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The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe*

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Abstract

We investigate the impact of globalization on electoral outcomes in fifteen Western European countries, over 1988-2007. We employ both official election results at the district level and individual-level voting data, combined with party ideology scores from the Comparative Manifesto Project. We compute a region-specific measure of exposure to Chinese imports, based on the historical industry specialization of each region. To identify the causal impact of the import shock, we instrument imports to Europe using Chinese imports to the United States. At the district level, a stronger import shock leads to: (1) an increase in support for nationalist parties; (2) a general shift to the right in the electorate; and (3) an increase in support for radical right parties. These results are confirmed by the analysis of individual-level vote choices. In addition, we find evidence that voters respond to the shock in a sociotropic way.

Keywords: Globalization; Nationalism; Radical Right; Economic Vote.

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Western democracies are witnessing a revival of nationalism. The outcome of the Brexit referendum and the election of Donald Trump as president of the United States are two major manifestations of this tendency. In Europe, this trend had already started in the 1990s, and it has been associated with an increasing support for radical right parties. In this paper we show that globalization is a key determinant of this phenomenon.

We focus on the competitive shock brought about by the surge in imports from China, between 1988 and 2007. This shock has had a heterogeneous impact across European regions, depending on their historical employment composition. We use data on 76 legislative elections in fifteen Western European countries and find that a stronger regional exposure to the import shock determines an increase in support for nationalist parties, a general shift to the right in the electorate, and an increase in support for radical right parties.

The main message of this paper is that globalization might not be sustainable in the long run in the absence of appropriate redistribution policies aimed at compensating the so-called "losers" of globalization: those segments of society that bear most of the adjustment costs of international trade. The unequal sharing of the welfare gains brought about by globalization has resulted in widespread concerns and a general opposition to free trade. Such a sentiment is interpreted and promoted especially by nationalist and radical-right parties, whose policy proposals tend to bundle support for domestic free market policies with strong protectionist stances. This policy bundle has started to be referred to as "economic nationalism" also in public discussion. As parties offering such a policy mix become increasingly successful, we might see the end –and possibly even a reversal– of globalization.

Our analysis proceeds in two steps. In the first one we work with district-level election results. For each district, in each election, we compute a number of summaries of the ideological positioning of the electorate, and the vote share of radical right par-

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ties. We regress these district-level election outcomes on a region-specific measure of exposure to Chinese imports. This combines information on yearly national imports from China, by industry, with data on the historical composition of employment in each region. To account for the potential endogeneity of the import shock, we instrument Chinese imports to Europe using Chinese imports to the United States. This strategy is aimed at capturing the variation in Chinese imports due to changes in supply conditions in China, rather than to possibly endogenous domestic factors in Europe. We find that a stronger Chinese import shock causes a shift at the district level towards more nationalist and right-wing positions, and has a positive and non-negligible effect on the vote share of radical right parties.

In the second part of the paper we work with individual-level data from the European Social Survey. Accounting for basic demographics and country-year fixed effects, a stronger import shock in the region of residence pushes voters towards more nationalist and conservative policy positions, and it increases the probability of support for radical right parties. We also investigate how the effects of import competition vary across different categories of voters, based on their employment status and occupation. These effects turn out to be largely stable across the different groups, even when considering service workers and public sector workers, whose jobs are not directly affected by manufacturing imports from China.

This paper aims to push the literature towards a clearer understanding of the political consequences of globalization. A decade ago, in a comprehensive review of the literature on the politics of globalization, Kayser (2007) polemically noted that "the sheer volume of literature in this area has made it easy to overlook an important fact: very little of it addresses the effect of economic globalization on actual politics, understood more narrowly as electoral politics." The situation has not changed much since then. Our study focuses on the globalization shock as a fundamental driver of divergence in economic

performance across regions. We are able to provide comprehensive causal evidence of the link between globalization and the electoral success of nationalist, right-wing, and radical-right parties based on subnational data in a cross-country context.

The evidence we provide might also help solve a puzzle that has more or less implicitly informed much of the literature on the radical right in Europe: why do members of the "natural" constituencies of left or social-democratic parties (low- and medium-skilled manufacturing workers, the unemployed, etc.) vote for radical right parties? And, in which way are these parties genuinely "right-wing"? We suggest that economic nationalism is a viable –albeit inefficient– policy bundle that substitutes protectionism for the main components of "embedded liberalism": trade liberalization, redistribution, and compensation of social groups and geographic regions negatively affected by global trade.

The politics of globalization

The surge in manufacturing imports from China has undoubtedly been the major globalization shock for Europe in recent times. Figure 1 displays the evolution of the Chinese share of total manufacturing imports in the fifteen Western European countries in our sample, between 1988 and 2007.[1] In line with evidence for the U.S. (e.g. Autor et al., 2013), this share grows significantly, from around 1% to about 7%, while the share of imports from other low-income countries remains essentially stable.[2]

Despite leading to net welfare gains, globalization also creates "losers": for instance, workers at firms that shut down due to import competition, and regions that, given their sectoral specialization, face particularly strong adjustment costs. Several studies have

[1] The countries in our sample are: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom. All countries but Norway and Switzerland are Members of the European Union.

[2] See Table A1 for the full list.

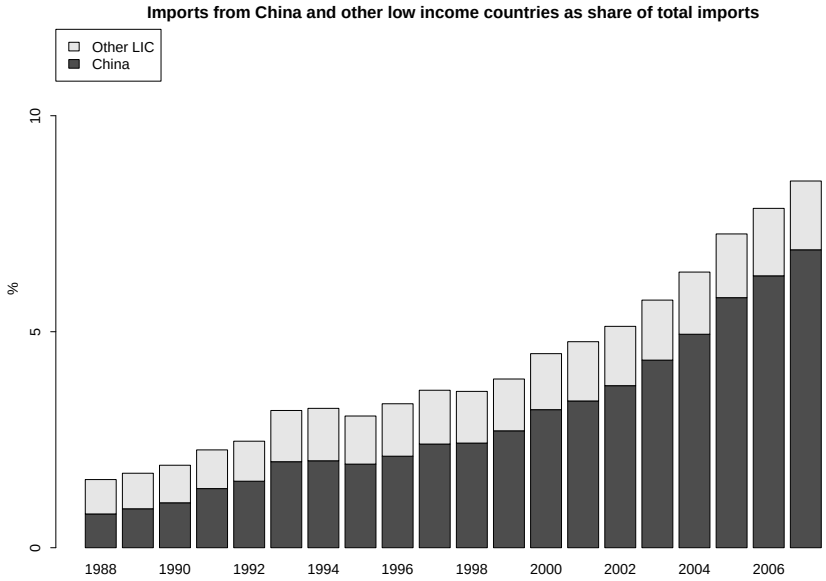


Figure 1: Evolution of the relative importance of imports from China and other low income countries in Western Europe.

shown that import competition implies significant adjustment costs in terms of job displacement and reduced earnings (Acemoglu et al. 2016; Autor et al. 2013, 2016; Dauth et al. 2014), and poorer physical and mental health for exposed workers (Colantone et al. 2015; Hummels et al. 2016; McManus and Schaur 2016; Pierce and Schott 2016).

What are the political implications of this phenomenon? There are two main ways in which the needs and interests of those sectors of society negatively affected by trade can become policy demands. The first is in terms of a demand for compensation. The second, on the other hand, is a call for protectionism.

The initial analysis of the political consequences of globalization took the move from the assumption that compensation would be the first choice for globalization losers. This strand of literature, inspired by the concept of "embedded liberalism" introduced by Ruggie (1982), draws from the empirical regularity that trade openness is associated with more state spending (Cameron 1978; Rodrik 1998). In this perspective, a bargain involving generous redistribution and insurance against economic shocks in exchange

for support for global trade was struck after World War II in Western democracies (e.g., Katzenstein 1985). Globalization would then push voters towards left-wing parties that support generous welfare states. Indeed, exposure to risk –including risk deriving from global competition– shapes preferences in a more pro-redistribution direction (Balcells Ventura 2006; Cusack et al. 2006; Margalit 2013; Rehm 2009; Walter 2010). Moreover, generous welfare state provisions increase support for open trade by members of exposed groups (Hays 2009; Hays et al. 2005; Mayda et al. 2007).

Yet, as first highlighted by Rodrik (1997), compensation itself becomes hard to sustain as globalization progresses and capital gets increasingly mobile across countries, heading towards low-taxation settings. Indeed, as recently stressed by Antràs et al. (2016), redistribution is costly, and capital mobility constrains the ability of national governments to raise the necessary tax revenues (Burgoon 2001; Garrett 1998; Garrett and Mitchell 2001). Moreover, there is also an element of time-inconsistency in the incentives for politicians, as they might promise redistribution in exchange for support for trade liberalization at a given time, but be tempted to renege on the promises later.

In sum, all this might lead to insufficient compensation of losers, and to an overall loss of credibility of the embedded liberalism arrangement (see Hays 2009). As the losers of globalization realize that effective redistribution policies are not feasible, and promises of compensation are not credible, the demand for protection emerges as an alternative. This takes the political form of economic nationalism.

The economic nationalism bargain involves the promise of protectionism as a way to "compensate" manufacturing workers threatened by globalization. At the same time, the welfare state, no longer needed to buffer globalization shocks, can be, if not dismantled, reduced in terms of size and generosity. Protectionism, then, can be accompanied by a promise of lower taxes in an appeal to other –more middle-class– constituencies. The whole platform can be kept together by a master narrative revolving around nationalism

and national self-sufficiency. The resulting policy choice would be a form of "inefficient redistribution"(Acemoglu and Robinson 2001): instead of promising to select the efficient policy and then compensate losers, parties promise an inefficient policy that does not inflict concentrated losses to any one specific social group.

The plot in Figure 2 illustrates our argument. Each point is a political party in a given election. Our source of information on party ideology is the Comparative Manifesto Project (CMP, Volkens et al. 2016). The horizontal axis displays the party position on economic ideology: the further we move to the right, the more the party is in favor of laissez-fair *domestic* policies. On the vertical axis we report a protectionism score, calculated based on two items in the CMP data, with higher values signaling a stronger stance in a protectionist direction.[3] The solid dots refer to parties that are usually classified as members of the radical right family.[4]

Two observations can be made. First, many parties combine right-of-center stances on domestic economic issues with protectionist views on trade policy, signaling the fact that right wing parties, despite being non-interventionist on domestic economic issues, are often against free trade. Second, in most cases radical-right parties are strongly against trade. Not by chance, the most protectionist platform in the sample is the one put forward by the Northern League before the 2008 Italian legislative election. This evidence motivates our empirical analysis.

[3]Below we provide a fuller description of the source and the method we adopt to calculate the scores. Protectionism is calculated based on items 406 and 407 in the CMP data. Economic conservatism includes the items in the variables *planeco* and *markeco* in the CMP data.

[4]The list includes: SMP Finnish Rural Party, PS True Finns, VB Flemish Bloc, LPF List Pim Fortuyn, PVV Party of Freedom, VB Flemish Interest, FN National Front, LN Northern League, LAOS Popular Orthodox Rally, FPO Austrian Freedom Party, Freedom Movement, NA/AN National Action for People and Fatherland, SD/DS Swiss Democrats, SVP/UDC Swiss People Party, Swiss Motorists Party, FPS Freedom Party of Switzerland, UKIP United Kingdom Independence Party.

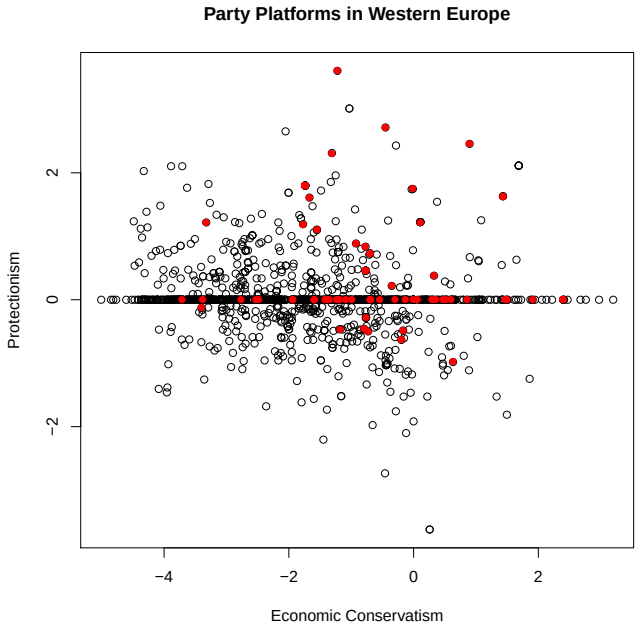


Figure 2: Protectionism and conservatism.

Summing up, economic nationalism entails three main elements: opposition to free trade and economic isolationism; laissez-faire on domestic economic issues; and a strong nationalist stance. As a matter of fact, nationalism can be even seen as a rhetorical substitute for protectionism in parties' manifestos. Indeed, as can be seen in Figure 2, there are several dots on the zero line in terms of protectionism, which reflect, for the most part, cases in which no mention of trade policy was made in the manifesto. Trade policy is a rather technical topic, involving concepts like anti-dumping, which are obscure to many voters (Rho and Tomz 2015). As a result, nationalist claims are a more effective rhetorical tool for political leaders who want to convey a message of isolation and "taking back control".

Trade exposure diminishes attitudinal support for globalization (Margalit 2012; Mayda and Rodrik 2005; Scheve and Slaughter 2007). Recent work has started to investigate the impact of globalization on voting behavior proper across local areas in the United

States. In particular, Autor et al. (2016) provide evidence on a positive effect of import competition on political polarization; Che et al. (2016) find a positive effect on electoral turnout and the share of votes cast for Democrats, while Margalit (2011) and Jensen et al. (2015) detect an anti-incumbent effect. In this paper, we investigate the impact of Chinese import competition on electoral outcomes across fifteen Western European countries. In line with the above theoretical discussion, we show that larger import shocks at the regional level determine: an increase in support for nationalist parties; a general shift to the right in the electorate, thus away from the embedded liberalism bargain; and stronger support for radical right parties.

Sociotropic considerations in the formation of attitudes towards globalization might also matter, making nationalism spread beyond segments of society directly affected by trade. Scheve and Slaughter (2007, 43) notice that "the pressures of globalization are spread economy-wide via domestic labor-market competition." At the regional level, the entire economic landscape of areas specialized in threatened manufacturing industries is affected. This might lead to a general shift in a nationalist direction across all of society, as agents take economic conditions in their areas into account when forming perceptions that guide their political choices (Ansolabehere et al. 2014). Whether the backlash against globalization spreads or not beyond the narrower groups directly shocked by globalization is an empirical question that we address below.

The radical right and economic nationalism

We claim that a demand for economic nationalism, as defined in the previous subsection, is a key factor behind the success of radical right parties in Western Europe. Indeed, the combination between free-market policies domestically and protectionist policies in international trade, emerges as a centerpiece of the policy bundle proposed by radical right parties.

Some of the seminal political science contributions on the radical right in Western Europe stressed the importance of the neo-liberal economic platform for this family of parties (Betz 1993; Kitschelt and McGann 1997). For instance, according to Betz (1993, p.419), the radical right's "promotion of a neo-liberal program is part of a larger strategy" to counter the threats that "stem not only from a loss of national or regional identity, but also from global economic competition." He notices that the "programmatic mixture of xenophobia and neo-liberalism might thus be seen as a response to current global changes which produce winners and losers", with a resulting ideology of "neo-isolationism in a future 'fortress Europe.' " (p.420).

Subsequent literature abandoned this type of focus on the economic ideology of radical right parties. Arguably, this is because conservative economic policies, *prima facie* and in standard political economy frameworks about redistribution, are not in principle beneficial to the very same social constituencies that found the radical right most appealing: manual low-skilled workers, lower-income males, the unemployed, etc. (Golder 2016; Lubbers et al. 2002; Lucassen and Lubbers 2012). In fact, in the empirical literature on voting behavior, these constituencies were in the past found to be overwhelmingly supporters of labor, social-democratic, and in general left-of-center parties, in all advanced democracies (Evans 2000). It was then difficult to make sense of the fact that such segments of society would suddenly start supporting conservative, pro-market positions (Mudde 2007). And yet, what this logic misses is that those same workers might not find the promise of generous welfare state and redistribution –that is, the embedded liberalism bargain– appealing anymore, once globalization has reached a certain level. They would rather vote for parties proposing limitations to free trade, even if bundled with a reduction of the welfare state, which is increasingly perceived to be ineffective anyway.

A large part of the recent literature on the success of radical right parties has mostly

focused on the seemingly central role held by opposition to immigration in these parties' programmatic platforms (Ivarsflaten 2008). Many studies have investigated how anti-immigrant sentiments drive support for the radical right, and have tried to adjudicate between the relative roles of cultural and economic threats, with somewhat mixed results (e.g., Lubbers et al. 2002; Lucassen and Lubbers 2012; Rydgren 2008). The most interesting contributions in this strand of literature do not ignore macro-level economic conditions, but they relegate them, rhetorically, to the somewhat secondary role of "contextual factors" (Arzheimer 2009; Golder 2003).

One recurring theme is that the radical right appeals in particular to "modernization losers". But, as Golder (2016, 483) correctly points out "exactly who the modernization losers are in these accounts is often left vague". Our contention is that we can isolate one specific group of modernization losers: losers from import competition. By that we mean not only displaced manufacturing workers in industries most exposed to international competition, but also agents exposed indirectly to the adjustment costs of trade: for instance, residents of manufacturing regions hit by possibly long-term economic decline.

A small set of important contributions highlight the connection between economic conditions, and in particular uncompensated labor market shocks, and support for the radical right (e.g., Jesuit et al. 2009). Some studies have explicitly linked globalization and the success of radical right parties. Mughan et al. (2003) show the link between perceived job insecurity and vote for the populist right using survey data from Australia. Swank and Betz (2003) detect an association between trade openness and success of the radical right, mitigated by the degree of universalism of the welfare state, using national-level data for 83 elections in sixteen European countries in the 1980s and 1990s. Two recent working papers, Malgouyres (2014) and Dippel et al. (2016), have focused on France and Germany, respectively, finding that globalization, under certain conditions,

increases support for radical right parties.

We present the first cross-country causal evidence on the role of import competition in explaining support for the radical right in Europe, based not only on district-level electoral returns, but also on individual level voting data. This is important as it allows us to investigate how globalization affects the voting behavior of different categories of people, based on their employment status and occupation.

Revealed preferences and supply side constraints

In our analysis, we are essentially taking voting behavior as revealed preferences. The underlying consideration is that voting behavior and party choice are more fitting measures of voter preferences than, for instance, answers to attitudinal items regarding redistribution, or nationalism, in surveys. In fact, when making the choice of which party to support in an election, voters face a (very salient) opportunity cost: voting for party A implies not voting for party B. In addition, when declaring their opposition to free trade in a survey, voters face no real trade-off –for instance, regarding generosity of the welfare state– of the kind they face when choosing between supporting a mainstream social-democratic party or a radical right party. In other words, vote choices entail the comparison of entire policy bundles.

Our narrative, thus far, has focused on demand-side considerations in the electorate. Clearly, though, when analyzing voting we are essentially investigating the equilibrium effects of globalization on political outcomes, encompassing both the political demand of voters and the policy supply of parties. Indeed, part of the literature (Arzheimer and Carter 2006; Givens 2005; Jackman and Volpert 1996; Kitschelt and McGann 1997; Norris 2005) has proposed "supply-side" explanations for the success of radical right parties. In particular, Pardos-Prado (2015) highlights the importance of competition with mainstream parties for understanding the success of the radical right; supply-side effects of

globalization in terms of party positioning have also been documented (Burgoon 2012).

The existence of possible supply-side constraints is expected to work against our claim that globalization causes an increase in nationalism among voters. For instance, non-permissive electoral systems might prevent the emergence of viable radical right parties that offer the "economic nationalism" bundle demanded by voters affected by the import shock. This unmet demand, in practice, would imply that voters who would otherwise choose an economic nationalist platform, offered for instance by a new radical right party, are constrained to vote for one of the existing parties, none of which might offer exactly that policy bundle. In our analysis, these voters would be counted as not being supporters of economic nationalism even if they would rather choose to be so, in the presence of an adequate political supply. Therefore, supply-side constraints would attenuate towards zero the effect of the import shock.

In addition, our empirical strategy involves pooling all elections while controlling for national-level election-specific characteristics via fixed effects. This accounts for any supply-driven differences in the overall propensity of voters to choose economic nationalist platforms and radical right parties. In any specific election, in fact, the supply side is essentially the same across all districts of a country (barring decisions of parties to enter a given district race or not).

The import shock

Our empirical strategy involves regressing summaries of regional electoral outcomes and individual-level vote choices against the Chinese trade shock. To this purpose, we build a region-specific indicator for the exposure to Chinese imports following the methodology introduced by Autor et al. (2013). In particular, we define:

$$\text{Import Shock}_{crt} = \sum_{j} \frac{L_{rj(\text{pre-sample})}}{L_{r(\text{pre-sample})}} * \frac{\Delta\text{IMPChina}_{cjt}}{L_{cj(\text{pre-sample})}}, \tag{1}$$

where c indexes countries, r NUTS-2 regions, j industries, and t years.

$\Delta\text{IMPChina}_{cjt}$ is the change in (real) imports from China over the past *n* years, in country *c* and industry *j*. This is normalized by the number of workers in the same country and industry at the beginning of the sample period, $L_{cj(\text{pre-sample})}$. In order to back out the region-specific trade shock, we take the weighted sum of the change in imports per worker across industries, where the weights capture the relative importance of each industry in a given region. Specifically, the weights are defined as the ratio of the number of workers in region *r* and industry *j*, $L_{rj(\text{pre-sample})}$, over the total number of workers in the region, $L_{r(\text{pre-sample})}$, both measured at the beginning of the sample period.

This measurement approach is based on a theoretical model developed by Autor et al. (2013) and has a very intuitive interpretation. The underlying idea is as follows: different regions are more or less exposed to the growth in Chinese imports depending on their ex-ante industry specialization. In particular, any given change in imports at the country-industry level (i.e. $\Delta\text{IMPChina}_{cjt}$ / $L_{cj(\text{pre-sample})}$) at a given point in time is going to affect more those regions in which more workers were initially employed in that industry. Intuitively, larger import shocks are attributed to regions characterized by larger shares of workers employed in the manufacturing sector. However, given the same share of manufacturing workers, cross-regional variation in exposure to Chinese imports will stem from differences in industry specialization within manufacturing. In particular, the shock will be stronger for regions in which relatively more workers were initially employed in those industries for which subsequent growth in imports from China has been stronger (e.g. textiles or electronic goods, as can be seen in Table 1), and in years in which the surge in Chinese imports in those industries was sharper.

Table 1: Share of imports from China over total imports (on average across countries).

Industry description	Nace code	Share in 1989	Share in 2006
Manufacture of leather and leather products	DC	4.16%	22.96%
Manufacturing n.e.c. (furniture, toys etc.)	DN	4.99%	20.87%
Manufacture of textiles and textile products	DB	3.71%	17.15%
Manufacture of electrical and optical equipment	DL	0.71%	13.21%
Manufacture of other non-metallic mineral products	DI	0.64%	8.52%
Manufacture of wood and wood products	DD	1.39%	6.15%
Manufacture of machinery and equipment n.e.c.	DK	0.28%	5.39%
Manufacture of rubber and plastic products	DH	0.76%	4.56%
Manufacture of basic metals and fabricated metal products	DJ	0.36%	3.97%
Manufacture of pulp, paper and paper products; publishing and printing	DE	0.11%	1.79%
Manufacture of chemicals, chemical products, and man-made fibres	DG	0.60%	1.57%
Manufacture of food products, beverages and tobacco	DA	0.68%	1.35%
Manufacture of transport equipment	DM	0.04%	0.84%
Manufacture of coke, refined petroleum products and nuclear fuel	DF	0.15%	0.42%

To compute the import shock, we combine regional employment data and import data at the industry level for each country. We perform the analysis at the level of NUTS-2 administrative regions, which have population between 800,000 and 3 million. In total, our analysis covers 198 regions.[5] Depending on the country, we source employment data either from Eurostat or from national sources, with the initial year varying accordingly between 1988 and 1995 (see Table A2). The industry level of disaggregation is the NACE Rev. 1.1 subsection level. As can be seen in Table 1, subsections are identified by two-character alphabetical codes (from DA to DN for the manufacturing sector), and correspond to 2-digit industries or aggregations of them.

Import data are sourced either from Eurostat Comext (for European Union countries) or from CEPII-BACI (for Norway and Switzerland). Detailed information on data sources and coverage is available in Table A2. Starting from bilateral trade flows at the product level, we aggregate up to obtain industry-level import flows at the NACE subsection level, thus matching the level of disaggregation of the employment data. This allows us to retrieve $\text{Import Shock}_{crt}$ according to Equation (1).

Figure 3 shows differences in the employment share of manufacturing across regions

[5]For Germany, the required data are only available at the more aggregated NUTS-1 level, hence 16 out of 198 regions in our sample correspond to NUTS-1 regions.

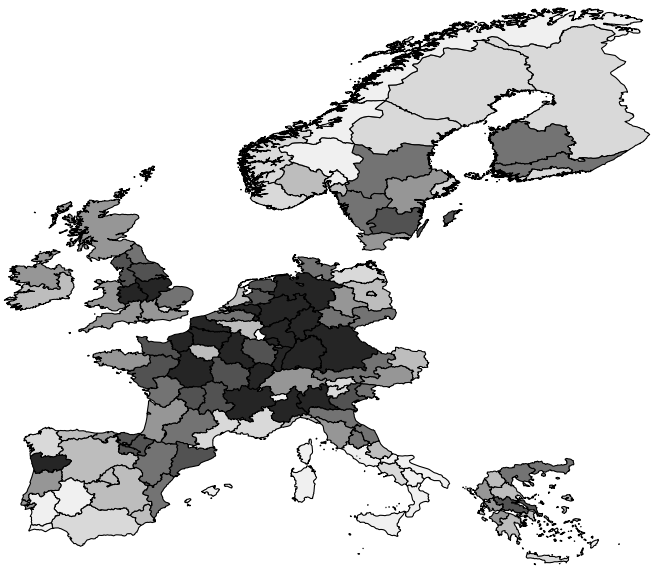


Figure 3: Share of employment in manufacturing across regions.

at the beginning of the sample. As it can be noticed, there is substantial spatial variation, with figures ranging from about 4% (in Calabria - Italy) to about 41% (in Baden-Württemberg - Germany). Figure 4 displays the variation in $\mathrm{Import\ Shock}$ across regions, based on average regional figures. Table 2 shows the variability of the Chinese import shock across regions and over time, considering three 5-year intervals: 1989-1994; 1995-2000; 2001-2006. For instance, in the first period the 10th percentile region witnessed an increase in Chinese imports by 17 (real) euros per worker, against 221 for the 90th percentile region.[6] The Chinese shock gets stronger over time: e.g., the median region witnessed a growth in imports by 90 euros per worker between 1989 and 1994, and 443 euros in 2001-2006.

[6]The base year for deflating is 2006, so all figures are in 2006 euros.

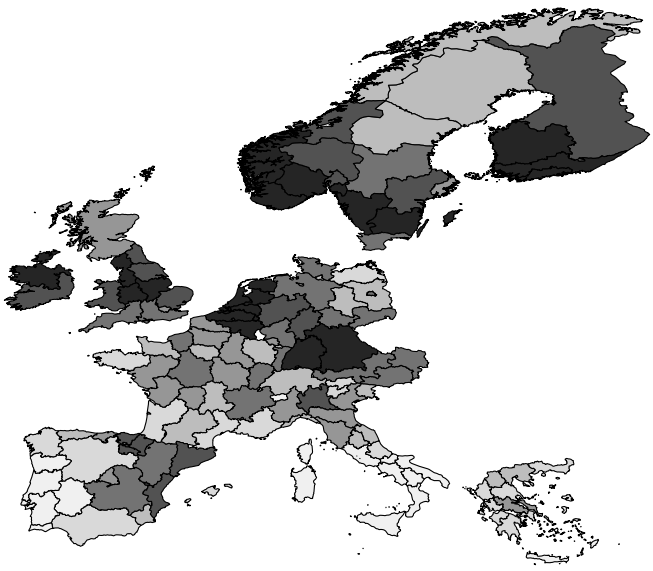


Figure 4: Distribution of the Import Shock across regions.

Endogeneity

We address the possible endogeneity of the trade shock with respect to electoral outcomes by instrumenting *Import Shock* using the growth in imports from China to the United States. Our instrument is defined as:

$$\text{Instrument for Shock}_{crt} = \sum_{j} \frac{L_{rj(\text{pre-sample})}}{L_{r(\text{pre-sample})}} * \frac{\Delta\text{IMPChinaUSA}_{jt}}{L_{cj(\text{pre-sample})}}. \tag{2}$$

With respect to the previous formula for $\text{Import Shock}_{crt}$, here we substituted $\Delta\text{IMPChinaUSA}_{jt}$ for $\Delta\text{IMPChina}_{cjt}$. Motivated by earlier literature (e.g. Autor et al. 2013, 2016; Bloom et al., 2016; Colantone et al., 2015; Dauth et al., 2014; Hummels et al., 2014), this instrument is meant to capture the variation in Chinese imports due to exogenous changes in supply conditions in China, rather than to domestic factors that could be correlated with electoral outcomes. Our results are robust to using different instruments, which

Table 2: Distribution of the import shock across regions and over time.

I. 1989 - 1994		II. 1995 - 2000		II. 2001 - 2006	
Percentiles	*Import Shock*	*Percentiles*	*Import Shock*	*Percentiles*	*Import Shock*
90th	0.221	90th	0.609	90th	1.608
75th	0.135	75th	0.387	75th	0.695
50th	0.090	50th	0.263	50th	0.443
25th	0.040	25th	0.144	25th	0.259
10th	0.017	10th	0.079	10th	0.141

consider not only Chinese imports to the US but also to other high-income countries, i.e. Canada, Japan, Australia and New Zealand, either jointly or separately.[7] US import data are sourced from the Center for International Data of UC Davis, while for the other high-income countries we rely on CEPII-BACI.

Endogeneity could stem from different sources. First, one could worry that some districts, which can be referred to as "key constituencies", are more important than others for, or better connected to, mainstream government parties in each country. In that case, policy makers could protect from import competition the industries that are more important for these districts. This could induce an upward bias in the regression estimates. Indeed, we would observe milder import shocks in the key constituencies, while at the same time voters in those districts would be likely to vote more for mainstream parties and less, for instance, for radical right parties. The opposite would endogenously happen in what we could call the "neglected constituencies", that is, those districts that are paid less attention by incumbent policy-makers.

These concerns are mitigated if one considers that most of the countries in our sample belong to the European Union, which has exclusive competence on trade policy. This implies that all decisions about tariff and non-tariff trade barriers are taken at the Union level, and apply uniformly to all the members of the EU. Yet, national representatives could still lobby for more protection at the EU level for those industries that are par-

[7] These results are available upon request.

ticularly important for the key constituencies within each country. Our instrumental variable approach is meant to solve this type of issues.

Endogeneity may also derive from demand shocks. For instance, in case of a positive demand shock in a given country, voters would be more likely to vote for incumbent government parties, and less likely to choose opposition forces or nationalist and radical right parties. This could induce a downward bias in the regression estimates, to the extent that positive demand shocks translate also into higher imports from China. Again, our instrument addresses these concerns, as we identify the effect of the import shock by exploiting the variation in Chinese imports due to exogenous changes in supply conditions in China, rather than to country-specific domestic factors like aggregate demand.

Election data and policy positions

District-level data

We assemble election data at the district level for each of the fifteen Western European countries in our sample. Our data cover 76 general elections, over the period 1988-2007. We always focus on votes for the lower house of the legislature. Official election results are sourced from the Constituency-Level Election Archive (CLEA, Kollman et al., 2016), the Global Election Database (GED, Brancati, 2016), and a number of national sources. For each district, in each election, we have information on vote shares at the party level.

In particular, we define p_{ldt} as the vote share for party l, in district d, at time (election) t. In order to assess the ideological leaning of a district in an election, we need to link the election results with ideology scores for each party in each election. The Comparative Manifesto Project data provide human coding of the manifesto of each party, along several policy dimensions, and allow us to calculate ideology scores that are party-election

specific, and constant across all the districts within a country.

The first party positioning score that we compute refers to nationalism. We calculate the nationalism score of party l, in country c and year (election) t following the method proposed by Lowe et al. (2011):

$$\text{Nationalism}_{lct} = \log(.5 + z^{+}_{lct}) - \log(.5 + z^{-}_{lct}),$$

where z^{+}_{lct} is the number of claims in a nationalist-positive direction, and z^{-}_{lct} is the number of claims in a nationalist-negative direction.[8] Nationalist (positive) claims refer to statements denoting a positive view of the national way of life, of traditional morality, of law and order, and a negative view of multiculturalism. Claims in the opposite direction are coded as nationalist-negative.

Second, we define the general left-right positioning score as follows:

$$\text{Right Positioning}_{lct} = \log(.5 + w^{+}_{lct}) - \log(.5 + w^{-}_{lct}),$$

where w^{+}_{lct} is the number of claims in a right wing-positive direction, and w^{-}_{lct} is the number of claims in a right wing-negative direction. The items are those proposed by Laver and Budge (1992) to measure general left-right positioning.

Next, we combine the ideology scores and the party vote shares in order to compute several district-level summaries, which reflect the political orientation of each district in each election. For both nationalism and left-right positioning, we compute the ideological center of gravity; the median voter score; and the combined vote share of parties above the *national* median position on that dimension.

The ideological center of gravity is the average of the policy position scores of the competing parties, weighted by their vote shares in the district:

[8] Specifically, z^{+}_{lct} contains the number of claims coded in categories 601, 603, 605, and 608, while z^{-}_{lct} refers to codes 602, 604, and 607.

$$\mathrm{COG}_{dt} = \frac{\sum_{l=1}^{n} p_{ldt} \mathrm{Score}_{lt}}{\sum_{l=1}^{n} p_{ldt}},$$

where d indexes districts, l parties, and t years (elections). Score_{lt} can be either the nationalism score or the left-right positioning score.

The median voter score is the ideological position of the (weighted) median party in the district. In practice, parties are sorted from least- to most-nationalist (or from left to right), and the cumulative vote share is calculated (in the usual fashion, as the sum of the vote shares of a given party and all parties to its left in the distribution). The median voter score is the ideology of the party at which cumulative vote share reaches 50%: in substantive terms, the party chosen by a (sincere, proximity-driven) median voter respectively on the nationalism or the left-right dimension.

Finally, the share of votes for parties above the median national position is obtained in two steps. First, we identify the parties that have a score above the (unweighted) national median, in terms of nationalism or left-right positioning. Then, within each district, we compute the overall vote share of such parties.

The center of gravity is sensitive to the whole distribution of policy positions and vote shares. As such, it might increase, for instance, if an extreme party radicalizes further its position, even when the positions of all the other parties, and the vote shares of all parties, remain constant. On the other hand, the median voter score captures ideological shifts at the center of the electorate: it is unaffected by ideology changes at the extremes of the ideological distribution, and is less sensitive to small changes in the vote shares. Finally, the third indicator provides a further anchoring with respect to the national scores, calculating the mass of the distribution that is on the right side of the spectrum in national terms. In pure two-party systems like the United States, the second and third measures would be equivalent respectively to the ideological score of

the district winner and to the vote share of the rightmost (or most nationalist) party (e.g., the Republican Party).

Some minor parties and independent candidates appear in our district election results but cannot be linked to a score in the CMP. The issues introduced by ignoring minor parties are relatively unimportant, given that by definition they receive small vote shares in most districts, and therefore their omission cannot affect much the district-level summaries. On the other hand, independent candidates might play a significant role in some contests. In the overwhelming majority of cases our district-level indexes are computed based on information covering more than 90% of the votes cast.[9] Moreover, the results we present below are robust to the exclusion from the estimation sample of the districts in which either more than 50% or more than 25% of the votes cast are for parties (or candidates) for which the ideology scores are not available.

Finally, we also compute one district-level summary that addresses directly the connection between globalization and radical right success: the vote share of radical right parties, identified based on earlier literature.[10] Some minor parties that could belong to this category are not included in the computation, as they are too small to be recorded in the election results data (e.g. they would fall in the "others" residual category). If anything, this could lead us to underestimate the overall support for the radical right in the sample.

In the empirical analysis, electoral results at the district level are linked to the Chinese import shock of the corresponding NUTS-2 region. In many cases, a district is itself a NUTS-2 region. In other cases, a given NUTS-2 region may contain two or more districts. Importantly, a district is always fully within the boundaries of one single NUTS-2 region, thus there are no overlaps.

[9] The median percentage of votes that do not enter the calculation of the scores is 2.3.
[10] See footnote 4 for the full list.

Individual-level data

Individual-level data are sourced from the first four waves of the European Social Survey, which covers all the countries in our sample. In the survey, respondents are asked whether they voted in the last election, and which party they voted for. We match this information with the party ideology data described above, to create three variables: the nationalism score of the chosen party; the left-right position of the chosen party; and a dummy variable equal to one if the individual has voted for a radical-right party.

Based on the region of residence of the respondent, we attribute to each voter the relevant import shock at the NUTS-2 level.[11] The ESS contains also information on demographic characteristics (age and gender), educational attainment, labor market status, and occupation. We use this information to investigate how the effect of import competition varies across different groups of people within the same region.

Descriptive evidence

Figure 5 displays the evolution of the vote share for radical right parties over time. Each point in the figure represents a 3-year moving average. There is evidence of increasing support for radical right parties, in line with earlier findings in the literature (Golder 2016). A similar trend, although less sharp, emerges in Figure 6 with respect to the nationalism score.

[11] In some cases, information on the region of residence is only available at the NUTS-1 level of disaggregation, and the import shock is computed accordingly at the same level.

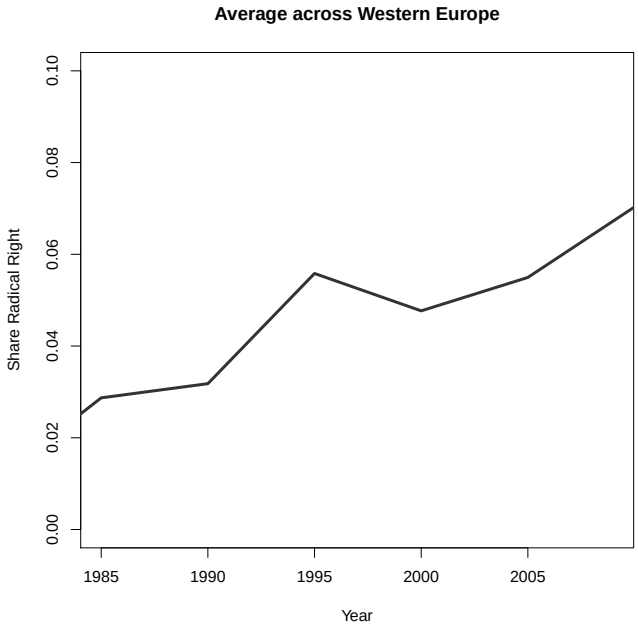


Figure 5: Vote share for radical right parties.

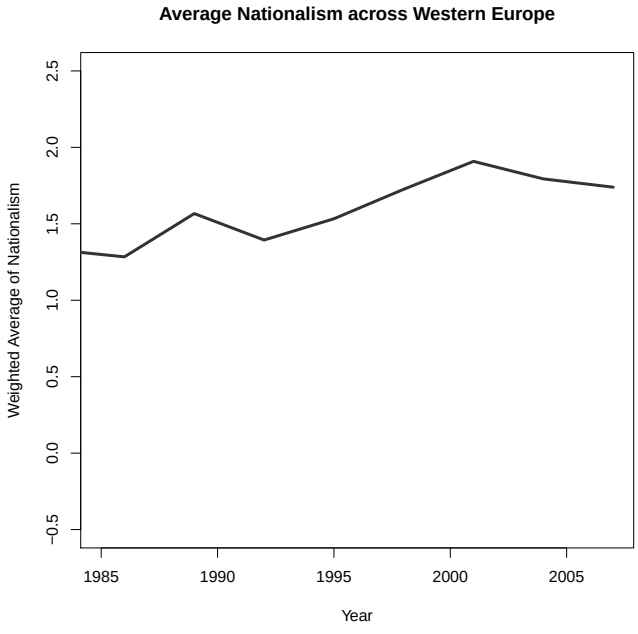


Figure 6: Nationalism score.

Empirical specification

At the district level, we estimate regressions of the following form:

$$\text{Electoral Outcome}_{cdt} = \alpha_{ct} + \beta_1 \text{Import Shock}_{cr(d)t} + \varepsilon_{cdt}, \tag{3}$$

where c indexes countries, d districts, t years (elections), and ε_{cdt} is an error term.

$\text{Electoral Outcome}_{cdt}$ is one of the district-level indexes defined above. The function $r()$ maps district d to its NUTS-2 region r. $\text{Import Shock}_{cr(d)t}$ is the growth in imports from China at the regional level, computed over the past two years before the election, which is held in year t. α_{ct} are country-year fixed effects, which are equivalent to election fixed effects. These are meant to control for any factors that affect symmetrically all the districts within a country at the time of a given election. Examples of such factors are the political climate in the country, the political orientation of the incumbent government, and the general economic performance at the national level. The country-year fixed effects imply that we identify the effect of the import shock only out of variations across regions within the same country and year. To account for possible correlation across districts within the same region, standard errors are clustered at the NUTS-2-year level.

There might be omitted regional-level factors that are also driving voting behavior. To the extent that such factors are not associated with the severity of the import shock, their omission works against us in finding any effects of import competition. We are more concerned with omitted factors that are correlated with Chinese imports, as these could lead to a biased estimate of the causal effect of import competition. We address this issue with the instrument described above. In addition, we perform robustness checks in which we allow for differential trajectories across regions, based on historical observable characteristics. We do so by interacting the country-year dummies with region-specific variables that are kept fixed over time. These regional variables include the employment

share in the primary sector, in services, in finance and business services, in high-tech industries, in low- and medium-tech industries, the employment share of low-, medium-, and high-skill workers, and the share of foreign-born population. These interactions allow us to further account for additional factors –besides the Chinese import shock– that might explain the shift of some regions towards nationalist and (radical) right voting over time.

The individual-level regressions have the general form:

$$\text{Electoral Outcome}_{icrt} = \alpha_{ct} + \beta_1 \text{Import Shock}_{cr(i)t} + \mathbf{Z}_{it}\gamma' + \varepsilon_{icrt}, \tag{4}$$

where i indexes individuals, c countries, r regions, t years (elections), and ε_{icrt} is an error term.

Depending on the specification, $\text{Electoral Outcome}_{icrt}$ is, alternatively, the nationalism score of the voted party, the right positioning score of the voted party, or a dummy equal to one in case the individual has voted for a radical right party. The function $r()$ maps each individual (i) to her NUTS-2 region of residence (r). $\text{Import Shock}_{cr(i)t}$ is the growth in Chinese imports at the regional level over the past two years before the election. Finally, $\mathbf{Z}_{it}$ is a vector of individual-level controls. This includes the age of the respondent, a dummy equal to one for females, and a set of dummies indicating different levels of educational attainment, as classified by ISCED.

Results

District-level evidence

Table 3 displays the baseline estimates of Equation (3) for nationalism. Specifically, results refer to three different outcomes computed at the district level: the center of gravity

score; the median voter score; and the share of votes for parties with a nationalism score above the country-level median in any given election. For each outcome variable there are two columns: the first one reports the OLS estimates, and the second one shows the IV results, where the import shock is instrumented by using Chinese imports to the United States, as in Equation (2). All the specifications include country-year dummies, and standard errors are always clustered at the NUTS-2-year level.

The coefficient on the import shock is positive and precisely estimated across the board. The IV estimate of the coefficient is systematically higher than the OLS one. This is consistent with there being unobserved factors, such as positive demand shocks, that correlate at the same time with higher imports from China and a lower propensity to vote in a nationalist direction. The first-stage coefficient on our instrument is positive and statistically different from zero, and the F-statistic does not signal a weakness problem. This is in line with earlier studies that have used a similar instrumentation strategy (e.g. Autor et al., 2013).

Table 4 reports the district-level results for left-right positioning. The structure of the table and the specifications are the same as in Table 3. The coefficient estimates for the import shock are always positive, precisely estimated, and systematically larger in magnitude in the IV regressions. By and large, the evidence is in line with the nationalism results described above.

Next, Table 5 shows the estimation results for the specifications in which the dependent variable is the share of votes for radical right parties at the district level. Also in this case we estimate a positive coefficient for the import shock, which is larger and more precisely estimated in the instrumental variable regression. Overall, our district-level results show that the Chinese import shock has a causal impact on voting. In particular, higher exposure to the shock determines a shift towards more nationalist and right-wing positions, and leads to higher support for radical right parties.

Table 3: District-Level Estimates: Nationalism

	(1)	(2)	(3)	(4)	(5)	(6)
Dep. Var.: Nationalism	Median Voter Score		Center of Gravity Score		Share Above Median	
Import Shock	0.782**	1.310***	0.400**	0.753***	0.173**	0.386***
	[0.334]	[0.466]	[0.155]	[0.223]	[0.076]	[0.121]
Estimator	OLS	2SLS	OLS	2SLS	OLS	2SLS
Country-Year Effects	yes	yes	yes	yes	yes	yes
Obs.	8,181	7,782	8,181	7,782	8,181	7,782
R2	0.38	0.43	0.83	0.81	0.65	0.65
First-stage results						
US imports from China	-	0.039***	-	0.039***	-	0.039***
	-	[0.009]	-	[0.009]	-	[0.009]
Kleibergen-Paap F-Statistic	-	19.2	-	19.2	-	19.2

*** p<0.01, ** p<0.05, * p<0.1

How strong is the effect of import competition? To answer this question, let us consider that Import Shock has an average of 0.08, which corresponds to an increase in imports from China by 80 (real) euros per worker, over two years. The difference between the region at the 25th percentile of the shock, and the region at the 75th percentile, is equal to 0.05. According to the IV estimates, such a difference in exposure to Chinese imports would explain, *ceteris paribus*, higher support for radical right parties by about 0.7 percentage points (i.e., 0.132*0.05). Such an impact is not negligible, considering that the average vote share for radical right parties is equal to 5%, with a standard deviation of 7%.

The quantification of the effect is somewhat less immediate for nationalism and left-right positioning scores. As an illustration, consider two NUTS-2 regions of the same country, for which the difference in the import shock is equal to the inter-quartile difference (0.05). Focusing on Italy, we can pick Calabria (average shock 0.02), and Lombardia (average shock 0.07). The center of gravity nationalism scores are higher in Lombardia than in Calabria. According to the IV estimates, about one fourth of the difference is explained by the stronger import shock. Similarly, Lombardia also displays higher right

Table 4: District-Level Estimates: Left-Right Positioning

	(1)	(2)	(3)	(4)	(5)	(6)
Dep. Var.: Right Positioning	Median Voter Score		Center of Gravity Score		Share Above Median	
Import Shock	0.571**	1.168***	0.327**	0.699***	0.251**	0.639***
	[0.239]	[0.346]	[0.129]	[0.184]	[0.100]	[0.168]
Estimator	OLS	2SLS	OLS	2SLS	OLS	2SLS
Country-Year Effects	yes	yes	yes	yes	yes	yes
Obs.	8,181	7,782	8,181	7,782	8,181	7,782
R2	0.23	0.22	0.73	0.70	0.59	0.58
First-stage results						
US imports from China	-	0.039***	-	0.039***	-	0.039***
	-	[0.009]	-	[0.009]	-	[0.009]
Kleibergen-Paap F-Statistic	-	19.2	-	19.2	-	19.2

*** p<0.01, ** p<0.05, * p<0.1

positioning scores. About one third of that gap is accounted for by the difference in exposure to Chinese import competition.

Table 5: District-Level Estimates: Radical Right

	(1)	(2)
Dep. Var.:	Radical Right Share	
Import Shock	0.041*	0.132***
	[0.023]	[0.051]
Estimator	OLS	2SLS
Country-Year Effects	yes	yes
Obs.	8,181	7,782
R2	0.63	0.62
First-stage results		
US imports from China	-	0.039***
	-	[0.009]
Kleibergen-Paap F-Statistic	-	19.2

*** p<0.01, ** p<0.05, * p<0.1

Table 6: District-Level Estimates: Robustness

Dep. Var.:	Nationalism			Right Positioning			Radical Right
	Median	COG	Above Median	Median	COG	Above Median	Share
Including region-specific trends based on historical:							
1) Employment share of primary sector	1.594***	0.939***	0.397***	1.390***	0.748***	0.609***	0.093**
	[0.580]	[0.295]	[0.140]	[0.434]	[0.235]	[0.192]	[0.038]
2) Employment share of services	1.842***	0.896***	0.385**	2.027***	1.089***	0.850***	0.196***
	[0.648]	[0.295]	[0.152]	[0.486]	[0.229]	[0.189]	[0.059]
3) Employment share of finance and business services	1.868***	1.100***	0.482***	1.626***	0.905***	0.757***	0.147***
	[0.511]	[0.271]	[0.136]	[0.402]	[0.216]	[0.180]	[0.048]
4) Employment share of high-tech industries	1.505***	0.813***	0.345***	1.250***	0.703***	0.582***	0.130***
	[0.459]	[0.221]	[0.109]	[0.344]	[0.184]	[0.152]	[0.049]
5) Employment share of low- and medium-tech industries	2.163***	1.022***	0.318**	2.649***	1.449***	1.020***	0.154***
	[0.800]	[0.326]	[0.159]	[0.564]	[0.255]	[0.203]	[0.053]
6) Employment share of low-skill workers	1.650***	0.826***	0.389***	1.449***	0.807***	0.772***	0.174***
	[0.575]	[0.245]	[0.133]	[0.414]	[0.212]	[0.197]	[0.067]
7) Employment share of medium-skill workers	1.273***	0.754***	0.365***	1.011***	0.645***	0.525***	0.114**
	[0.490]	[0.239]	[0.126]	[0.325]	[0.190]	[0.157]	[0.045]
8) Employment share of high-skill workers	1.810***	0.966***	0.435***	1.516***	0.865***	0.740***	0.173***
	[0.581]	[0.271]	[0.142]	[0.442]	[0.231]	[0.197]	[0.066]
9) Share of foreign-born people in the population	1.776***	0.867***	0.387***	1.446***	0.804***	0.656***	0.110***
	[0.551]	[0.244]	[0.122]	[0.361]	[0.190]	[0.158]	[0.037]

*** p<0.01, ** p<0.05, * p<0.1

In Table 6 we augment the IV specifications of Tables 3-5 to allow for differential trajectories across regions, based on historical regional characteristics. In the table we only report the coefficients and the standard errors for the import shock. Each coefficient refers to a different IV regression. The outcome variable is indicated on top of each column, while the name in each row indicates the specific regional characteristic that has been interacted with the country-year dummies.[12] Data on each variable refer to the earliest available year, and are sourced from Eurostat (employment shares) and national sources (immigration).

The results are always in line with those obtained in Tables 3-5. If anything, in many cases the coefficients are even slightly larger in magnitude if compared to the baseline IV estimates. Overall, this body of evidence further corroborates that the estimate of the effect of import competition is not driven by omitted factors at the regional level, which could induce a shift over time in a nationalist and (radical) right wing direction for reasons other than trade.

Individual-level evidence

Table 7 reports the baseline estimation results for Equation (4) at the individual level. We have three different dependent variables: in turn, the nationalism and the left-right score of the party chosen by the respondent, and a dummy equal to one if the individual has voted for a radical right party. For each variable we report both the OLS and the IV results. In all the specifications we include country-year dummies, and controls for age, gender, and educational attainment. The coefficient on the import shock is always positive and statistically significant. Its magnitude is greater in the IV estimates than in the OLS ones, as in the district-level results. The first-stage coefficient on the instrument is positive and precisely estimated, and the F-statistic is very high, signaling the strength

[12] Full results of these ancillary regressions are reported in the online appendix.

of the instrument. The results for control variables are in line with earlier evidence (e.g., Lubbers et al. 2002).

Table 7: Individual-Level Estimates

	(1)	(2)	(3)	(4)	(5)	(6)
Dep. Var.:	Nationalism Score		Right Positioning Score		Radical Right Dummy	
Import Shock	0.031**	0.206***	0.056***	0.283***	0.006*	0.044***
	[0.013]	[0.034]	[0.011]	[0.022]	[0.004]	[0.006]
Female	-0.046***	-0.045***	-0.044***	-0.044***	-0.013***	-0.013***
	[0.009]	[0.009]	[0.006]	[0.006]	[0.002]	[0.002]
Age	0.005***	0.005***	0.003***	0.003***	-0.0003***	-0.0003***
	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]
Estimator	OLS	2SLS	OLS	2SLS	OLS	2SLS
Education Dummies	yes	yes	yes	yes	yes	yes
Country-Year Effects	yes	yes	yes	yes	yes	yes
Obs.	60,172	60,172	60,172	60,172	60,172	60,172
R2	0.27	0.27	0.16	0.16	0.12	0.12
First-stage results						
US imports from China	-	0.091***	-	0.091***	-	0.091***
	-	[0.002]	-	[0.002]	-	[0.002]
Kleibergen-Paap F-Statistic	-	2367.4	-	2367.4	-	2367.4

*** p<0.01, ** p<0.05, * p<0.1

Overall, the individual-level results are fully consistent with the district-level evidence: individuals living in regions that receive a stronger import shock are more inclined to vote for parties that are nationalist and right-wing, and are also more likely to support radical right parties.

The ESS reports information on the labor market status and the occupation of voters. We use this information to assess how the effect of the Chinese import shock, which is computed at the regional level, varies across different groups of people living in each region. To this purpose, we augment the IV regressions presented in Table 7 by interacting the import shock with a set of dummies denoting the following groups: retired; unemployed; self-employed; service workers; and public sector workers. The interactions are instrumented by interacting the baseline instrument with each dummy.

The results are reported in Tables 8-10, for nationalism, right positioning, and radical

Table 8: Individual-Level Estimates, Nationalism: Heterogeneity

	(1)	(2)	(3)	(4)	(5)	(6)
Dep. Var.:	Nationalism Score					
Import Shock	0.18***	0.21***	0.19***	0.26***	0.20***	0.10**
	[0.037]	[0.034]	[0.034]	[0.037]	[0.036]	[0.051]
Import Shock * Retired	0.14*					
	[0.081]					
Import Shock * Student		-0.15				
		[0.227]				
Import Shock * Unemployed			0.37			
			[0.222]			
Import Shock * Self-employed				-0.38***		
				[0.099]		
Import Shock * Service worker					0.07	
					[0.109]	
Import Shock * Public sector worker						-0.03
						[0.107]
Estimator	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS
Linear terms	yes	yes	yes	yes	yes	yes
Gender and Age	yes	yes	yes	yes	yes	yes
Education Dummies	yes	yes	yes	yes	yes	yes
Country-Year Effects	yes	yes	yes	yes	yes	yes
Obs.	60,172	60,172	60,172	60,172	56,099	11,829
R2	0.27	0.27	0.27	0.27	0.26	0.25

*** p<0.01, ** p<0.05, * p<0.1

right voting, respectively. Looking across the tables, one can notice how the linear term for the import shock remains always positive, highly significant, and relatively stable in size. This holds true even for those regressions in which we include the dummy for public sector workers, a category that is available only in the last wave of the ESS we use, leading to a sharp drop in the number of observations.

Focusing on the interaction terms, some slight differences emerge across the three tables. In Table 10, which shows the results on radical right voting, none of the interactions is statistically significant, suggesting that the impact of import competition does not differ systematically across categories. Only students seem to be sheltered, with a non-significant overall effect. Such evidence is largely confirmed also in Tables 8 and 9, though with some nuances. For instance, the impact of import competition on right positioning (Table 9) is somewhat milder (but still overall significant) for retired people

Table 9: Individual-Level Estimates, Right Positioning: Heterogeneity

	(1)	(2)	(3)	(4)	(5)	(6)
Dep. Var.:	Right Positioning Score					
Import Shock	0.30***	0.29***	0.27***	0.28***	0.29***	0.37***
	[0.024]	[0.022]	[0.022]	[0.023]	[0.023]	[0.036]
Import Shock * Retired	-0.11**					
	[0.045]					
Import Shock * Student		-0.08				
		[0.135]				
Import Shock * Unemployed			0.28**			
			[0.138]			
Import Shock * Self-employed				0.06		
				[0.054]		
Import Shock * Service worker					-0.09	
					[0.062]	
Import Shock * Public sector worker						-0.14**
						[0.058]
Estimator	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS
Linear terms	yes	yes	yes	yes	yes	yes
Gender and Age	yes	yes	yes	yes	yes	yes
Education Dummies	yes	yes	yes	yes	yes	yes
Country-Year Effects	yes	yes	yes	yes	yes	yes
Obs.	60,172	60,172	60,172	60,172	56,099	11,829
R2	0.16	0.16	0.16	0.17	0.15	0.16

*** p<0.01, ** p<0.05, * p<0.1

and public sector workers, and stronger for the unemployed. When considering nationalism (Table 8), there is some evidence of a stronger impact on retired people, while the self-employed are essentially unaffected.

In line with previous results in the economic vote literature (Duch and Stevenson 2008; Kinder and Kiewiet 1981), our evidence suggests that the effect of import competition is not confined to specific groups –such as the unemployed or manufacturing workers– which might be more directly affected by Chinese imports. To the contrary, there is evidence of a significant effect of the import shock on voting behavior even for service workers and public sector employees, who are in principle more sheltered from foreign competition in manufacturing activities. As globalization threatens the success and survival of entire industrial districts, the affected communities seem to respond with their voting behavior sociotropically.

Table 10: Individual-Level Estimates, Radical Right: Heterogeneity

	(1)	(2)	(3)	(4)	(5)	(6)
Dep. Var.:	Radical Right Dummy					
Import Shock	0.04***	0.04***	0.04***	0.05***	0.04***	0.03***
	[0.007]	[0.006]	[0.006]	[0.007]	[0.007]	[0.010]
Import Shock * Retired	0.01					
	[0.014]					
Import Shock * Student		-0.04				
		[0.030]				
Import Shock * Unemployed			0.07			
			[0.044]			
Import Shock * Self-employed				-0.02		
				[0.016]		
Import Shock * Service worker					0.02	
					[0.020]	
Import Shock * Public sector worker						-0.01
						[0.018]
Estimator	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS
Linear terms	yes	yes	yes	yes	yes	yes
Gender and Age	yes	yes	yes	yes	yes	yes
Education Dummies	yes	yes	yes	yes	yes	yes
Country-Year Effects	yes	yes	yes	yes	yes	yes
Obs.	60,172	60,172	60,172	60,172	56,099	11,829
R2	0.12	0.12	0.12	0.12	0.12	0.15

*** p<0.01, ** p<0.05, * p<0.1

Discussion and conclusion

The main policy implication of the results in this paper is that globalization might not be sustainable in the long run if the welfare gains that trade brings are not equally shared within society. Appropriate redistribution policies are needed in order to compensate those categories of people, and those local communities, that have been facing most of the adjustment costs in developed countries.

We provide evidence on how globalization causes a surge in support for nationalist and radical right political parties. This might endanger the very survival of the open world we got used to in the past thirty years. Indeed, parties and candidates proposing economic nationalism platforms are firmly against international trade, and as they become more influential they are likely to push forward a coordinated protectionist agenda in many countries. The plans of President Trump, involving the dismissal of the Trans-

Pacific Partnership (TPP), and of the Transatlantic Trade and Investment Partnership (TTIP), seem to go precisely in that direction. Yet, a return to protectionism is not likely to solve the problems of those who have lost ground due to globalization without compensation, and is bound to harm growth in emerging economies. The world rather needs a better, more inclusive, model of globalization.

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Appendix

Table A1: Low-income countries

Afghanistan	Ethiopia	Moldova
Albania	Gambia	Mozambique
Angola	Georgia	Nepal
Armenia	Ghana	Niger
Azerbaijan	Guinea	Pakistan
Bangladesh	Guinea Bissau	Rwanda
Benin	Guyana	Samoa
Bhutan	Haiti	Sao Tome
Burkina Faso	India	Sierra Leone
Burundi	Kenya	Somalia
Cambodia	Lao PDR	Sri Lanka
Central African Rep.	Lesotho	St. Vincent
Chad	Madagascar	Sudan
China	Malawi	Togo
Comoros	Maldives	Uganda
Congo	Mali	Vietnam
Equatorial Guinea	Mauritania	Yemen
Eritrea		

Table A2: Data availability

	Employment Data		**Trade Data**	
Country	**Initial Year**	**Source**	**Availability**	**Source**
Austria	1995	Eurostat	1995 - 2007	Eurostat Comext
Belgium	1995	National Bank of Belgium	1988 - 2007	Eurostat Comext
Finland	1995	Statfin	1995 - 2007	Eurostat Comext
France	1989	INSEE	1988 - 2007	Eurostat Comext
Germany	1993	Federal Employment Agency	1988 - 2007	Eurostat Comext
Greece	1988	HSA Statistics Greece	1988 - 2007	Eurostat Comext
Ireland	1995	Eurostat	1988 - 2007	Eurostat Comext
Italy	1988	ISTAT	1988 - 2007	Eurostat Comext
Netherlands	1988	CBS Statistics Netherlands	1988 - 2007	Eurostat Comext
Norway	1994	Statistics Norway	1995 - 2007	CEPII - BACI
Portugal	1990	INE Portugal	1988 - 2007	Eurostat Comext
Spain	1993	INE Spain	1988 - 2007	Eurostat Comext
Sweden	1993	SCB Statistics Sweden	1995 - 2007	Eurostat Comext
Switzerland	1995	SFSO Swiss Statistics	1995 - 2007	CEPII - BACI
United Kingdom	1989	ONS	1988 - 2007	Eurostat Comext