The Political Economy of Trade Deliberalization: How the US-China Trade War Fueled Anti-Americanism in China

Wenbiao Sha (SYSU)

China Economics Summer Institute
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Motivation

Recent years have witnessed several international conflicts! E.g.:

- the US-China trade war
- the Russia-Ukraine war
- the Brexit
- the Cold War (still influencing today's world)

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How affected citizens view conflicts between great powers?

- a recent sharp increase in unfavorable view of China in the West
- what happens to the China's side?

This Study

The goal of this paper is to study: *The US-China Trade War*

- Generally, how exposure to a trade conflict affects political attitudes?
- Specifically, how Chinese citizens respond to the US-China trade war?

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Trade liberalization (or globalization more broadly) leads to:

- The China Shock/Syndrome ...

What about trade deliberalization (deglobalization)?

- little is known

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Citizens' attitudes are crucial in great power politics.

- esp. public attitudes toward foreign policy
- mistrust and the long-lasting Cold War
- how is it shaped in great power conflicts?

What We Do?

Treatment: *shift-share design*

- ex ante trade with the US $\times$ the sudden shock of the trade war
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- Chinese citizens' trust in Americans
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Explanations:

- negative shocks to the labor market
- information relevant to the trade war

Timing of the US-China Trade War

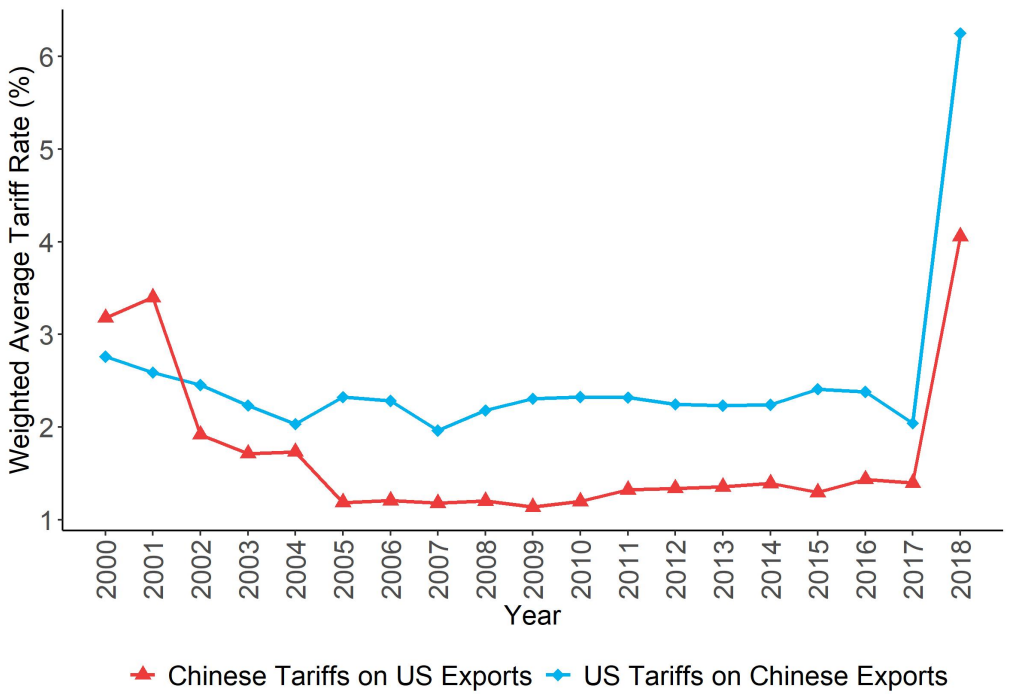
March 22, 2018

- Trump administration: file a WTO case against China; restrict investment in key technology sectors; and *impose tariffs on Chinese products*.
- Unexpected!

Figure: Search Frequency of "US-China Trade War" or "Trade War" on Baidu

The Tariff War

- tariffs imposed by the end of 2018
- do not change much before the trade war



Measuring the Trade War Shock I

US-Specific Trade Exposure: for city c in year t,

$$TradeExposure_{ct} = \frac{ExpUS_{ct} + ImpUS_{ct}}{GDP_{ct}}. \quad (1)$$

- *ExpUS*: exports to the US
- *ImpUS*: imports from the US

- $TradeExposure_{c,t-1} \times \mathbf{1}(t = 2018)$:
  - spatial variation in ex ante US-specific trade openness
  - plausibly exogenous variation in the timing of the trade war

Measuring the Trade War Shock II

US Tariffs on Chinese Exports: for industry j of city c in year t,

$$ExportTariff_{ct} = \sum_{j} \frac{Workers_{cj,2010}}{Workers_{c,2010}} \frac{ExpUSPer_{jt}}{ExpUSPer_{t}} USTariff_{jt}. \quad (2)$$

- j: 3-digit CIC level (originally mapped from HS 8-digit level)
- *USTariff*: US tariffs on Chinese exports
- *Workers*: # of workers
- *ExpUSPer*: exports to the US per worker

- $ExportTariff_{ct}$:
  - regional variation in predetermined local employment structure
  - presumably exogenous increase in tariffs imposed by the US on Chinese exports

Outcomes

Trust in Americans from the China Family Panel Studies (CFPS)

- to what degree do you trust Americans? (very low = 0, ..., very high = 10)
- individual-level **panel data** (2012, 2014, 2016, 2018, & 2020) + geographic info: **city**

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US influence on China from the Asian Barometer Survey (ABS)

- two measures:
  1. how much influence the US has on China? (not at all = 1, ..., a great deal = 4);
  2. the influence the US has on China is? (very negative = 1, ..., very positive = 6).
- individual-level **repeated cross-section** (2015 & 2019) + geographic info: **region**

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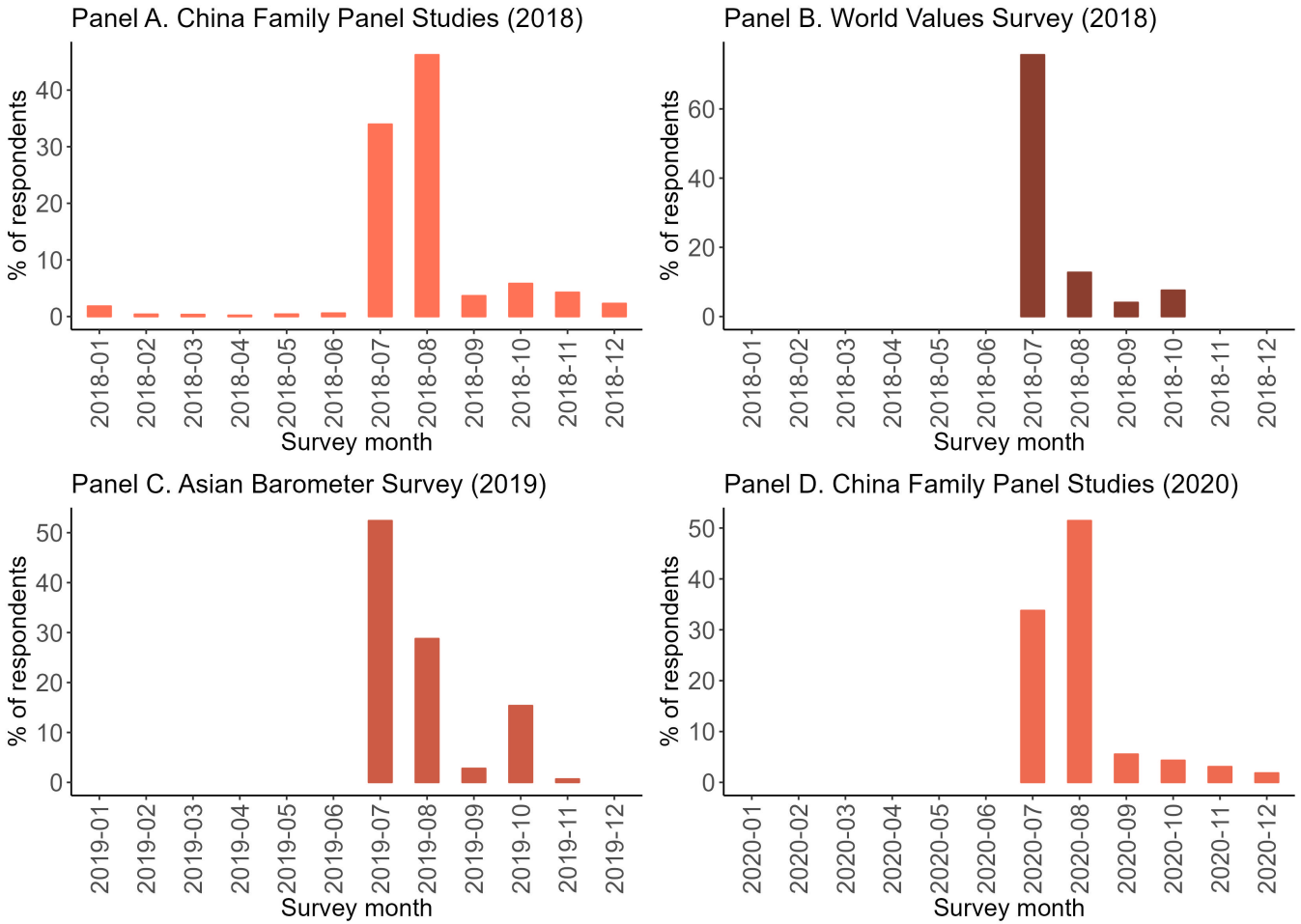
- individual-level **repeated cross-section** (2015 & 2019) + geographic info: **region**

Nationalistic sentiment from the World Values Survey (WVS)

- an index obtained from a principal component analysis based on:
  1. how proud are you to be Chinese? (not at all = 1, not very = 2, quite = 3, very = 4);
  2. do you consider strong defense forces as the 1st goal of China? (no = 0, yes = 1);
  3. would you be willing to fight for China if there will be a war? (no = 0, yes = 1).
- individual-level **repeated cross-section** (2013 & 2018) + geographic info: **province**

Short-Run and Long-Run Responses



Empirical Strategy I: US-Specific Trade Exposure

Trust: *CFPS panel data*

$$
\begin{aligned}
Trust_{ict} = \alpha \times TradeExposure_{c,t-1} \\
+ \beta_{2012} \times TradeExposure_{c,t-1} \times \mathbf{1}(t = 2012) \\
+ \beta_{2014} \times TradeExposure_{c,t-1} \times \mathbf{1}(t = 2014) \\
+ \beta_{2018} \times TradeExposure_{c,t-1} \times \mathbf{1}(t = 2018) \\
+ (X_{ict}, Z_{ct})'\sigma + \lambda_i + \delta_t + \epsilon_{ict},
\end{aligned}
\tag{3}
$$

where i indexes individuals, c cities, and t time periods.

- X_{ict}: age, education
- Z_{ct}: city GDP per capita
- λ_i: *individual* fixed effects
- δ_t: time fixed effects
- omitted: $TradeExposure_{c,t-1} \times \mathbf{1}(t = 2016)$

Nationalism: *WVS repeated cross-sectional data*

$$\begin{aligned} Nationalism_{ipt} = \alpha \times TradeExposure_{p,t-1} \\ + \beta_{2018} \times TradeExposure_{p,t-1} \times \mathbf{1}(t = 2018) \\ + (X_{ipt}, Z_{pt})'\sigma + \lambda_p + \delta_t + \epsilon_{ipt}, \end{aligned} \tag{4}$$

where i indexes individuals, p provinces, and t time periods.

- X_{ipt}: age, education, gender
- Z_{pt}: provincial GDP per capita
- λ_p: *provincial* fixed effects
- δ_t: time fixed effects
- omitted: $TradeExposure_{c,t-1} \times \mathbf{1}(t = 2013)$

Empirical Strategy II: US Tariffs on Chinese Exports

Trust: *CFPS panel data*

$$Trust_{ict} = \beta \times ExportTariff_{ct} + (X_{ict}, Z_{ct})'\sigma + \lambda_i + \delta_t + \epsilon_{ict}, \quad (5)$$

Nationalism: *WVS repeated cross-sectional data*

$$Nationalism_{ipt} = \beta \times ExportTariff_{pt} + (X_{ipt}, Z_{pt})'\sigma + \lambda_p + \delta_t + \epsilon_{ipt}, \quad (6)$$

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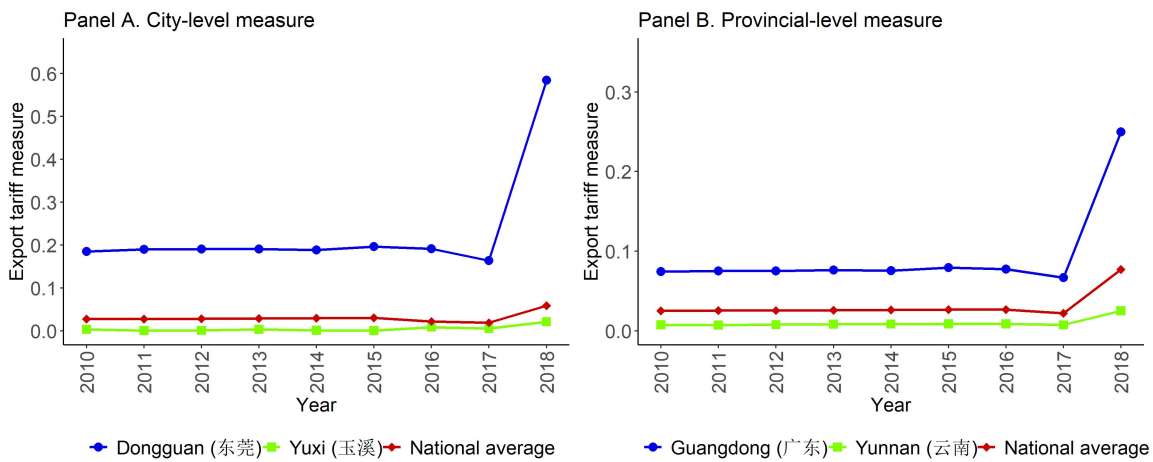


Identifying assumption:

- The *levels* of exposure measures (fixed in 2010) do not predict *changes* in the outcomes *before the trade war* (Goldsimth-Pinkham et al. 2020).

	Trust in Americans			
	(1)	(2)	(3)	(4)
Trade exposure (2010) X 2012	0.0153	0.0367		
	(0.1731)	(0.1862)		
Trade exposure (2010) X 2014	−0.1514	−0.1452		
	(0.2309)	(0.2097)		
Export tariff (2010) X 2012			−0.0978	−0.0879
			(0.4475)	(0.4480)
Export tariff (2010) X 2014			0.6393	0.6140
			(0.6551)	(0.6424)
Trade/tariff level	City	City	City	City
Num. clu.	114	114	125	125
Num. obs.	83894	83051	90013	89093
R-sq.	0.6475	0.6465	0.6528	0.6517
Individual FEs	Yes	Yes	Yes	Yes
Time FEs	Yes	Yes	Yes	Yes
Control variables		Yes		Yes

Pre-Trade War Relationships

	Trust in Americans		Nationalism in China	
	(1)	(2)	(3)	(4)
Trade exposure (t-1)	2.2357***	2.0484***	−3.7689***	−9.6101***
	(0.1709)	(0.2219)	(0.8189)	(2.0634)
Log GDP per capita		−0.0030		0.6209***
		(0.0364)		(0.1875)
Trade exposure level	City	City	Province	Province
Num. clu.	114	114	24	24
Num. obs.	82846	82001	1886	1886
R-sq.	0.0201	0.0733	0.0231	0.0995
Time FEs	Yes	Yes		
Control variables		Yes		Yes

- Col. 2: a 1 SD ↑ in city US trade exp. is associated with a 0.08 SD ↑ in trust in Americans
- Col. 4: a 1 SD ↑ in provincial US trade exp. is associated with a 0.43 SD ↓ in nationalism

Effects on Trust and Nationalism: US-Specific Trade Exposure (lag)

	Trust in Americans				Nationalism in China		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Trade exposure (t-1)	−0.0657	0.0829	0.1265	−0.1099	0.5764	0.9301	0.6677
	(0.4804)	(0.5148)	(0.5122)	(0.6077)	(3.7144)	(3.4370)	(3.3423)
Trade exposure (t-1) X 2012	−0.0048	−0.0716	−0.1445	0.0829			
	(0.2251)	(0.2400)	(0.2356)	(0.2720)			
Trade exposure (t-1) X 2014	−0.1475	−0.2116	−0.2194	−0.0456			
	(0.2935)	(0.2903)	(0.2771)	(0.3416)			
Trade exposure (t-1) X 2018	−0.6878***	−0.6345***	−0.5758***	−0.4687**	4.7543***	5.5956***	5.6799***
	(0.1939)	(0.2084)	(0.2121)	(0.2194)	(1.4205)	(1.3063)	(1.3085)
Log GDP per capita		−0.0674	−0.0765	−0.0426		−0.1696	−0.1606
		(0.0590)	(0.0587)	(0.0594)		(0.4816)	(0.4809)
Trade exposure level	City	City	City	City	Province	Province	Province
Num. clu.	115	115	115	115	53	53	53
Num. obs.	108511	107668	108511	68195	4854	4829	4854
R-sq.	0.5919	0.5929	0.5936	0.5303	0.0428	0.0672	0.0689
Individual FEs	Yes	Yes	Yes	Yes			
Provincial FEs					Yes	Yes	Yes
Time FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Control variables		Yes	Yes	Yes		Yes	Yes
Education FEs X year FEs			Yes				Yes
Balanced panel				Yes			

- a 1 SD ↑ in 2017 city trade exposure ⇒ a 0.03 SD ↓ in trust
  - Dongguan's 2017 trade exposure ⇒ a 0.16 SD ↓ in trust
- a 1 SD ↑ in 2017 provincial trade exposure ⇒ a 0.12 SD ↑ in nationalism

Effects on Trust and Nationalism: US-Specific Trade Exposure (2010)

- Trade itself can foster trust and weaken nationalism.
- time-invariant trade exposure (fixed in 2010)

	Trust in Americans		Nationalism in China	
	(1)	(2)	(3)	(4)
Trade exposure (2010) X 2012	−0.0021	−0.0305		
	(0.1498)	(0.1572)		
Trade exposure (2010) X 2014	−0.1614	−0.1959		
	(0.2176)	(0.2057)		
Trade exposure (2010) X 2018	−0.4455***	−0.4048***	1.4990***	1.7855***
	(0.1439)	(0.1553)	(0.4663)	(0.5140)
Log GDP per capita		−0.0697		−0.0163
		(0.0566)		(0.5378)
Trade exposure level	City	City	Province	Province
Num. clu.	115	115	53	53
Num. obs.	108511	107668	4854	4829
R-sq.	0.5919	0.5929	0.0405	0.0646
Individual FEs	Yes	Yes		
Provincial FEs			Yes	Yes
Time FEs	Yes	Yes	Yes	Yes
Control variables		Yes		Yes

Effects on Trust and Nationalism: US Tariffs on Chinese Exports

	Trust in Americans				Nationalism in China		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Export tariff	−0.3933***	−0.3970***	−0.3438***	−0.3838***	1.9867***	2.6142***	2.5111***
	(0.1042)	(0.1163)	(0.1164)	(0.1236)	(0.6842)	(0.8303)	(0.8421)
Log GDP per capita		−0.0585	−0.0666	−0.0385		−0.2096	−0.2090
		(0.0557)	(0.0556)	(0.0561)		(0.5691)	(0.5704)
Export tariff level	City	City	City	City	Province	Province	Province
Num. clu.	126	115	115	115	53	53	53
Num. obs.	115220	106667	107497	67648	4854	4854	4829
R-sq.	0.5975	0.5955	0.5962	0.5328	0.0399	0.0655	0.0640
Individual FEs	Yes	Yes	Yes	Yes			
Provincial FEs					Yes	Yes	Yes
Time FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Control variables		Yes	Yes	Yes		Yes	Yes
Education FEs X year FEs			Yes				Yes
Balanced panel				Yes			

- average city tariff change from 2017 to 2018 $\Rightarrow$ a 0.02 SD $\downarrow$ in trust
  - Dongguan's tariff change from 2017 to 2018 $\Rightarrow$ a 0.17 SD $\downarrow$ in trust
- average provincial tariff change from 2017 to 2018 $\Rightarrow$ a 0.11 SD $\uparrow$ in nationalism

Effects on Trust and Nationalism: Chinese Tariffs on US Exports

- Takeaway: export tariff is more important.

	Trust in Americans				Nationalism in China			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Export tariff			−0.8032***	−0.7486***			1.4384	2.2277
			(0.2836)	(0.2800)			(1.3643)	(1.6484)
Import tariff	−0.1528*	−0.1214	0.2590	0.2561	1.2993**	1.5193***	0.4327	0.2120
	(0.0814)	(0.0884)	(0.1821)	(0.1817)	(0.5349)	(0.5593)	(0.9723)	(0.9563)
Log GDP per capita		−0.0906		−0.0760		0.0462		−0.1817
		(0.0574)		(0.0571)		(0.5349)		(0.5999)
Tariff level	City	City	City	City	Province	Province	Province	Province
Num. clu.	122	114	122	114	53	53	53	53
Num. obs.	103488	99334	103488	99334	4854	4829	4854	4829
R-sq.	0.6145	0.6087	0.6146	0.6088	0.0397	0.0635	0.0399	0.0640
Individual FEs	Yes	Yes	Yes	Yes				
Provincial FEs					Yes	Yes	Yes	Yes
Time FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Control variables		Yes		Yes		Yes		Yes

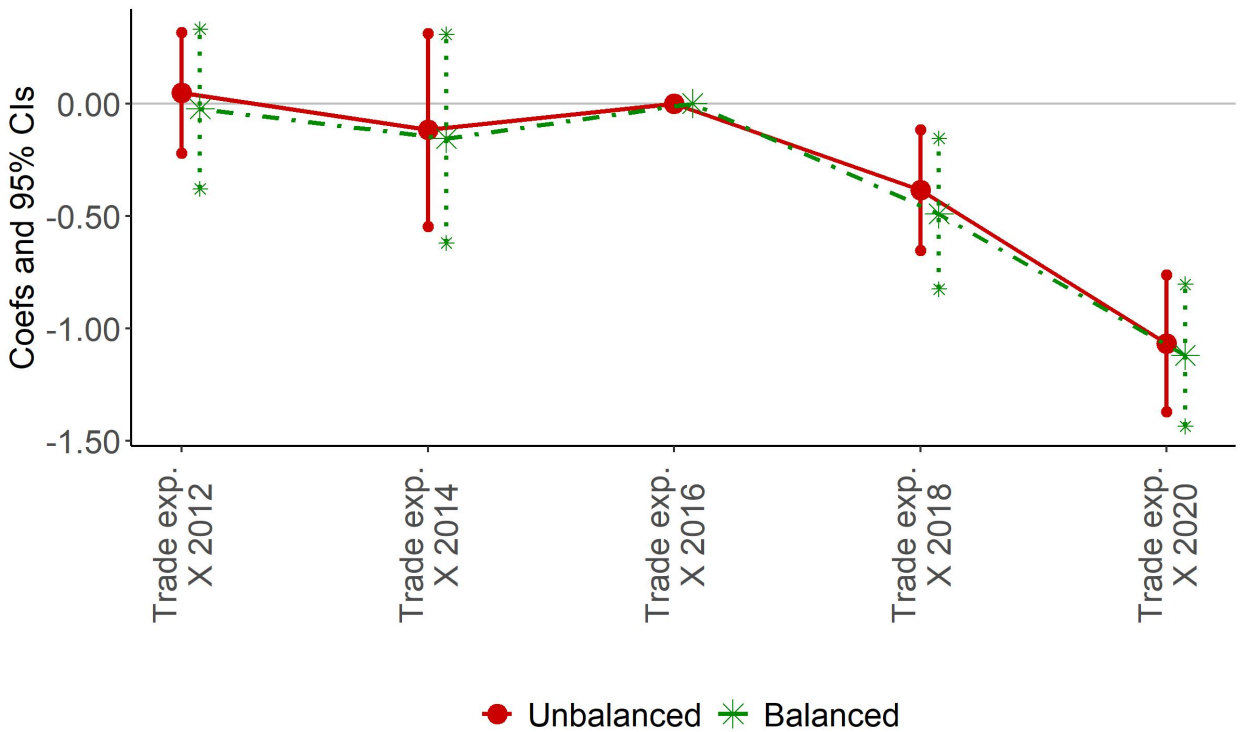
Trust in Strangers/Foreigners as Placebo Outcomes

- Are the effects US-specific? **Yes!**

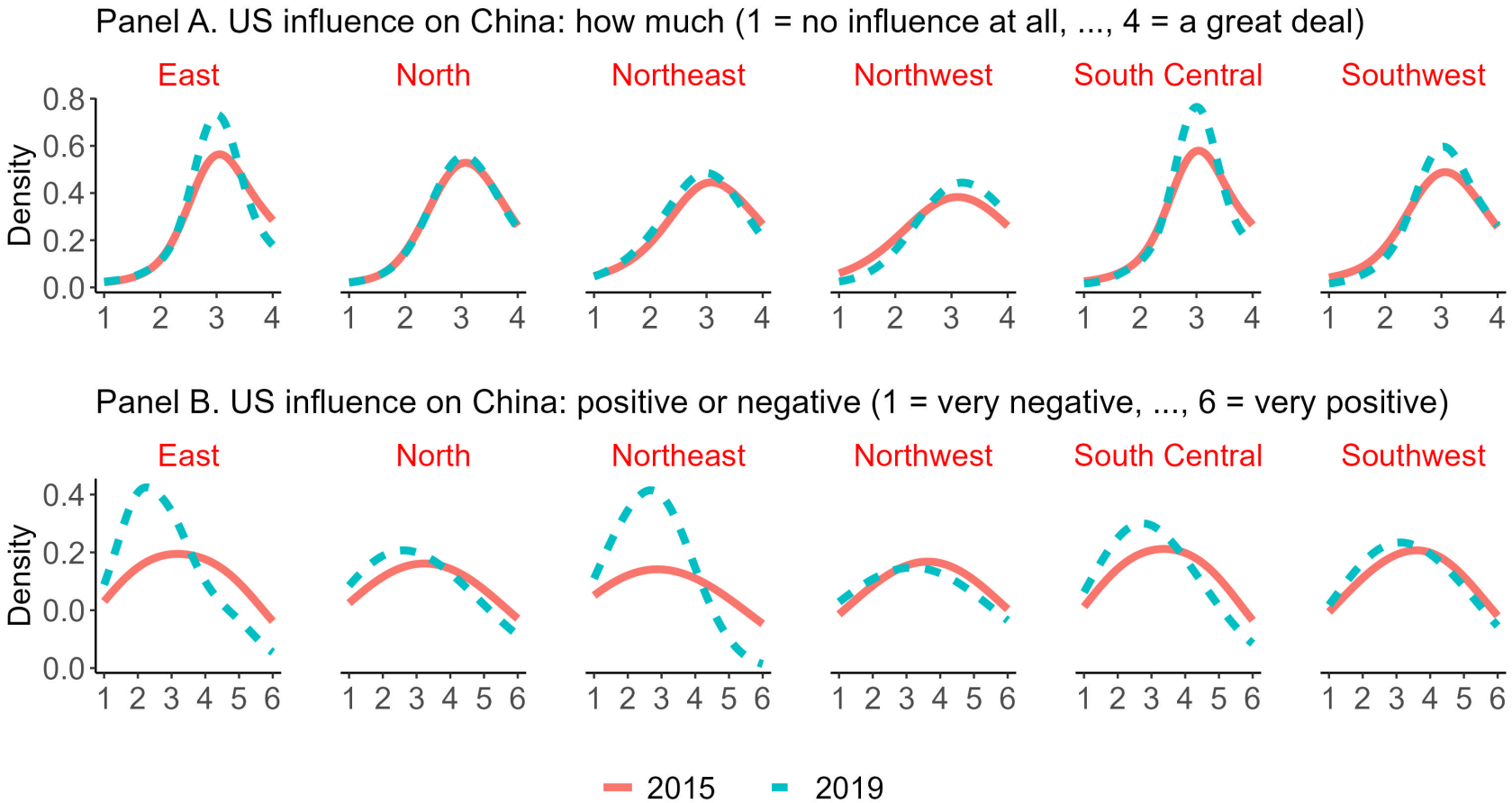
	Trust in strangers		Trust in foreigners	
	(1)	(2)	(3)	(4)
Trade exposure (t-1)	−0.4331		7.8101	
	(0.5516)		(6.4852)	
Trade exposure (t-1) X 2012	−0.0076			
	(0.2677)			
Trade exposure (t-1) X 2014	0.0578			
	(0.2396)			
Trade exposure (t-1) X 2018	−0.1713		0.8721	
	(0.2999)		(1.7993)	
Export tariff		−0.0425		−1.1475
		(0.1692)		(1.2699)
Log GDP per capita	−0.0785	−0.0923	−0.2802	−0.1024
	(0.0773)	(0.0705)	(0.4598)	(0.4898)
Trade/tariff level	City	City	Province	Province
Num. clu.	115	115	53	53
Num. obs.	109928	108920	4157	4157
R-sq.	0.5685	0.5716	0.0724	0.0722
Individual FEs	Yes	Yes		
Provincial FEs			Yes	Yes
Time FEs	Yes	Yes	Yes	Yes
Control variables	Yes	Yes	Yes	Yes

Long-Run Effects on Trust in Americans

- *US-China deteriorated relations since 2018:* restriction on China's high-tech firms, aggressive criticism on China's human rights, COVID-19 ...



Effects on US Influence on China: Descriptive Analysis



Effects on US Influence on China: Regional Diff-in-Diffs

- pre-period: 2015
- control regions: southwest and northwest

	US influence on China			
	how much		positive or negative	
	(1)	(2)	(3)	(4)
East X 2019	−0.2384***	−0.2474***	−0.2080***	−0.2721***
	(0.0228)	(0.0152)	(0.0140)	(0.0353)
South central X 2019	−0.1731***	−0.1814***	−0.1388***	−0.1834***
	(0.0233)	(0.0152)	(0.0150)	(0.0353)
Northeast X 2019	−0.2189***	−0.2258***	−0.1246***	−0.1915***
	(0.0236)	(0.0152)	(0.0177)	(0.0353)
North X 2019	−0.1230***	−0.1134***	−0.2290***	−0.1827***
	(0.0211)	(0.0152)	(0.0180)	(0.0353)
Dep. var. mean	3.0882	3.0891	3.0861	3.0857
Dep. var. SD	0.5951	0.5944	1.3382	1.3379
Num. clu.	12	12	12	12
Num. obs.	6840	6888	6246	6288
R-sq.	0.0329	0.0110	0.1020	0.0369
Regional FEs	Yes	Yes	Yes	Yes
Time FEs	Yes	Yes	Yes	Yes
Control variables		Yes		Yes

Negative Economic Shocks

- The trade war reduces the economic status of regions with more ex ante trade with the US.
- similar results provided by Chor and Li (2021)

	Employment dummy						Log annual wage income					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Export tariff	−0.3035**	−0.2152*	−0.2338*	−0.4141***	−0.2628**	−0.1938	−1.6174*	−0.5182	−0.6450	−1.8058*	−1.0305	0.8611
	(0.1288)	(0.1281)	(0.1233)	(0.1342)	(0.1314)	(0.1340)	(0.9454)	(1.2880)	(1.2448)	(0.9622)	(1.1061)	(1.9111)
Exp. tariff X male		−0.1504***				−0.1443***		−2.0425*				−2.0779
		(0.0469)				(0.0515)		(1.1769)				(1.3303)
Exp. tariff X >=high school			−0.1582*			−0.3038***			−1.8520*			−2.5704*
			(0.0842)			(0.0922)			(1.0740)			(1.3384)
Exp. tariff X >=1980				0.3310***		0.4975***				0.4609		1.6471
				(0.0849)		(0.1080)				(0.8002)		(1.1394)
Exp. tariff X manufacturing (2016)					−0.1461***	−0.1705***					−1.6099**	−1.8745*
					(0.0508)	(0.0578)					(0.8186)	(1.0743)
Log GDP per capita	0.1003**	0.1002**	0.0995**	0.0985**	0.1006**	0.0973**	−0.0131	−0.0071	−0.0328	−0.0146	−0.0149	−0.0423
	(0.0393)	(0.0404)	(0.0394)	(0.0394)	(0.0394)	(0.0409)	(0.3607)	(0.3631)	(0.3596)	(0.3613)	(0.3591)	(0.3603)
Dep. var. mean	0.7540	0.7515	0.7540	0.7540	0.7540	0.7515	7.3204	7.3204	7.3204	7.3203	7.3204	7.3203
Dep. var. SD	0.4307	0.4322	0.4307	0.4307	0.4307	0.4322	4.3243	4.3243	4.3243	4.3244	4.3243	4.3244
Export tariff level	City	City	City	City	City	City	City	City	City	City	City	City
Num. clu.	115	115	115	115	115	115	115	115	115	115	115	115
Num. obs.	84962	84109	84962	84954	84962	84101	47544	47544	47544	47542	47544	47542
R-sq.	0.6388	0.6404	0.6388	0.6389	0.6388	0.6408	0.8668	0.8669	0.8669	0.8668	0.8669	0.8670
Individual FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

- average export tariff change b/w 2017 and 2018 $\Rightarrow$ 2.4% $\downarrow$ in employment rate
- average export tariff change b/w 2017 and 2018 $\Rightarrow$ 9.5% $\downarrow$ in wage income

Localized political economy responses!

- No heterogeneity in the impact on trust or nationalism.

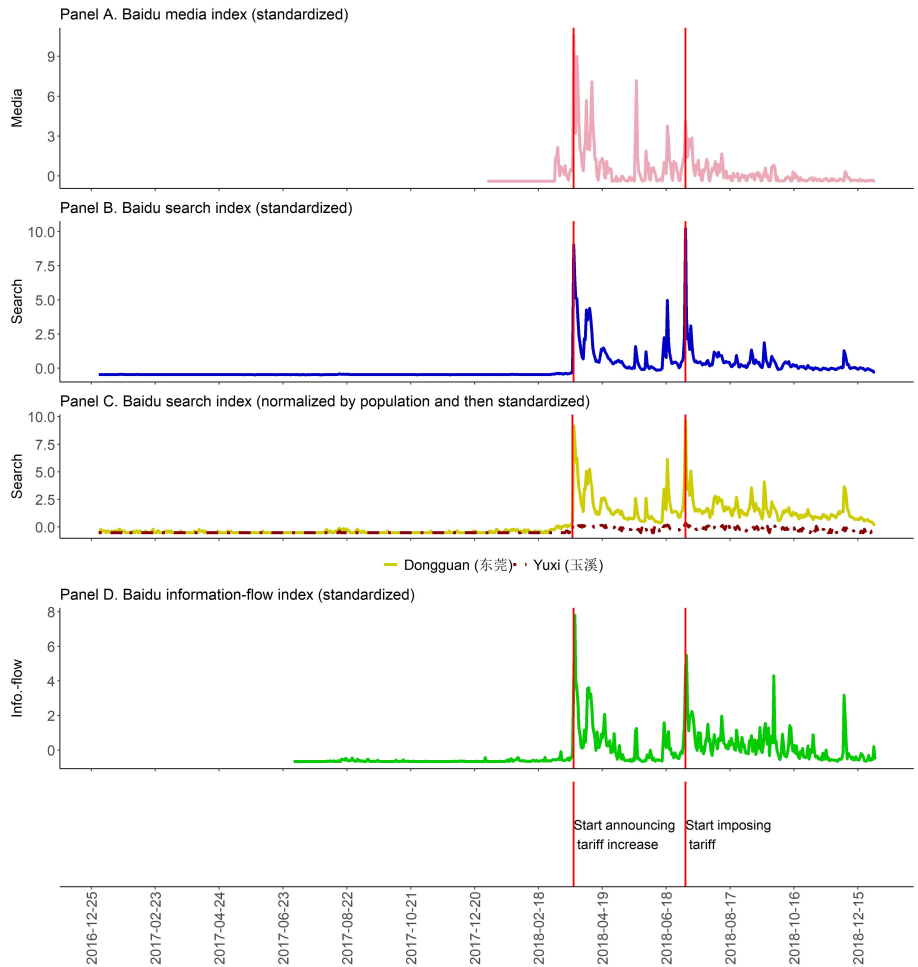
	Trust in Americans					Nationalism in China			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Export tariff	−0.3978***	−0.3547***	−0.4387***	−0.4500***	−0.4419***	2.3568***	2.3757***	2.5912***	2.5546***
	(0.1301)	(0.1325)	(0.1424)	(0.1390)	(0.1544)	(0.8573)	(0.8815)	(0.8201)	(0.8406)
Exp. tariff X >=male	0.0016				−0.0004	0.0525			0.0164
	(0.1003)				(0.0962)	(0.3606)			(0.3795)
Exp. tariff X >=high school		−0.1011			−0.1797		0.0101		0.1378
		(0.1121)			(0.1299)		(0.3331)		(0.4260)
Exp. tariff X >=1980			0.1264		0.2038			−0.2698	−0.3128
			(0.2038)		(0.2426)			(0.3767)	(0.4983)
Exp. tariff X manufacturing (2016)				0.2538	0.2553				
				(0.3687)	(0.3716)				
Log GDP per capita	−0.0585	−0.0583	−0.0592	−0.0588	−0.0597	−0.1619	−0.1608	−0.2099	−0.2019
	(0.0557)	(0.0557)	(0.0557)	(0.0556)	(0.0554)	(0.5718)	(0.5729)	(0.5704)	(0.5729)
Export tariff level	City	City	City	City	City	Province	Province	Province	Province
Num. clu.	115	115	115	115	115	53	53	53	53
Num. obs.	106667	106667	106659	106667	106659	4643	4643	4829	4829
R-sq.	0.5955	0.5955	0.5956	0.5955	0.5956	0.0627	0.0627	0.0640	0.0640
Individual FEs	Yes	Yes	Yes	Yes	Yes				
Provincial FEs						Yes	Yes	Yes	Yes
Time FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

- Within-sector comparisons across cities with differential tariff levels.

	Trust in Americans			Nationalism in China	
	(1)	(2)	(3)	(4)	(5)
Export tariff	−0.3948***	−0.3951***	−0.4338**	2.4872***	2.4391***
	(0.1162)	(0.1164)	(0.1705)	(0.8456)	(0.8672)
Public sector		0.0244	0.0131	0.1228***	0.1205**
		(0.0208)	(0.0234)	(0.0407)	(0.0612)
Other sector		0.0023	0.0009	−0.0175	−0.0288
		(0.0157)	(0.0176)	(0.0365)	(0.0544)
Exp. tariff X public sec.			0.2002		0.0167
			(0.2036)		(0.4626)
Exp. tariff X other sec.			0.0251		0.1620
			(0.2454)		(0.4689)
Log GDP per capita	−0.0569	−0.0587	−0.0584	−0.2248	−0.2271
	(0.0559)	(0.0557)	(0.0557)	(0.5685)	(0.5693)
Export tariff level	City	City	City	Province	Province
Num. clu.	115	115	115	53	53
Num. obs.	106667	106667	106667	4829	4829
R-sq.	0.5956	0.5955	0.5955	0.0662	0.0662
CIC 1-digit FEs	Yes				
Individual FEs	Yes	Yes	Yes		
Provincial FEs				Yes	Yes
Time FEs	Yes	Yes	Yes	Yes	Yes
Control variables	Yes	Yes	Yes	Yes	Yes

Information and Salience of the Shock

- information environment
  - mainly, state media
- Baidu indices
  - media: supply
  - search: demand
  - info.-flow: consumption
- Propaganda?
  - the central gov.: info. access across regions
  - local governments: less likely (Fan et al. 2022)



- Both export tariff and broadband per capita are demeaned.

	Baidu search per capita		
	(1)	(2)	(3)
Export tariff	0.0589***	0.0589***	0.0385***
	(0.0081)	(0.0082)	(0.0078)
Broadband per capita		0.0014	0.0014
		(0.0016)	(0.0017)
Export tariff X broadband			0.0794**
			(0.0363)
Log GDP per capita	−0.0016	−0.0016	−0.0015
	(0.0018)	(0.0018)	(0.0018)
Dep. var. mean	0.0029	0.0028	0.0028
Dep. var. SD	0.0085	0.0083	0.0083
Export tariff level	City	City	City
Num. clu.	283	283	283
Num. obs.	2283	2259	2259
R-sq.	0.9000	0.8972	0.8991
City FEs	Yes	Yes	Yes
Province-year FEs	Yes	Yes	Yes

Conclusion

- The US-China trade war has been one of the world's most influential political events in recent years, profoundly reshaping the global economy and politics.
- The empirical analysis reveals that the trade war had larger positive impacts on anti-Americanism and nationalism for Chinese citizens living in regions with a higher level of ex ante US trade exposure.
- I also provide supporting evidence the impacts of the trade war on the economic status of citizens across regions, and the information search behavior of differentially affected citizens.
- Implications for today's world
  - Like trade liberalization, de liberalization also has negative political consequences.
  - Similar to the Cold War, escalation of the trade war (or conflicts extending to many other areas) could have lasting political and economic consequences.

Thank you!

Comments and suggestions highly appreciated!

wenbiao.sha@outlook.com