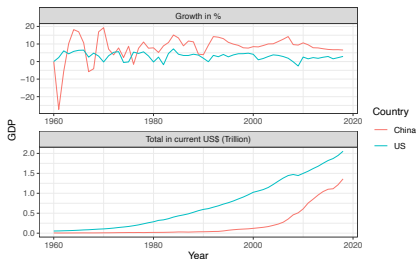


POWER TRANSITIONS AND COOPERATION: EVIDENCE FROM CHINA AND THE U.S.

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MOTIVATION



BACKGROUND:

- Growing awareness of power shift among citizens
- Growing economic tension between China and the U.S.

QUESTION: How does this power shift affect support for bilateral trade cooperation?

ARGUMENT

INFORMATION

IMPLICATION: diverging long-term growth between challenger / hegemon

CONCLUSION: potential gains and losses for country in global order.

CITIZEN REACTION

RISING POWER: keep quiet and enjoy relative gains

DECLINING POWER: reshape economic relations to restructure relative gains

HYPOTHESIS

Citizens from a rising power are more likely to support bilateral trade cooperation. Citizens from a declining power are less likely to support bilateral trade cooperation.

RESEARCH DESIGN

SURVEY: Pre-registered, parallel surveys in the U.S. and China

FIELDWORK: December 2020 – February 2021, IPSOS online access panel, N=4394

EXPERIMENTAL SETUP:

- *Background:* trade agreement between U.S. / China and other country / China / U.S.
- *Information treatment:* expected power evolution (see below)
- *Outcome variables:* (a) support for trade agreement with the other country; (b) expected gain / loss from international order in the next 10 years.

INFORMATION TREATMENT

USA

No information

Rising vs other country

Declining vs other country

Declining vs China

China

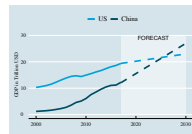
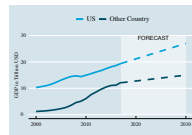
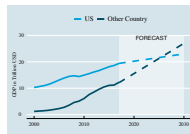
No information

Rising vs other country

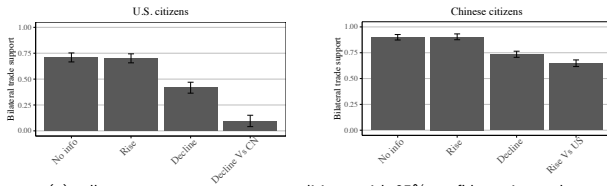
Declining vs other country

Rising vs USA

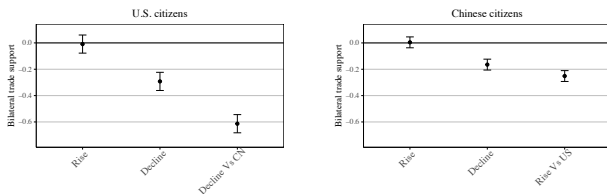
EXAMPLE: UNITED STATES



TREATMENT EFFECT: BILATERAL TRADE



(a) cell means across treatment conditions, with 95% confidence intervals



(b) marginal effects (ref. cat.: No info), with 95% confidence intervals

RESPONSE FREQUENCIES

(a) United States

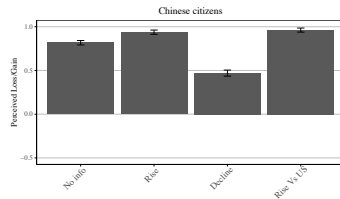
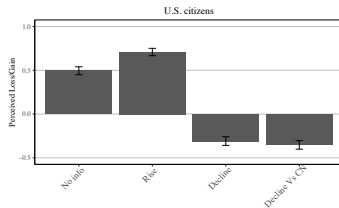
Treatment group	Distribution of respondents (bilateral)		
	% against	% indifferent	% in favor
No info	8 [5-10]	28 [24-32]	64 [60-69]
Rise	8 [5-10]	24 [24-33]	64 [59-69]
Decline	19 [16-23]	27 [22-31]	54 [49-59]
Decline vs. China	27 [23-32]	31 [27-36]	41 [37-46]

(b) China

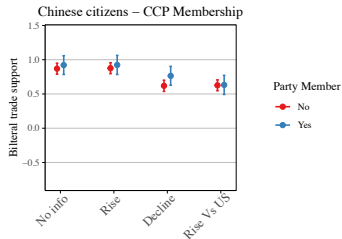
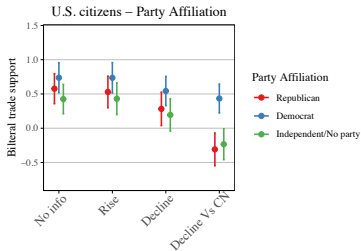
Treatment group	Distribution of respondents (bilateral)		
	% against	% indifferent	% in favor
No info	1 [0-2]	21 [17-24]	78 [75-81]
Rise	1 [0-3]	21 [17-24]	76 [74-81]
Decline	5 [3-6]	26 [23-30]	69 [65-73]
Rise vs. US	6 [4-8]	33 [29-37]	61 [57-65]

Note: response frequencies by treatment groups, with 95% confidence interval

TREATMENT EFFECT: UNEQUAL GAINS



HETEROGENEOUS EFFECTS: PARTISANSHIP



CONCLUSION

KEY FINDINGS:

- power transition affects support for bilateral trade cooperation
- effect works through expected gains / losses in int'l system
- limited variation across socioeconomic groups

IMPLICATIONS:

- trade war also has international systemic roots
- power matters (in addition to domestic distributional effects)

MANY THANKS!