
Year=2005	-532.1* (253.3)	-71.3 (158.8)	-59.3* (23.0)	-18.9 (15.0)	-57.0*** (14.5)	-26.5** (9.27)
Year=2008	-166.6 (250.6)	245.8 (164.9)	0.92 (22.8)	36.2* (15.5)	9.87 (14.4)	36.9*** (9.62)
Constant	2610.6*** (638.7)	2390.4*** (602.8)	219.3** (78.0)	210.0** (75.6)	215.3*** (48.3)	202.7*** (46.8)
<i>Random effect standard deviations</i>						
Intercept (region)	755.8	743.0	56.9	55.5	39.1	38.2
Observed individuals	29232	29232	13862	13862	13862	13862
Observed regions	120	120	119	119	119	119

Notes: Standard errors in parentheses; hierarchical linear models with random intercepts at the level of NUTS3 regions; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

In addition, we added interaction effects to the models for annual income from labor to see how the effect of the import shocks varies with individual characteristics. In **Figure 3**, we show the effect by labor force status and by education. There is a relatively similar negative effect of the China shock for all those who are in the labor force, while the effect is close to zero for those who are not. The effects within educational groups are a bit less precisely estimated and indicate little

heterogeneity in the impact of the China shock. In **Figure A 1** and **Figure A 2** in the appendix, we show effects by sectors of employment. The effects are estimated to be strongest in finance and real estate, two sectors which seem to be indirectly affected by their sensitivity to local economic activity. Once we disaggregate manufacturing, the estimates get noisy, but there is some noteworthy evidence for a strong negative effect in manufacture of office machinery and computers.

Figure 3: Conditional effects of Chinese import shock on annual labor income



Note: Marginal effects from hierarchical linear models with interactions between (a) labor force status and the China shock, and (b) education and the China shock. The latter models only includes respondents with active labor market status (i.e. individuals who are in paid employment, self-employed or unemployed).

To further validate our import shock measure and our identification strategy, we tested for effects on unemployment, subjective assessments of one's financial situation and psychological distress (see **Table A 3**). While the effect are not as consistent as for income, there is some evidence that the China shock increases the probability that an individual experienced an unemployment spell and that it causes a drop in financial satisfaction. Moreover, psychological distress seems to increase in those areas more heavily exposed to the growth in Chinese imports.

Overall, these results increase our confidence in the general viability of our identification strategy and point to economically meaningful effects of the China shock. With that in mind, we turn to the political attitudes where are primarily interested in.

4.4 Effect of the China shock on political attitudes: Main results

In **Table 5**, we present a set of regression results on our first three hypothesis, which collectively test whether the China shock has caused a nationalist anti-globalization backlash in political attitudes. The China shock is negatively signed in all six specifications. For the OECD STAN based measure, it is always statistically significant (with $p < 0.01$). For the UN COMTRADE based measure, it is statistically significant ($p < 0.001$) in predicting nationalist sentiment (model 5), yet it narrowly misses usual thresholds for statistical significance in predicting support for cooperation with other countries ($p = 0.13$) and support for EU membership ($p = 0.13$). Nonetheless, these results all point consistently in the direction that the China shock has both caused more nationalist policy orientations as well as increased nationalist sentiment. We conclude that there is consistent empirical support for the nationalist backlash-thesis.

Table 5: Effect of Chinese import shock on political attitudes (EU membership support, support for cooperation with other countries, nationalist sentiment)

	EU membership		Cooperation with other countries		Nationalist sentiment	
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged DV	0.64*** (0.0098)	0.64*** (0.0098)	0.98*** (0.013)	0.98*** (0.013)	0.45*** (0.0054)	0.45*** (0.0054)
China shock (UN)	-0.32 (0.21)		-0.57 (0.37)		0.52*** (0.13)	
China shock (OECD)		-0.71** (0.27)		-1.69** (0.55)		0.50** (0.18)
<i>Education (ref: no qualification)</i>						
Other qualification	-0.016 (0.031)	-0.016 (0.031)	-0.062 (0.049)	-0.062 (0.049)	-0.052* (0.022)	-0.052* (0.022)
GCSE etc.	0.043+ (0.026)	0.044+ (0.026)	-0.10* (0.040)	-0.10* (0.040)	-0.057** (0.018)	-0.057** (0.018)
A-level etc.	0.088** (0.029)	0.087** (0.029)	0.039 (0.045)	0.037 (0.045)	-0.079*** (0.021)	-0.080*** (0.021)
Other higher degree	0.11*** (0.022)	0.11*** (0.022)	-0.0073 (0.035)	-0.0085 (0.035)	-0.097*** (0.016)	-0.097*** (0.016)
Degree	0.31*** (0.026)	0.31*** (0.026)	0.44*** (0.043)	0.43*** (0.043)	-0.16*** (0.019)	-0.16*** (0.019)
Male	0.013 (0.014)	0.014 (0.014)	0.16*** (0.023)	0.16*** (0.023)	0.0082 (0.010)	0.0083 (0.010)
Age/100	-0.48* (0.24)	-0.48+ (0.24)	-0.97** (0.36)	-0.96** (0.36)	0.060 (0.16)	0.061 (0.16)
(Age/100) ²	0.28 (0.23)	0.27 (0.23)	1.02** (0.35)	1.01** (0.35)	0.51** (0.16)	0.51** (0.16)
<i>Year fixed effects (ref: 2002)</i>						
Year=2005			-0.19*** (0.044)	-0.16*** (0.028)	0.058*** (0.017)	0.017 (0.012)
Year=2006	-0.25*** (0.021)	-0.22*** (0.014)				
Year=2008			-0.23*** (0.043)	-0.20*** (0.029)	-0.00077 (0.017)	-0.039** (0.013)
<i>Year X LDV interaction</i>						
LDV X Year=2006	-0.032* (0.014)	-0.032* (0.014)				

Constant	0.094 (0.073)	0.10 (0.069)			-0.18*** (0.047)	-0.15** (0.045)
<i>Random effect standard deviations</i>						
Intercept (region)	0.075	0.078	0.123	0.123	0.020	0.021
Observed individuals	11567	11567	28330	28330	28567	28567
Observed regions	120	120	120	120	120	120

Notes: Standard errors in parentheses; hierarchical linear (models 1, 2, 5 and 6) and ordered logit (models 3 and 4) models with random intercepts at the level of NUTS3 regions; thresholds for ordered logit models not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Again, it is not so straightforward to interpret the size of the effects. For example, the estimate in model 5 indicates that a one standard deviation increase in the China shock decreases nationalist sentiment by 0.033 (0.52*0.064). While this seems to indicate a very small effect, the corresponding long-run effect is almost double than that (0.033/(1-0.45)=0.06) and, given the panel setup, the China shock might hit three times. Multiplying the long-run effect estimate by three, we arrive at a value of 0.18 which is almost a fifth of the standard deviation in nationalist sentiment (=1.00) or change in nationalist sentiment (=1.01). We would argue that this is not a negligible quantity—particularly as this is an effect that concerns all individuals within a region.

In **Table 6**, we study government dissatisfaction and positions on economic policy. In this case, our results do not support the hypothesized effects. For government dissatisfaction, the UN and OECD based measures point in different directions and are both statistically indistinguishable from zero. For economic policy positions, the coefficients are both positive—indicating that the China shock shifts economic policy positions in a leftward direction—but are, again, not statistically significant (the p-values are 0.56 for model 3 and 0.24 for model 4).

Table 6: Effect of Chinese import shock on political attitudes (government dissatisfaction, economic left-right)

	Government dissatisfaction		Economic left-right	
	(1)	(2)	(3)	(4)
Lagged DV	0.52*** (0.010)	0.52*** (0.010)	0.61*** (0.0080)	0.61*** (0.0080)
China shock (UN)	-0.061 (0.17)		0.12 (0.20)	
China shock (OECD)		0.013 (0.25)		0.26 (0.22)
<i>Education (ref: no qualification)</i>				
Other qualification	0.027 (0.022)	0.027 (0.022)	-0.026 (0.025)	-0.026 (0.025)
GCSE etc.	0.047* (0.018)	0.047* (0.018)	-0.096*** (0.020)	-0.096*** (0.020)
A-level etc.	0.0039 (0.021)	0.0040 (0.021)	-0.082*** (0.023)	-0.081*** (0.023)
Other higher degree	0.0019 (0.016)	0.0019 (0.016)	-0.11*** (0.018)	-0.11*** (0.018)
Degree	-0.14***	-0.14***	-0.19***	-0.18***

	(0.020)	(0.020)	(0.021)	(0.021)
Male	-0.038***	-0.038***	-0.065***	-0.065***
	(0.010)	(0.010)	(0.011)	(0.011)
Age/100	1.42***	1.42***	-0.38*	-0.39*
	(0.17)	(0.17)	(0.18)	(0.18)
(Age/100) ²	-1.14***	-1.14***	0.13	0.13
	(0.16)	(0.16)	(0.18)	(0.18)
<i>Year fixed effects</i>				
Year=2001	ref.	ref.		
Year=2003	0.36***	0.36***		
	(0.025)	(0.019)		
Year=2004			ref.	ref.
Year=2006	0.16***	0.17***		
	(0.020)	(0.015)		
Year=2007			0.0025	0.0055
			(0.011)	(0.012)
<i>Year X LDV interaction</i>				
LDV X Year=2003	-0.043**	-0.043**		
	(0.013)	(0.013)		
LDV X Year=2006	0.015	0.015		
	(0.014)	(0.014)		
LDV X Year=2007			0.020+	0.020+
			(0.011)	(0.011)
Constant	-0.47***	-0.48***	0.23***	0.21***
	(0.051)	(0.050)	(0.051)	(0.053)
<i>Random effect standard deviations</i>				
Intercept (region)	0.063	0.063	0.047	0.046
Observed individuals	27202	27202	16969	16969
Observed regions	121	121	119	119

Notes: Standard errors in parentheses; hierarchical linear models with random intercepts at the level of NUTS3 regions; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

4.5 Effect of the China shock on political attitudes: Additional results

We extended these baseline analyses in several directions.

First, to explore the patterns in the data further and to check the robustness of our results, we disaggregated the factors scores and used the individual items as outcome variables instead. The results of these models are listed in **Table 4** to **Table A 7** in the appendix. The findings are largely in line with those from above demonstrating the robustness of our main findings, but also add some interesting nuance. In case of EU membership support (**Table 4**), the China shock enters negatively in all six regressions. Again, we receive stronger support for the nationalist backlash-thesis when using the UN COMTRADE-measure of the China shock with the China shock being statistically significant with $p < 0.10$ for the item on whether Britain's EU membership is a good thing and with $p < 0.01$ on the item whether it is beneficial for Britain. For nationalist sentiment (see **Table A 5**), we obtain significant negative effects on the two constituent items for both measures of the China shock, underlining the robustness of this finding.

In case of government dissatisfaction (see **Table A 6**) and left-right economic positions (**Table A 7**), the disaggregated analysis largely vindicates the nil findings from the factors scores—with two noteworthy exceptions. First, there is some, albeit weak, evidence that—while the China shock has not caused a broad dissatisfaction with governments—it made more people believe that “ordinary people don’t really have a chance to influence what governments do”. Perhaps this item might capture frustration of individuals who feel left behind more directly than the other two items. Second, we obtain strong evidence that the China shock led more individuals to agree that “strong trade unions are needed to protect the working conditions and wages of employees”—while it didn’t shift any of the other economic policy attitudes concerning government intervention in the market. To dig deeper, we explored three additional items that are not part of our economic policy position measure, as these were either included in different waves or do not ask about economic policy per se but rather about assessments of the economy and economic inequality. The results in **Table A 8** suggest that the China shock increased support for the idea of introducing an upper limit on income. While there is, thus, no evidence for a general shift to the left on economic ideology, support for specific measures shifts seems to shift in such a direction. On balance, however, the nationalist backlash-thesis remains by far the type of reaction most strongly and consistently supported by the data.

Second, we explored whether the effect of the China shock varies with individual’s attribute. Following up on the results for income, one might expect that those who are active in the labor force react more strongly to the China shock. We therefore re-estimated the baseline specifications while including an interaction of the China shock and a binary measure of labor force status (active vs. inactive). The results on the nationalist backlash in **Table A 9** and **Figure A 3** point in no consistent direction and reject the idea that the impact is confined to or generally stronger among those active in the labor force. Likewise, there is little heterogeneity regarding government dissatisfaction and economic left-right positions and the conditional effects are all indistinguishable from zero—as are the main effects discussed above.

Third, we conducted additional robustness checks with alternative specifications of the hierarchical nature of the data. We re-estimated our baseline models on the nationalist backlash as hierarchical linear models that include random intercepts for all NUTS3-region-year combinations (instead of just NUTS3-regions). An advantage of this model is that the second level then corresponds exactly to the level on which our main independent variable, i.e. the China shock, is measured. The results are similar to those presented in **Table 5**. While the OECD measure of the China shock affects EU membership support now only with $p < 0.10$ (instead of $p < 0.01$), the effect of the UN measure on support for international cooperation turns significant with the p-value decreasing from 0.13 to

below 0.05. As another check, we added NUTS3-region fixed effects to our baseline specification. This is to rule out the concern that our results are just driven by divergent experiences across broad regions, with for example London diverging from other English regions. This model identifies the effect of the China shock only from variation within the 11 British NUTS1-regions. The results in **Table A 11** reveal that our results are not particularly sensitive to this issue. All statistically significant effects of the China shock remain significant in **Table A 11**. We arrive at similar conclusions when excluding London instead (see **Table A 12**).

5. Discussion

This paper has sought to address the question whether economic shocks from international trade cause a nationalist backlash against globalization. Answering this question is important for understanding the sources behind the anti-globalization backlash in Western democracies. While previous studies have provided evidence that exposure to import competition contributes to the success of nationalist parties, our study of the consequences of import shocks has studied political attitudes directly and should help us better understand why we observe these effects on voting behavior. To present clean evidence on this matter, we combined data on regional exposure to the surge in imports from China with rich panel data from the British Household Panel and focused on changes over time for identification.

Our results are broadly supportive of the nationalist backlash-thesis. To begin with, our findings corroborate the findings of Colantone and Stanig (2018a) on the Brexit referendum in that we find regional exposure to Chinese imports to be associated with growing opposition to EU membership. Importantly, we have provided evidence that this effect is not limited to attitudes towards the EU but extends to people's views on the trade-off between international cooperation and national independence more generally. At the same time, we observe an increase in nationalist sentiment in regions hurt by China's exports. These results are consistent with each other and proved reasonably stable in robustness checks. Overall, we conclude that the China shock has caused a nationalist backlash in people's attitudes – at least in the country and period we have studied.

In contrast, we obtained very limited evidence, at best, for an increase in dissatisfaction with government and a leftward shift in economic policy positions. It seems very safe to conclude that—out of the three theoretical possibilities—the nationalist backlash is by far the dominant reaction to the China shock. This pattern of results help us better understand why it is mostly not left parties who profit from attracting globalization losers, but parties of the nationalist right.

Our findings are thus in line with the central tenet of the theory of embedded liberalism that compensating globalization's losers might be necessary to sustain public support for an open world order based on multinational cooperation. At the same time, we do not necessarily observe that losers from international trade demand such compensation, they seem to rather turn against globalization itself.

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Appendix

Table A 1: SCI 2003 industry classification used for computing the China shock from UN COMTRADE

CODE	INDUSTRY
A	AGRICULTURE, HUNTING AND FORESTRY
C	MINING AND QUARRYING
D	MANUFACTURING
15	Manufacture of Food Products and Beverages
15.1	Production, processing and preserving of meat and meat products
15.2	Processing and preserving of fish and fish products
15.3	Processing and preserving of fruit and vegetables
15.4	Manufacture of vegetable and animal oils and fats
15.6	Manufacture of grain mill products, starches and starch products
15.8	Manufacture of other food products
15.9	Manufacture of beverages
16	Manufacture of tobacco products
17	Manufacture of Textiles
18	Manufacture of Wearing Apparel; Dressing and Dyeing of Fur
19	Tanning and Dressing of Leather; Manufacture of Handbags, Saddlery, Harness And Footwear
19.1	Tanning and dressing of leather
19.2	Manufacture of luggage, handbags and the like, saddlery and harness
19.3	Manufacture of footwear
20	Manufacture of Wood And Products of Wood And Cork, Except Furniture; Manufacture of Articles of Straw & Plaiting Materials
21	Manufacture of Pulp, Paper & Paper Products
22	Publishing, Printing & Reproduction of Recorded Media
23	Manufacture of Coke, Refined Petroleum Products & Nuclear Fuel
23.1	Manufacture of coke oven products
23.2	Manufacture of refined petroleum products
23.3	Processing of nuclear fuel
24	Manufacture of Chemicals and Chemical Products
24.1	Manufacture of basic chemicals
24.2	Manufacture of pesticides and other agro-chemical products
24.4	Manufacture of pharmaceuticals, medicinal chemicals, botanical products
24.5	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations
24.6	Manufacture of other chemical products
25	Manufacture of Rubber and Plastic Products
26	Manufacture of Other Non-metallic Mineral Products
27	Manufacture of Basic Metals
28	Manufacture of fabricated metal products, except machinery & equipment
29	Manufacture of Machinery and Equipment Not Elsewhere Classified
29.1	Manufacture of machinery for the production and use of mechanical power, except aircraft, vehicle & cycle engines
29.2	Manufacture of other general purpose machinery

29.3	Manufacture of agricultural and forestry machinery
29.5	Manufacture of other special purpose machinery
29.6	Manufacture of weapons and ammunition
29.7	Manufacture of domestic appliances not elsewhere classified
30	Manufacture of office machinery and computers
31	Manufacture of Electrical Machinery & Apparatus Not Elsewhere Classified
32	Manufacture of Radio, Television, Communication Equipment & Apparatus
32.1	Manufacture of electronic valves and tubes and other electronic components
32.3	Manufacture of TV and radio receivers, sound or video recdg or repro atus
33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks
33.1	Manufacture of medical and surgical equipment and orthopaedic ances
33.2	Manufacture of electronic instruments for measuring, checking, testing, ating
33.4	Manufacture of optical instruments and photographic equipment
33.5	Manufacture of watches and clocks
34	Manufacture of Motor Vehicles, Trailers and Semi-trailers
34.1	Manufacture of motor vehicles
34.2	Manufacture of bodies (coachwork) for motor vehicles trailers & semi-
34.3	Manufacture of parts and accessories for motor vehicles and their es
35	Manufacture of Other Transport Equipment
35.1	Building and repairing of ships and boats
35.2	Manufacture of railway and tramway locomotives and rolling stock
35.4	Manufacture of motorcycles and bicycles
36	Manufacture of Furniture; Manufacturing Not Elsewhere Classified
36.1	Manufacture of furniture
36.2	Manufacture of jewellery and related articles
36.3	Manufacture of musical instruments
36.5	Manufacture of games and toys
36.6	Miscellaneous manufacturing not elsewhere classified

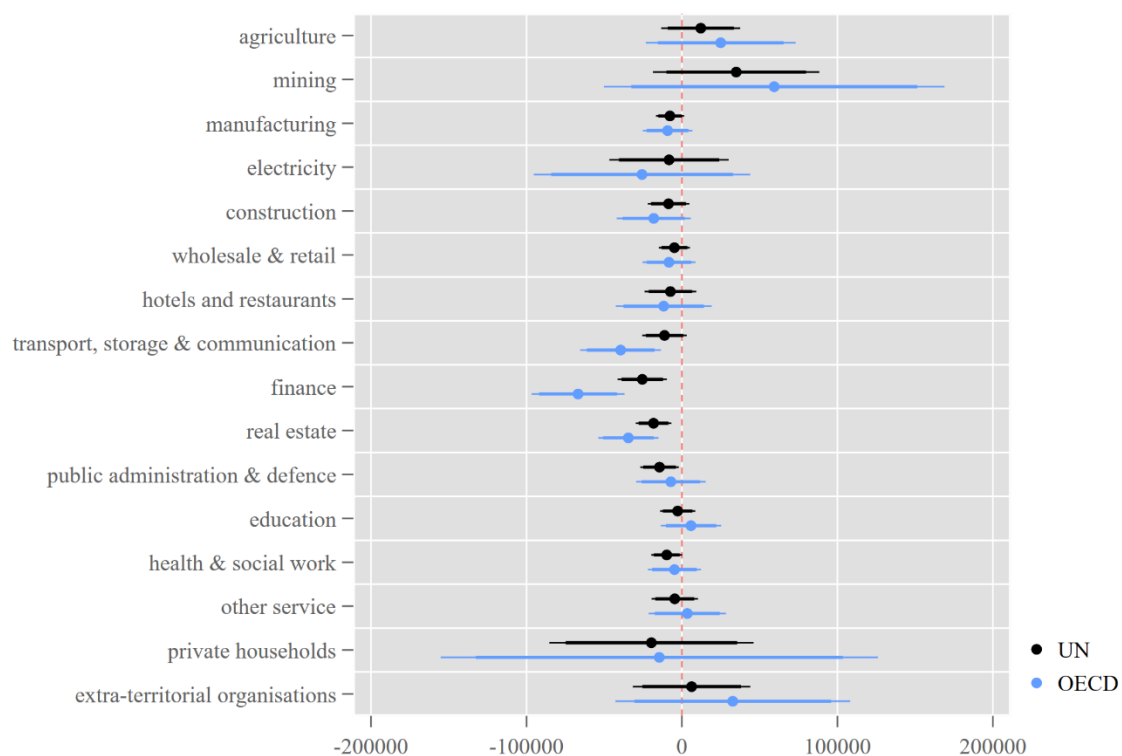
Note: Industry disaggregations used are in **blue**; higher levels of aggregation in **black** listed for information only.

Table A 2: SIC 2003 industry classification used for computing the China shock from OECD STAN

CODE	INDUSTRY
A	AGRICULTURE, HUNTING AND FORESTRY
B	FISHING
C	MINING AND QUARRYING
D	MANUFACTURING
15+16	Manufacture of Food Products and Beverages and Tobacco
17+18+19	Manufacture of Textiles, Wearing Apparel; Dressing and Dyeing of Fur, Tanning and Dressing of Leather; Manufacture of Handbags, Saddlery, Harness And Footwear
20	Manufacture of Wood And Products of Wood And Cork, Except Furniture; Manufacture of Articles of Straw & Plaiting Materials
21+22	Manufacture of Pulp, Paper & Paper Products, Publishing, Printing & Reproduction of Recorded Media
23	Manufacture of Coke, Refined Petroleum Products & Nuclear Fuel
24	Manufacture of Chemicals and Chemical Products
24.1, 24.2, 24.3, 24.5, 24.6	Manufacture of basic chemicals, Manufacture of pesticides and other agro-chemical products, Manufacture of paint, varnish & similar coatings, printing inks & cs, Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations, Manufacture of other chemical products
24.4	Manufacture of pharmaceuticals, medicinal chemicals, botanical products
25	Manufacture of Rubber and Plastic Products
26	Manufacture of Other Non-metallic Mineral Products
27	Manufacture of Basic Metals
27.1	Manufacture of basic iron and steel and of ferro-alloys
27.2, 27.3, 27.4, 27.5	Manufacture of tubes, Other first processing of iron and steel, Manufacture of basic precious and non-ferrous metals, Casting of metals
28	Manufacture of fabricated metal products, except machinery & equipment
29	Manufacture of Machinery and Equipment Not Elsewhere Classified
30	Manufacture of office machinery and computers
31	Manufacture of Electrical Machinery & Apparatus Not Elsewhere Classified
32	Manufacture of Radio, Television, Communication Equipment & Apparatus
33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks
34	Manufacture of Motor Vehicles, Trailers and Semi-trailers
35	Manufacture of Other Transport Equipment
35.1	Building and repairing of ships and boats
35.2, 35.4, 35.5	Manufacture of railway and tramway locomotives and rolling stock, Manufacture of motorcycles and bicycles, Manufacture of other transport equipment not elsewhere classified
35.3	Manufacture of aircraft and spacecraft
36	Manufacture of Furniture; Manufacturing Not Elsewhere Classified

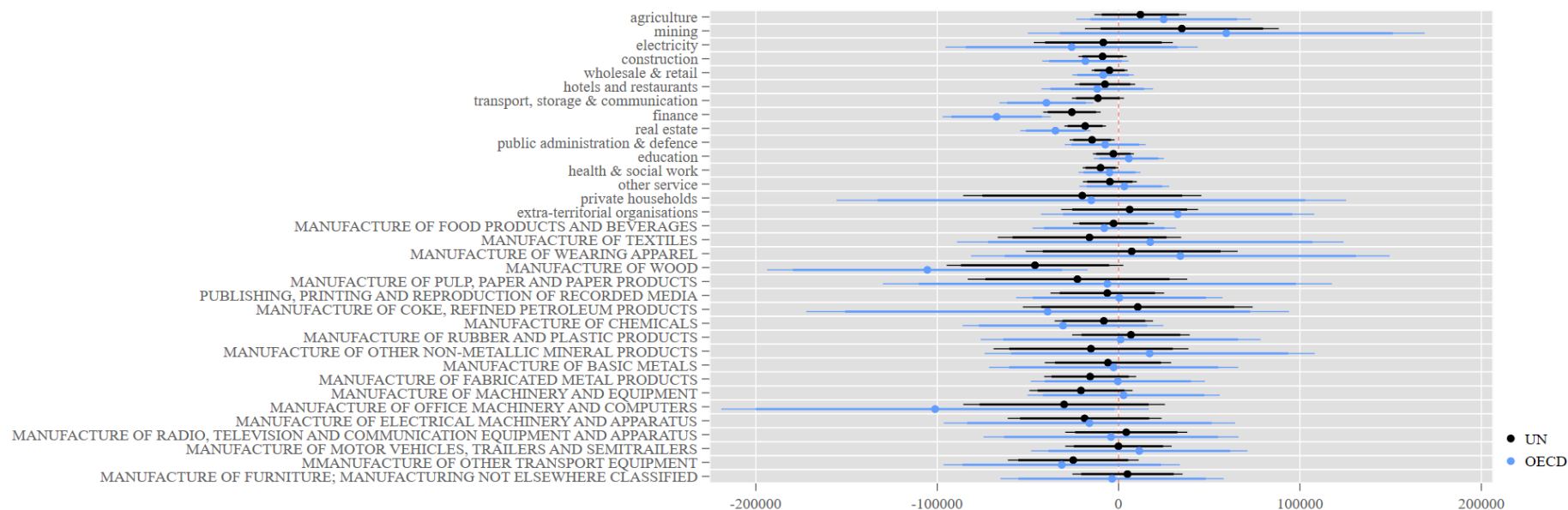
Note: Industry disaggregations used are in **blue**; higher levels of aggregation in **black** listed for information only.

Figure A 1: Marginal effects of Chinese import shock on annual labor income conditional on sector of employment (SIC92 section level)



Note: Point estimates of marginal effects with 95 % and 90 % confidence intervals. Marginal effects are from hierarchical linear models with interactions between sector of employment and the China shock. Noisy estimate for fishing excluded due to very low number of observations (n=5).

Figure A 2: Marginal effects of Chinese import shock on annual labor income conditional on sector of employment (SIC92 section level, manufacturing at SIC92 two-digit level)



Note: Marginal effects from hierarchical linear models with interactions between sector of employment and the China shock. Super noisy estimates for five sectors with very low number of observations excluded.

Table A 3: Effect of Chinese import shock on unemployment, self-assessments of financial situation and psychological distress

	Unemployment spell		Self-assessments of financial situation		Psychological distress	
	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable _{t-3}	1.43*** (0.071)	1.43*** (0.071)	1.14*** (0.014)	1.14*** (0.014)	0.42*** (0.0055)	0.42*** (0.0055)
China shock (UN)	1.73* (0.87)		-0.65 (0.40)		1.79* (0.81)	
China shock (OECD)		1.64 (1.23)		-1.01+ (0.59)		2.14+ (1.12)
<i>Education (ref: no qualification)</i>						
Other qualification	-0.47*** (0.13)	-0.47*** (0.13)	0.17*** (0.048)	0.17*** (0.048)	-0.45*** (0.13)	-0.45*** (0.13)
GCSE etc.	-0.49*** (0.11)	-0.50*** (0.11)	0.23*** (0.040)	0.23*** (0.040)	-0.54*** (0.11)	-0.54*** (0.11)
A-level etc.	-0.57*** (0.11)	-0.57*** (0.11)	0.26*** (0.045)	0.26*** (0.045)	-0.42*** (0.12)	-0.42*** (0.12)
Other higher degree	-0.65*** (0.095)	-0.65*** (0.095)	0.39*** (0.035)	0.39*** (0.035)	-0.60*** (0.093)	-0.60*** (0.093)
Degree	-0.77*** (0.11)	-0.78*** (0.11)	0.79*** (0.043)	0.79*** (0.043)	-0.89*** (0.11)	-0.89*** (0.11)
Male	0.35*** (0.057)	0.35*** (0.057)	-0.015 (0.022)	-0.015 (0.022)	-0.74*** (0.060)	-0.74*** (0.060)
Age	-0.12*** (0.012)	-0.12*** (0.012)	0.00044 (0.0036)	0.00048 (0.0036)	0.020* (0.0095)	0.020* (0.0095)
Age ²	0.0010*** (0.00014)	0.0010*** (0.00014)	0.00012*** (0.000034)	0.00012*** (0.000034)	-0.00023* (0.000092)	-0.00023* (0.000092)
<i>Year fixed effects (ref: 2002)</i>						
Year=2005	0.13 (0.11)	-0.016 (0.072)	-0.23*** (0.045)	-0.18*** (0.028)	0.21* (0.10)	0.072 (0.073)
Year=2008	0.47*** (0.11)	0.34*** (0.071)	-0.46*** (0.045)	-0.41*** (0.029)	0.34** (0.10)	0.21** (0.075)
Constant	0.085 (0.28)	0.21 (0.27)			6.74*** (0.28)	6.84*** (0.27)
<i>Random effect variances</i>						
Intercept (region)	0.064	0.062	0.023	0.023	0.025	0.026
Observed individuals	22396	22396	29344	29344	28176	28176
Observed regions	120	120	120	120	120	120

Notes: Standard errors in parentheses; hierarchical models with random intercepts at the level of NUTS3 regions; models 1 and 2 are binary logit models predicting the occurrence of any unemployment spell during the observed year; models 3 and 4 are ordered logit models predicting answers to the question “How well would you say you yourself are managing financially these days?” with answers ranging from “finding it very difficult” (0) to “living comfortably” (4); models 5 and 6 are linear models predicting an additive Likert scale (0 to 36) on psychological stress built from 12 questions on whether individuals experienced psychological distress during past two weeks; cut-offs for ordered logit models not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table A 4: Effect of Chinese import shock EU membership support – single items

	“Generally speaking, do you think that Britain's membership of the European Union is a good thing, a bad thing or is it neither good nor bad?”	“Taking everything into consideration, would you say that Britain has on balance benefited or not from being a member of the European Union?”	“Do you think Britain's long-term policy should be... - to leave the European Union - to stay in the EU and try to reduce the EU's powers - to leave things as they are - to stay in the EU and try and increase the EU's powers or - to work for the formation of a single European government?”			
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged DV	1.63** (0.032)	1.63** (0.032)	2.39** (0.061)	2.39** (0.061)	0.86** (0.021)	0.86** (0.021)
China shock (UN)	-0.77 (0.50)		-0.94 (0.64)		-0.69 (0.50)	
China shock (OECD)		-1.13+ (0.64)		-2.36** (0.85)		-0.55 (0.62)
<i>Education (ref: no qualification)</i>						
Other qualification	-0.013 (0.069)	-0.013 (0.069)	-0.0044 (0.10)	-0.0056 (0.10)	-0.11 (0.069)	-0.11 (0.069)
GCSE etc.	0.14* (0.056)	0.14* (0.056)	0.24** (0.079)	0.24** (0.079)	-0.12* (0.056)	-0.12* (0.056)
A-level etc.	0.28** (0.064)	0.28** (0.064)	0.35** (0.089)	0.35** (0.089)	0.078 (0.062)	0.079 (0.062)
Other higher degree	0.32** (0.049)	0.32** (0.049)	0.46** (0.069)	0.46** (0.069)	0.011 (0.049)	0.011 (0.049)
Degree	1.00** (0.063)	1.00** (0.063)	1.17** (0.084)	1.16** (0.084)	0.39** (0.057)	0.40** (0.057)
Male	0.034 (0.032)	0.034 (0.032)	0.17** (0.044)	0.17** (0.044)	-0.13** (0.030)	-0.13** (0.030)
Age/100	-1.69** (0.54)	-1.69** (0.54)	0.48 (0.76)	0.50 (0.76)	-4.70** (0.51)	-4.70** (0.51)
(Age/100) ²	1.06* (0.51)	1.06* (0.51)	-0.77 (0.72)	-0.80 (0.72)	3.50** (0.49)	3.50** (0.49)
<i>Year fixed effects (ref: 2002)</i>						
Year=2006	-0.31** (0.070)	-0.24** (0.061)	-0.36** (0.080)	-0.26** (0.067)	-0.67** (0.067)	-0.61** (0.058)
<i>Year X LDV interaction</i>						
LDV X Year=2006	-0.15** (0.043)	-0.15** (0.043)	-0.12 (0.088)	-0.13 (0.088)	0.015 (0.029)	0.015 (0.029)
<i>Random effect variances</i>						
Intercept (region)	0.035	0.035	0.044	0.047	0.034	0.033
Observed individuals	16507	16507	12817	12817	15358	15358
Observed regions	120	120	120	120	120	120

Notes: Standard errors in parentheses; binary (models 3 and 4) and ordered (models 1, 2, 5 and 6) logit models with random intercepts at the level of NUTS3 regions; thresholds for ordered logit models not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table A 5: Effect of Chinese import shock on nationalism – single items

	I would rather be a citizen of Britain than of any other country in the world		People in Britain are too ready to criticize their country	
	(1)	(2)	(3)	(4)
Lagged DV	1.20*** (0.015)	1.20*** (0.015)	0.81*** (0.015)	0.81*** (0.015)
China shock (UN)	0.78* (0.32)		1.05** (0.33)	
China shock (OECD)		0.81+ (0.45)		1.01* (0.46)
<i>Education (ref: no qualification)</i>				
Other qualification	-0.12* (0.050)	-0.12* (0.050)	-0.11* (0.051)	-0.11* (0.051)
GCSE etc.	-0.23*** (0.041)	-0.23*** (0.041)	-0.037 (0.041)	-0.037 (0.041)
A-level etc.	-0.23*** (0.046)	-0.23*** (0.046)	-0.11* (0.046)	-0.11* (0.046)
Other higher degree	-0.29*** (0.036)	-0.29*** (0.036)	-0.095** (0.036)	-0.096** (0.036)
Degree	-0.37*** (0.043)	-0.38*** (0.043)	-0.26*** (0.043)	-0.26*** (0.043)
Male	-0.035 (0.023)	-0.035 (0.023)	0.12*** (0.023)	0.12*** (0.023)
Age/100	-0.72+ (0.37)	-0.71+ (0.37)	0.46 (0.36)	0.46 (0.36)
(Age/100) ²	2.54*** (0.35)	2.54*** (0.35)	0.12 (0.35)	0.12 (0.35)
<i>Year fixed effects (ref: 2002)</i>				
Year=2002	0.072+ (0.040)	0.0086 (0.028)	0.12** (0.041)	0.031 (0.028)
Year=2005	-0.14*** (0.040)	-0.20*** (0.029)	0.11** (0.040)	0.036 (0.029)
<i>Random effect variances</i>				
Intercept (region)	0.005	0.005	0.005	0.006
Observed individuals	28977	28977	28794	28794
Observed regions	120	120	120	120

Notes: Standard errors in parentheses; ordered logit models with random intercepts at the level of NUTS3 regions; thresholds for ordered logit models not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table A 6: Effect of Chinese import shock on government dissatisfaction – single items

	On the whole, what governments do in Britain reflects the wishes of the people		Ordinary people don't really have a chance to influence what governments do		Governments can be trusted to place the needs of the nation above the interests of their own party	
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged DV	0.94*** (0.025)	0.94*** (0.025)	0.68*** (0.023)	0.69*** (0.023)	0.84*** (0.024)	0.85*** (0.024)
China shock (UN)	0.088 (0.37)		0.52 (0.36)		0.49 (0.38)	
China shock (OECD)		0.28 (0.53)		0.98+ (0.52)		0.37 (0.56)
<i>Education (ref: no qualification)</i>						
Other qualification	0.010 (0.049)	0.010 (0.049)	-0.0021 (0.050)	-0.0027 (0.050)	-0.048 (0.049)	-0.049 (0.049)
GCSE etc.	-0.079+ (0.040)	-0.079+ (0.040)	-0.089* (0.041)	-0.089* (0.041)	-0.15*** (0.041)	-0.15*** (0.041)
A-level etc.	-0.020 (0.046)	-0.020 (0.046)	-0.23*** (0.046)	-0.23*** (0.046)	-0.13** (0.046)	-0.13** (0.046)
Other higher degree	-0.0026 (0.036)	-0.0025 (0.036)	-0.24*** (0.036)	-0.24*** (0.036)	-0.15*** (0.036)	-0.15*** (0.036)
Degree	0.31*** (0.043)	0.31*** (0.043)	-0.63*** (0.044)	-0.63*** (0.044)	-0.071+ (0.043)	-0.072+ (0.043)
Male	0.10*** (0.023)	0.10*** (0.023)	0.023 (0.023)	0.023 (0.023)	0.041+ (0.023)	0.041+ (0.023)
Age/100	-3.00*** (0.36)	-3.00*** (0.36)	1.82*** (0.36)	1.81*** (0.36)	-3.70*** (0.37)	-3.70*** (0.37)
(Age/100) ²	2.39*** (0.35)	2.40*** (0.35)	-1.19*** (0.35)	-1.18*** (0.35)	3.02*** (0.36)	3.02*** (0.36)
<i>Year fixed effects (ref.: 2001)</i>						
Year=2003	-0.81*** (0.081)	-0.81*** (0.074)	0.31*** (0.089)	0.31*** (0.083)	-0.47*** (0.070)	-0.51*** (0.061)
Year=2006	-0.68*** (0.072)	-0.68*** (0.065)	-0.020 (0.088)	-0.043 (0.083)	-0.38*** (0.062)	-0.41*** (0.053)
<i>Year X LDV interaction</i>						
LDV X Year=2003	-0.037 (0.032)	-0.037 (0.032)	0.013 (0.030)	0.013 (0.030)	-0.030 (0.030)	-0.030 (0.030)
LDV X Year=2006	0.15*** (0.033)	0.15*** (0.033)	0.094** (0.031)	0.093** (0.031)	0.046 (0.032)	0.045 (0.032)
<i>Random effect variances</i>						
Intercept (region)	0.017	0.016	0.012	0.012	0.021	0.021
Observed individuals	27693	27693	28061	28061	27694	27694
Observed regions	121	121	121	121	121	121

Notes: Standard errors in parentheses; hierarchical ordered logit models with random intercepts at the level of NUTS3 regions; thresholds for ordered logit models not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table A 7: Effect of Chinese import shock on economic issue attitudes – single items

	Private enterprise is the best way to solve Britain's economic problems		Major public services and industries ought to be in state ownership		It is the government's responsibility to provide a job for everyone who wants one		Strong trade unions are needed to protect the working conditions and wages of employees	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Lagged DV	1.13*** (0.025)	1.13*** (0.025)	0.92*** (0.022)	0.92*** (0.022)	1.07*** (0.021)	1.07*** (0.021)	1.25*** (0.022)	1.25*** (0.022)
China shock (UN)	0.65 (0.47)		-0.69 (0.44)		0.38 (0.58)		1.23* (0.61)	
China shock (OECD)		0.56 (0.52)		-0.69 (0.48)		0.55 (0.65)		1.83** (0.67)
<i>Education (ref: no qualification)</i>								
Other qual.	0.13* (0.066)	0.13* (0.066)	0.050 (0.062)	0.050 (0.062)	-0.15* (0.062)	-0.15* (0.062)	-0.14* (0.063)	-0.14* (0.063)
GCSE etc.	0.18*** (0.053)	0.18*** (0.053)	0.0093 (0.051)	0.0093 (0.051)	-0.44*** (0.051)	-0.44*** (0.051)	-0.26*** (0.052)	-0.26*** (0.052)
A-level etc.	0.13* (0.060)	0.13* (0.060)	0.0091 (0.057)	0.0092 (0.057)	-0.45*** (0.058)	-0.45*** (0.058)	-0.26*** (0.059)	-0.26*** (0.059)
Other higher degree	0.18*** (0.046)	0.18*** (0.047)	0.022 (0.045)	0.022 (0.045)	-0.56*** (0.045)	-0.56*** (0.045)	-0.25*** (0.045)	-0.25*** (0.045)
Degree	0.35*** (0.055)	0.35*** (0.055)	-0.046 (0.052)	-0.046 (0.052)	-0.85*** (0.054)	-0.85*** (0.054)	-0.29*** (0.053)	-0.28*** (0.053)
Male	0.37*** (0.029)	0.37*** (0.029)	0.049+ (0.028)	0.049+ (0.028)	-0.13*** (0.028)	-0.13*** (0.028)	-0.071* (0.028)	-0.071* (0.028)
Age/100	-1.34** (0.48)	-1.34** (0.48)	0.66 (0.46)	0.66 (0.46)	-1.71*** (0.46)	-1.72*** (0.46)	-2.51*** (0.47)	-2.51*** (0.47)
(Age/100) ²	2.50*** (0.46)	2.50*** (0.46)	-0.82+ (0.44)	-0.82+ (0.44)	1.51*** (0.44)	1.51*** (0.44)	1.84*** (0.45)	1.85*** (0.45)
<i>Year fixed effects (ref.: 2004)</i>								
Year=2007	-0.072 (0.072)	-0.071 (0.072)	-0.28*** (0.069)	-0.28*** (0.070)	0.033 (0.064)	0.038 (0.065)	-0.021 (0.076)	-0.0028 (0.077)
<i>Year X LDV interaction</i>								
LDV X year=2007	0.050 (0.034)	0.050 (0.034)	0.054+ (0.030)	0.054+ (0.030)	0.036 (0.027)	0.036 (0.027)	0.056+ (0.029)	0.055+ (0.029)
<i>Random effect standard deviations</i>								
Intercept (region)	0.007	0.007	0.005	0.005	0.029	0.028	0.032	0.031
Obs. individuals	17612	17612	17977	17977	18838	18838	18669	18669
Obs. regions	121	119	119	119	119	119	119	119

Notes: Standard errors in parentheses; hierarchical ordered logit models with random intercepts at the level of NUTS3 regions; thresholds for ordered logit models not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table A 8: Effect of Chinese import shock on economic issue attitudes – additional single items

	The government should place an upper limit on the amount of money that any one person can make		Ordinary people get their fair share of the nation's wealth		There is one law for the rich and one for the poor	
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged DV	0.97*** (0.020)	0.97*** (0.020)	0.94*** (0.023)	0.94*** (0.023)	1.04*** (0.022)	1.04*** (0.022)
China shock (UN)	0.58 (0.39)		0.094 (0.48)		0.74 (0.47)	
China shock (OECD)		1.13* (0.57)		-0.026 (0.53)		0.69 (0.52)
<i>Education (ref: no qualification)</i>						
Other qualification	-0.12* (0.049)	-0.12* (0.049)	-0.00016 (0.063)	-0.00019 (0.063)	-0.15* (0.063)	-0.15* (0.063)
GCSE etc.	-0.18*** (0.040)	-0.18*** (0.040)	-0.058 (0.052)	-0.058 (0.052)	-0.28*** (0.051)	-0.28*** (0.051)
A-level etc.	-0.31*** (0.046)	-0.31*** (0.046)	0.026 (0.058)	0.026 (0.058)	-0.37*** (0.058)	-0.37*** (0.058)
Other higher degree	-0.31*** (0.036)	-0.31*** (0.036)	-0.0098 (0.045)	-0.010 (0.045)	-0.35*** (0.045)	-0.35*** (0.045)
Degree	-0.53*** (0.044)	-0.53*** (0.044)	0.087 (0.053)	0.086 (0.053)	-0.62*** (0.053)	-0.62*** (0.053)
Male	-0.20*** (0.023)	-0.20*** (0.023)	0.0013 (0.028)	0.0014 (0.028)	0.075** (0.028)	0.075** (0.028)
Age/100	0.20 (0.36)	0.19 (0.36)	-4.47*** (0.46)	-4.47*** (0.46)	2.95*** (0.46)	2.95*** (0.46)
(Age/100) ²	0.083 (0.35)	0.089 (0.35)	4.28*** (0.44)	4.28*** (0.44)	-2.22*** (0.44)	-2.22*** (0.44)
<i>Year fixed effects (ref.: 2001)</i>						
Year=2001	ref.	ref.				
Year=2003	0.066 (0.069)	0.060 (0.060)				
Year=2004			ref.	ref.	ref.	ref.
Year=2006	-0.017 (0.062)	-0.043 (0.053)				
Year=2007			0.055 (0.055)	0.053 (0.055)	0.0087 (0.081)	0.011 (0.081)
<i>Year X LDV interaction</i>						
LDV X Year=2003	0.033 (0.026)	0.032 (0.026)				
LDV X Year=2006	0.042 (0.027)	0.041 (0.027)				
LDV X Year=2007			0.063* (0.032)	0.063* (0.032)	0.012 (0.029)	0.012 (0.029)
<i>Random effect variances</i>						
Intercept (region)	0.026	0.025	0.010	0.009	0.009	0.009
Observed individuals	27887	27887	18693	18693	18901	18901
Observed regions	121	121	119	119	119	119

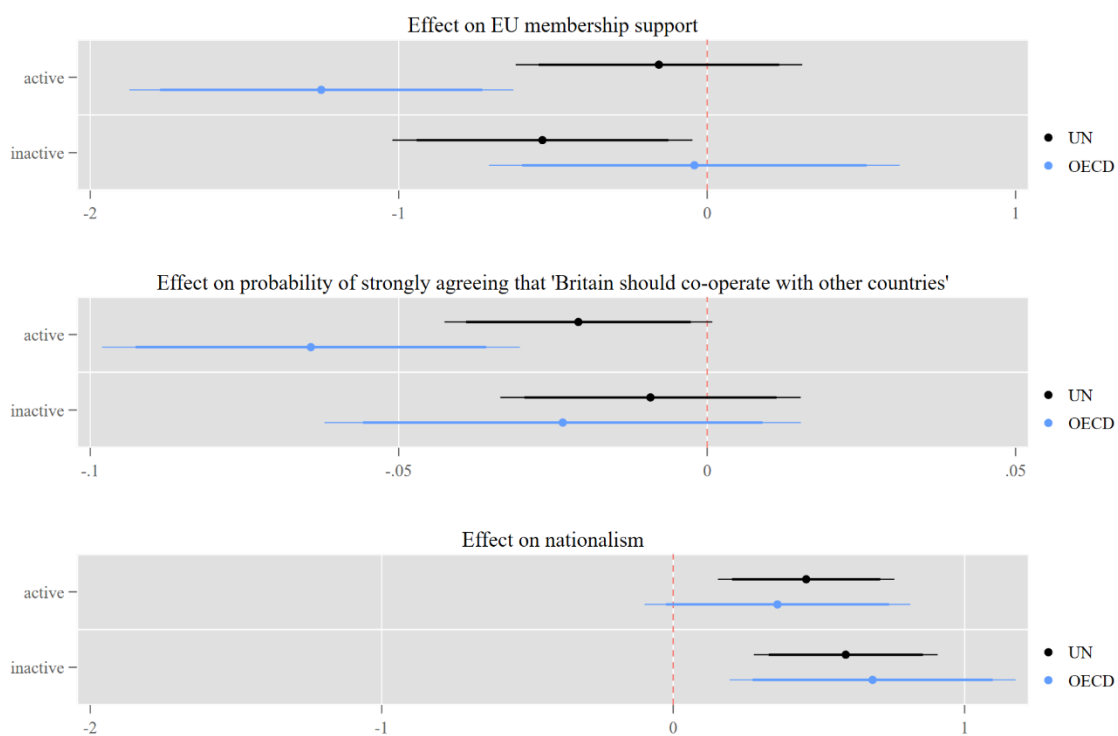
Notes: Standard errors in parentheses; hierarchical ordered logit models with random intercepts at the level of NUTS3 regions; thresholds for ordered logit models not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table A 9: Effect of Chinese import shock on political attitudes (EU membership support, support for cooperation with other countries, nationalist sentiment) – interaction with labor force status (active vs. non-active)

	EU membership		Cooperation with other countries		Nationalist sentiment	
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged DV	0.64*** (0.0098)	0.64*** (0.0098)	0.98*** (0.013)	0.98*** (0.013)	0.45*** (0.0054)	0.45*** (0.0054)
China shock (UN)	-0.16 (0.24)		-0.77+ (0.41)		0.46** (0.15)	
China shock (OECD)		-1.25*** (0.32)		-2.38*** (0.63)		0.36 (0.23)
Labor force: inactive	0.028 (0.032)	-0.12*** (0.036)	0.045 (0.045)	-0.030 (0.059)	0.020 (0.020)	0.0081 (0.027)
China sh. (UN) X inactive	-0.38 (0.23)		0.46 (0.38)		0.14 (0.17)	
China sh. (OECD) X inactive		1.21*** (0.36)		1.58* (0.70)		0.33 (0.32)
<i>Education (ref: no qualification)</i>						
Other qualification	-0.018 (0.031)	-0.015 (0.031)	-0.058 (0.049)	-0.057 (0.049)	-0.050* (0.022)	-0.050* (0.022)
GCSE etc.	0.040 (0.026)	0.045+ (0.026)	-0.092* (0.041)	-0.093* (0.041)	-0.053** (0.018)	-0.053** (0.018)
A-level etc.	0.086** (0.029)	0.090** (0.029)	0.045 (0.045)	0.045 (0.045)	-0.077*** (0.021)	-0.077*** (0.021)
Other higher degree	0.11*** (0.022)	0.11*** (0.022)	0.0071 (0.036)	0.0075 (0.036)	-0.091*** (0.016)	-0.091*** (0.016)
Degree	0.31*** (0.027)	0.31*** (0.026)	0.46*** (0.043)	0.45*** (0.043)	-0.15*** (0.019)	-0.15*** (0.019)
Male	0.012 (0.014)	0.013 (0.014)	0.16*** (0.023)	0.16*** (0.023)	0.0099 (0.010)	0.0100 (0.010)
Age/100	-0.50* (0.25)	-0.51* (0.25)	-0.83* (0.36)	-0.82* (0.36)	0.11 (0.16)	0.11 (0.16)
(Age/100) ²	0.33 (0.24)	0.33 (0.24)	0.77* (0.36)	0.76* (0.36)	0.42** (0.16)	0.42** (0.16)
<i>Year fixed effects (ref: 2002)</i>						
Year=2005			-0.19*** (0.044)	-0.16*** (0.028)	0.059*** (0.017)	0.017 (0.012)
Year=2006	-0.25*** (0.021)	-0.22*** (0.014)				
Year=2008			-0.23*** (0.043)	-0.20*** (0.029)	-0.00032 (0.017)	-0.039** (0.013)
<i>Year X LDV interaction</i>						
LDV X Year=2006	-0.030* (0.014)	-0.031* (0.014)				
Constant	0.082 (0.075)	0.16* (0.071)			-0.20*** (0.048)	-0.15*** (0.047)
<i>Random effect standard deviations</i>						
Intercept (region)	0.076	0.077	0.122	0.125	0.020	0.022
Observed individuals	11567	11567	28330	28330	28567	28567
Observed regions	120	120	120	120	120	120

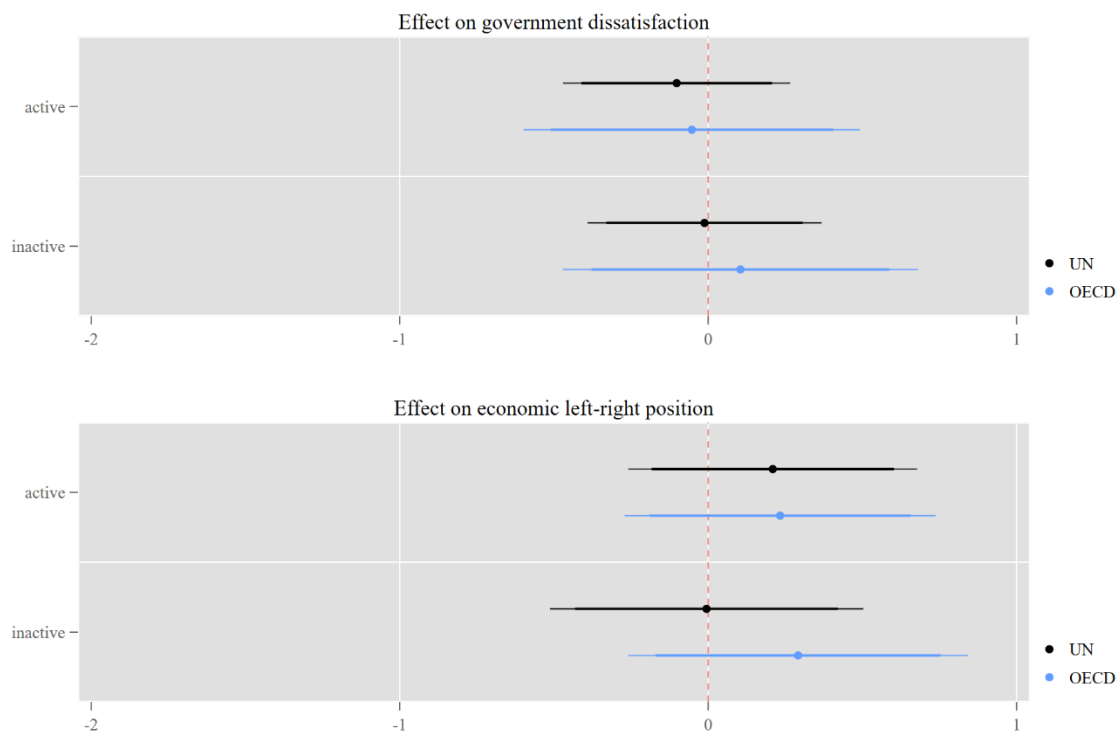
Notes: Standard errors in parentheses; hierarchical linear (models 1, 2, 5 and 6) and ordered logit (models 3 and 4) models with random intercepts at the level of NUTS3 regions; thresholds for ordered logit models not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Figure A 3: Marginal effects of Chinese import shock on political attitude (EU membership support, support for cooperation with other countries, nationalist sentiment) conditional on labor force status



Note: Point estimates of marginal effects with 95 % and 90 % confidence intervals. Marginal effects are based on models presented in **Table A 9**.

Figure A 4: Marginal effects of Chinese import shock on political attitude (government dissatisfaction and economic position) conditional on labor force status



Note: Point estimates of marginal effects with 95 % and 90 % confidence intervals.

Table A 10: Effect of Chinese import shock on political attitudes (EU membership support, support for cooperation with other countries, nationalist sentiment) – level 2 of hierarchical model are NUTS3-regionXyears

	EU membership		Cooperation with other countries		Nationalist sentiment	
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged DV	0.65*** (0.0098)	0.65*** (0.0098)	0.99*** (0.013)	0.99*** (0.013)	0.45*** (0.0054)	0.45*** (0.0054)
China shock (UN)	-0.28 (0.21)		-0.72* (0.36)		0.50*** (0.15)	
China shock (OECD)		-0.44+ (0.27)		-1.27** (0.49)		0.51* (0.20)
<i>Education (ref: no qualification)</i>						
Other qualification	-0.016 (0.031)	-0.016 (0.031)	-0.066 (0.049)	-0.066 (0.049)	-0.050* (0.022)	-0.050* (0.022)
GCSE etc.	0.044+ (0.025)	0.044+ (0.025)	-0.10** (0.040)	-0.10** (0.040)	-0.056** (0.018)	-0.057** (0.018)
A-level etc.	0.089** (0.029)	0.089** (0.029)	0.038 (0.045)	0.037 (0.045)	-0.078*** (0.021)	-0.078*** (0.021)
Other higher degree	0.11*** (0.022)	0.11*** (0.022)	-0.011 (0.035)	-0.012 (0.035)	-0.095*** (0.016)	-0.096*** (0.016)
Degree	0.31*** (0.026)	0.31*** (0.026)	0.44*** (0.043)	0.43*** (0.043)	-0.16*** (0.019)	-0.16*** (0.019)
Male	0.013 (0.014)	0.013 (0.014)	0.16*** (0.023)	0.16*** (0.023)	0.0081 (0.010)	0.0081 (0.010)
Age/100	-0.47+ (0.24)	-0.46+ (0.24)	-0.95** (0.36)	-0.95** (0.36)	0.060 (0.16)	0.060 (0.16)
(Age/100) ²	0.27 (0.23)	0.27 (0.23)	1.00** (0.35)	1.00** (0.35)	0.52*** (0.16)	0.51*** (0.16)
<i>Year fixed effects (ref: 2002)</i>						
Year=2005			-0.20*** (0.048)	-0.15*** (0.036)	0.060** (0.020)	0.020 (0.015)
Year=2006	-0.25*** (0.024)	-0.23*** (0.019)				
Year=2008			-0.24*** (0.048)	-0.20*** (0.036)	0.0031 (0.020)	-0.033* (0.015)
<i>Year X LDV interaction</i>						
LDV X Year=2006	-0.033* (0.014)	-0.033* (0.014)				
Constant	0.089 (0.072)	0.082 (0.069)			-0.19*** (0.048)	-0.15** (0.046)
<i>Random effect standard deviations</i>						
Intercept (region)	0.075	0.087	0.151	0.150	0.051	0.053
Observed individuals	11567	11567	28330	28330	28567	28567
Observed regions	236	236	357	357	357	357

Notes: Standard errors in parentheses; hierarchical linear (models 1, 2, 5 and 6) and ordered logit (models 3 and 4) models with random intercepts at the level of NUTS3 regions; thresholds for ordered logit models not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table A 11: Effect of Chinese import shock on political attitudes (EU membership support, support for cooperation with other countries, nationalist sentiment) – NUTS1-region dummies included

	EU membership		Cooperation with other countries		Nationalist sentiment	
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged DV	0.64*** (0.0098)	0.64*** (0.0098)	0.98*** (0.013)	0.98*** (0.013)	0.45*** (0.0054)	0.45*** (0.0054)
China shock (UN)	-0.31 (0.20)		-0.21 (0.37)		0.57*** (0.14)	
China shock (OECD)		-0.67* (0.26)		-1.15* (0.56)		0.57** (0.20)
<i>Education (ref: no qualification)</i>						
Other qualification	-0.015 (0.031)	-0.015 (0.031)	-0.061 (0.049)	-0.060 (0.049)	-0.052* (0.022)	-0.052* (0.022)
GCSE etc.	0.046+ (0.025)	0.047+ (0.025)	-0.10* (0.040)	-0.10* (0.040)	-0.057** (0.018)	-0.058** (0.018)
A-level etc.	0.090** (0.029)	0.090** (0.029)	0.039 (0.045)	0.038 (0.045)	-0.079*** (0.021)	-0.080*** (0.021)
Other higher degree	0.11*** (0.022)	0.11*** (0.022)	-0.0056 (0.035)	-0.0061 (0.035)	-0.097*** (0.016)	-0.098*** (0.016)
Degree	0.31*** (0.026)	0.31*** (0.026)	0.44*** (0.043)	0.44*** (0.043)	-0.16*** (0.019)	-0.16*** (0.019)
Male	0.015 (0.014)	0.015 (0.014)	0.16*** (0.023)	0.16*** (0.023)	0.0081 (0.010)	0.0082 (0.010)
Age/100	-0.48* (0.24)	-0.47+ (0.24)	-0.98** (0.36)	-0.97** (0.36)	0.063 (0.16)	0.064 (0.16)
(Age/100) ²	0.27 (0.23)	0.27 (0.23)	1.02** (0.35)	1.01** (0.35)	0.51** (0.16)	0.51** (0.16)
<i>Year fixed effects (ref: 2002)</i>						
Year=2005			-0.16*** (0.043)	-0.15*** (0.028)	0.064*** (0.018)	0.018 (0.013)
Year=2006	-0.25*** (0.020)	-0.22*** (0.014)				
Year=2008			-0.20*** (0.043)	-0.19*** (0.029)	0.0047 (0.018)	-0.038** (0.013)
<i>Year X LDV interaction</i>						
LDV X Year=2006	-0.031* (0.014)	-0.031* (0.014)				
Constant	0.12 (0.076)	0.11 (0.074)			-0.16** (0.050)	-0.12* (0.049)
<i>Random effect standard deviations</i>						
Intercept (region)	0.042	0.044	0.087	0.090	0.014	0.016
Observed individuals	11567	11567	28330	28330	28567	28567
Observed regions	120	120	120	120	120	120

Notes: Standard errors in parentheses; hierarchical linear (models 1, 2, 5 and 6) and ordered logit (models 3 and 4) models with random intercepts at the level of NUTS3 regions; thresholds for ordered logit models not shown; dummy variables for NUTS1-regions included but not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table A 12: Effect of Chinese import shock on political attitudes (EU membership support, support for cooperation with other countries, nationalist sentiment) – London excluded

	EU membership		Cooperation with other countries		Nationalist sentiment	
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged DV	0.64*** (0.010)	0.64*** (0.010)	0.98*** (0.013)	0.98*** (0.013)	0.44*** (0.0055)	0.44*** (0.0055)
China shock (UN)	-0.25 (0.22)		-0.53 (0.39)		0.62*** (0.14)	
China shock (OECD)		-0.64* (0.28)		-1.59** (0.58)		0.60** (0.19)
<i>Education (ref: no qualification)</i>						
Other qualification	-0.015 (0.032)	-0.015 (0.032)	-0.081 (0.051)	-0.081 (0.051)	-0.048* (0.023)	-0.048* (0.023)
GCSE etc.	0.042 (0.026)	0.042 (0.026)	-0.11** (0.041)	-0.11** (0.041)	-0.058** (0.019)	-0.059** (0.019)
A-level etc.	0.096** (0.030)	0.095** (0.030)	0.030 (0.047)	0.029 (0.047)	-0.083*** (0.021)	-0.083*** (0.021)
Other higher degree	0.11*** (0.023)	0.11*** (0.023)	-0.014 (0.036)	-0.015 (0.036)	-0.099*** (0.016)	-0.100*** (0.016)
Degree	0.32*** (0.027)	0.32*** (0.027)	0.43*** (0.044)	0.42*** (0.044)	-0.16*** (0.020)	-0.16*** (0.020)
Male	0.014 (0.014)	0.014 (0.014)	0.15*** (0.023)	0.15*** (0.023)	0.0075 (0.011)	0.0076 (0.011)
Age/100	-0.47+ (0.25)	-0.47+ (0.25)	-0.87* (0.37)	-0.86* (0.37)	0.075 (0.17)	0.076 (0.17)
(Age/100) ²	0.26 (0.24)	0.26 (0.24)	0.93** (0.36)	0.92** (0.36)	0.49** (0.16)	0.49** (0.16)
<i>Year fixed effects (ref: 2002)</i>						
Year=2005			-0.20*** (0.046)	-0.17*** (0.029)	0.073*** (0.018)	0.021+ (0.013)
Year=2006	-0.24*** (0.022)	-0.21*** (0.015)				
Year=2008			-0.23*** (0.045)	-0.21*** (0.029)	0.0099 (0.018)	-0.037** (0.013)
<i>Year X LDV interaction</i>						
LDV X Year=2006	-0.023+ (0.014)	-0.024+ (0.014)				
Constant	0.077 (0.075)	0.090 (0.071)			-0.20*** (0.049)	-0.16*** (0.046)
<i>Random effect standard deviations</i>						
Intercept (region)	0.075	0.078	0.125	0.128	0.021	0.022
Observed individuals	10896	10896	26764	26764	26998	26998
Observed regions	115	115	115	115	115	115

Notes: Standard errors in parentheses; hierarchical linear (models 1, 2, 5 and 6) and ordered logit (models 3 and 4) models with random intercepts at the level of NUTS3 regions; thresholds for ordered logit models not shown; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.