Power Transitions and Cooperation: Evidence from China and the U.S.

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IPES Conference, Pittsburgh, October 29, 2022
**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

<table>
<thead>
<tr>
<th>Treatment group</th>
<th>Distribution of respondents (bilateral)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% against</td>
<td>% indifferent</td>
</tr>
<tr>
<td>No info</td>
<td>8 [5-10]</td>
<td>28 [24-32]</td>
</tr>
<tr>
<td>Rise</td>
<td>8 [5-10]</td>
<td>24 [24-33]</td>
</tr>
</tbody>
</table>

(b) China

<table>
<thead>
<tr>
<th>Treatment group</th>
<th>Distribution of respondents (bilateral)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% against</td>
<td>% indifferent</td>
</tr>
<tr>
<td>No info</td>
<td>1 [0-2]</td>
<td>21 [17-24]</td>
</tr>
<tr>
<td>Rise</td>
<td>1 [0-3]</td>
<td>21 [17-24]</td>
</tr>
<tr>
<td>Rise vs. US</td>
<td>6 [4-8]</td>
<td>33 [29-37]</td>
</tr>
</tbody>
</table>

Note: response frequencies by treatment groups, with 95% confidence interval
TREATMENT EFFECT: UNEQUAL GAINS

- U.S. citizens
- Chinese citizens

Perceived Loss/Gain

No info | Rise | Decline | Decline Vs CN

No info | Rise | Decline | Rise Vs US
Heterogeneous Effects: Partisanship

U.S. citizens – Party Affiliation

- Party Affiliation: Republican, Democrat, Independent/No party
- Bilateral trade support
- No info, Rise, Decline, Decline Vs CN

Chinese citizens – CCP Membership

- Party Member: No, Yes
- Bilateral trade support
- No info, Rise, Decline, Rise Vs US
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

IMPLIEDATIONS:

• trade war also has international systemic roots
• power matters (in addition to domestic distributional effects)
Many Thanks!