

Unions and protectionist populism: The role of unions in the backlash against globalization

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Abstract

The connection between import competition, economic nationalism and the rise of political extremism has been well-established, but little is known about the mechanisms that drive it. I argue that labor unions are essential institutions that protect society from these outcomes. I posit that strong labor unions increase the cost of using populist-politics for politicians, hamstringing populism. I provide evidence for my claims using data from the U.S. (2002-2016) and a shift-share that leverages quasi-exogenous variation in import competition, at the congressional district level. I find that where unions have weakened the most pre-treatment, import competition leads to an increase in the use of populist rhetoric, a negative effect on voters' attitudes towards cosmopolitanism, and an increase in voters' support for economic nationalism. I also show that import competition leads to a reduction in congresspeople's support of unions' interests in policy making, especially regarding welfare policy, and in TAA petitions, explaining the aforementioned findings. I also show that these findings reflect a dynamic process insofar as union activities fall with import competition.

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1 Introduction

The recent movement against globalization across the developed world has created a rich literature on the political consequences of economic dislocation. The evidence indicates that import competition, for example, is responsible for increased political support for far-right candidates, accompanied with economic nationalism and support for strong-man authoritarianism (Ballard-Rosa et al., 2021; Ballard-Rosa, Goldstein and Rudra, 2021). Scholars in International Political Economy have recognized for decades that to address these problems, society needs to compensate those individuals that lose from import competition via redistributive public spending and taxation (Ruggie, 1982), such as the creation unemployment and retraining programs. However this has become difficult as governments have moved from guaranteeing socioeconomic well-being via a welfare state, onto advocating for fiscal responsibility and austerity (Mansfield and Rudra, 2021).

I argue that unions’ decline over recent decades is fundamental to understand this phenomenon.¹ Labor unions are a key social group that allows society sustaining the redistributive commitment that supports international integration because they provide costly information to voters and reduce the cost of political mobilization (Bennett and Kaufman, 2007; Leighley and Nagler, 2007; Rosenfeld, 2014). Unions also advocate for redistributive policies in favor of workers, aimed at improving working conditions, job security, and government assistance as a result of import-competition-related lay-offs (Frank R. Baumgartner and Leech, 2010; Western and Rosenfeld, 2011; Schlozman, Verba and Brady, 2012; Macdonald, 2019). I defend herein the thesis that strong unions are key to sustain international cooperation because they increase the cost of political extremism, by providing information and by advocating for policy that assists those affected by import competition. Therefore, we should observe lower levels of political extremism in those places where unions are strong pre-treatment. Specifically, we should observe lower levels of *populist protectionism*—i.e., the combination of populism and extreme protectionism.

I test the previous claims using data from the U.S. from 2002-2016. I analyze the impact of exposure to imports on the allocation of effort by populist politicians as measured by campaign visits and campaign adds showcasing populist rhetoric, (and subsequently) on voters’ attitudes towards cosmopolitanism—i.e., other regarding attitudes and equal opportunity—and support for economic nationalism. Further, I investigate the causal impact of international competition on a number of mechanisms mapping the causal chain from international competition to populism, namely government responsiveness to unions’ interests using the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) legislative scorecard—which measures how

¹For example, OECD data shows that unionization rates have declined from approximately 35% to 17% between 1970 and 2016 in its member countries.

lawmakers vote on issues that are important for workers.² Finally, I also look at the effect of import competition on unionization rates and union activities, such as collective bargaining and strikes, and also political participation from unions via campaign donations and other political expenditures, revealing the dynamic nature of the problem.

With my empirical analysis, I contribute to the literature on the backlash against globalization in four important ways: First, to provide proof of concept, I show that in those places where unions have weakened the most pre-treatment, voters are more likely to display lower levels of cosmopolitanism and to vote for economic nationalism. Second, I show that places where unions became weaker pre-treatment, import competition is also associated with populist political advertising promoting anti-globalization attitudes and relatedly, weaker attitudes towards cosmopolitanism, reflecting an impact on preferences. To substantiate these results, I show that in those places where unions have weakened the most, public policy is less likely to reflect unions' policy preferences, especially regarding policy social welfare policy, in response to import competition. This echoes recent evidence showing that the sources of deindustrialization—e.g., import competition and automation—affect policymaking that is important to sustain international cooperation (Balcazar, 2023; Becher and Stegmüller, 2023).

My results are robust to controlling for pre-treatment changes in the composition of the labor force and the industry, task routinization and robot adoption, as well as changes in legislation governing unions such as Right-to-Work laws, and pre-treatment changes in union activity.³ My results are also robust to a placebo test where I consider the public-sector-union strength as an alternative moderator, insofar as I do not find evidence of a significant moderating effect for this alternative moderator.

My findings contribute to a nascent literature on the political economy of both unions and international competition (Alquist and Downey, 2021; Balcazar, 2023; Becher and Stegmüller, 2023; Owen and Park, 2023), showing that unions are a key institution that helps scholars understanding the rise of populism and the backlash against globalization. More generally, the findings herein also contribute to the understanding of the political economy of protectionist populism (??), and the role of elite cues in the backlash in this regard (?Katitas, 2019; Balcazar, 2022). On the one hand, I show that in places where unions are stronger, there is lower allocation of effort into populist-style

²The AFL-CIO is the largest and most important federation of workers in the United States. It advocates for policies seeking to improve redistribution, public spending, working conditions, job security, and retraining programs in industries affected by global economic change. It represents both public and private sector unions, and millions of workers in manufacturing, where international competition has had big impacts (AFL-CIO, 2019).

³I also test whether Right-to-Work laws exacerbate the effect of international competition on unions since they can potentially difficult unionization because new hires can free ride union workers since they are not forced to join the union and pay union dues (Feigenbaum, Hertel-Fernandez and Williamson, 2018; Macdonald, 2019), but find no strong evidence in favor of this alternative moderator.

politics. On the other hand, I show that this is reflected in stronger attitudes towards cosmopolitanism and lower voter support for economic nationalism.

2 Why does union decline matters for political extremism?

The electoral shifts observed in recent years in developed countries are, to some extent, the product of constituent-level changes in policy preferences, where the losses experienced by those directly—or even indirectly—affected by import competition are expressed at the ballot box in the form of economic nationalism (Baccini and Weymouth, 2021; Colantone and Stanig, 2018; Bisbee and Zilinsky, 2022). Some have argued that this reaction does not necessarily reflect economic anxiety, but rather that the backlash against globalization is a manifestation of racism and xenophobia that found a megaphone in populist rhetoric (Walter, 2021). However, recent empirical and theoretical work shows that elite cues that promote nationalism for political gain, respond to trade shocks (e.g., Katitas 2019; Balcazar 2022), indicating that protectionist populism is more likely to be top-down rather than bottom-up. In particular, Balcazar (2022) shows that the rise of populist protectionism can be explained through politician’s incentives to use elite cues. He shows that populists are opportunistic politicians that weight the benefit of finding a successful elite cue vis-à-vis the cost of trying to do so, as finding a successful cue costs time and money. In particular, he shows that trade shocks increase the likelihood of observing populist rhetoric because they increase the expected value of political extremism vis-à-vis the cost of finding elite cues. Specifically, he shows that the likelihood of protectionist populism increases as a result of trade shocks.

Balcazar (2022) formal model, however, does not explain why elite cues are successful. The model assumes that the success of elite cues are the result of a contest between the populist politician and the establishment politician—thus populist protectionism is probabilistic. But what does effect the likelihood of winning the contests?

We can address this limitation by providing more structure to the contest. In fact, we can extend the model to show that if the likelihood of finding a successful elite cue depends on the strength of institutions, such as impartial news media or the existence of *unions*, then the expected value of populist protectionism falls, leading to a lower likelihood of political extremism. Indeed, consider the augment contest success function: $\phi_j(e_j^*, e_{-j}^*; \gamma)$, where $j = \{O, E\}$ can be either a populist (O) or an establishment politician (E), e_j^* is the optimal effort of the politician, with $\phi_{e_j} > 0$ and $\phi_{e_{-j}} < 0$, $\gamma > 0$ is strengthen of institutions, such as unions. Then it is straightforward to show via the envelope theorem that $\delta\phi_O(\cdot)/\delta\gamma < 0$. That is the likelihood that a populist politician finds a

successful cues falls with union strength.⁴

3 The role of unions

To understand why γ is of substantive importance, we need to understand the role of labor unions. Although the fundamental role of a union is to bargain for better wages and job conditions for its members (Freeman and Medoff, 1984), they play an important role in society: Unions are the institutions where workers interact with each other on a regular basis, in the workplace and after work, and these interactions create strong foundations for the political mobilization of workers (Olson, 1965). Unions are grassroots organizations that pool resources to participate in politics; they also help voters acquiring political knowledge, coordinate them and mobilize them to the polls (Bennett and Kaufman, 2007; Rosenfeld, 2014; Ahlquist, 2017). When unions are weak, legislators are less willing to trade influence in their legislative agendas for grassroots mobilization and campaign support from unions. Becher, Stegmueller and Käppner (2018), for instance, show for the U.S., that in congressional districts where unionization rates in the private sector are lower, labor contributions to congresspeople decline, and members of congress are less likely to vote in accordance with the official preferences of organized labor—consistent with the previous idea. Similar evidence is found as well by Becher and Stegmüller (2023) and Balcazar (2023).

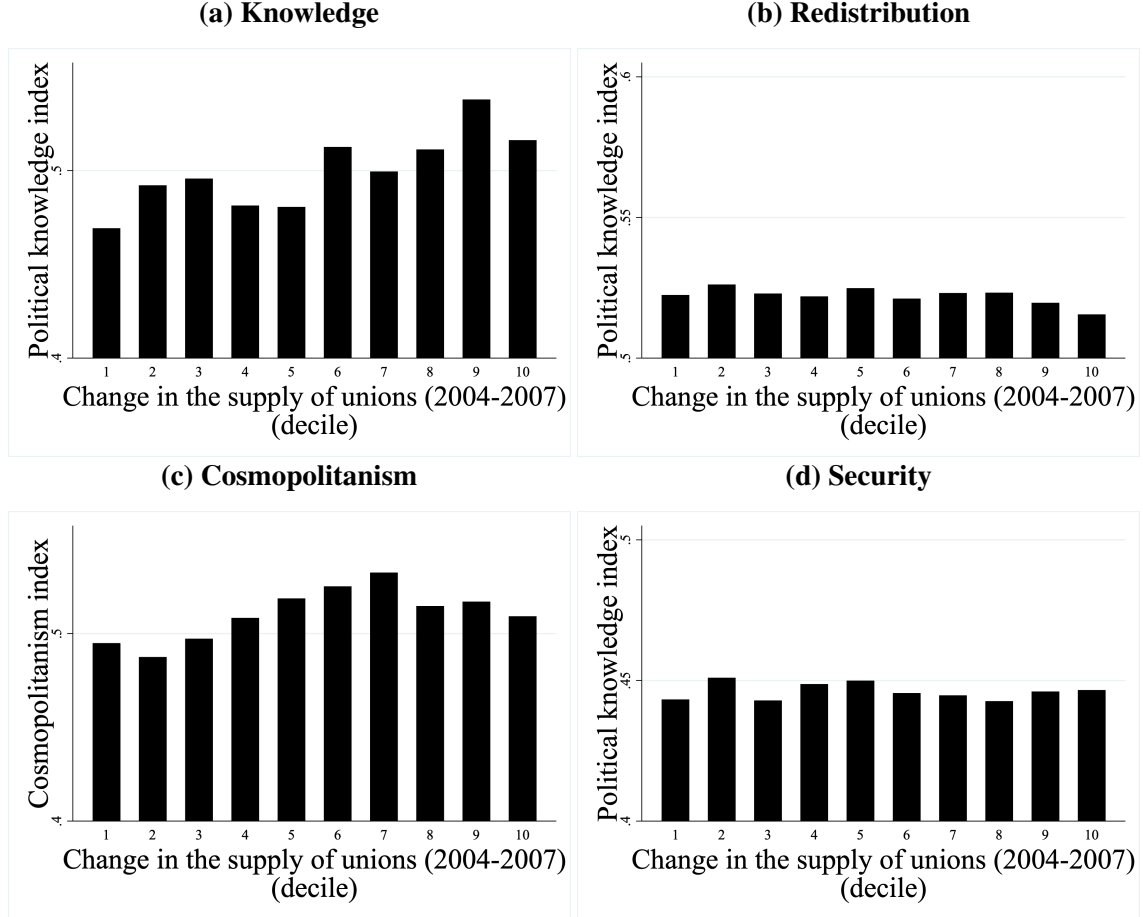
Union decline is also consequential for social welfare because when unions weaken, poverty and inequality increase (Farber et al., 2018). Unions advocate for policies that improve workers' well-being and reduce inequality, such as more redistribution through taxes; increased public spending; improved working conditions and job security; and retraining programs for industries affected by international economic competition. Union grassroots activities also shape the consciousness of workers toward supporting more social egalitarianism and cosmopolitanism (Mossmann and Pontusson, 2017; Kim and Margalit, 2017; Frymer and Grumbach, 2021). Further, unions also advocate for a broad range of policies with international implications, including but not limited to: migration, tariffs, international finance, among many other (Table A2). Thus strong unions fulfill an essential role in society, helping workers in general to overcome collective action issues for participating in politics, for improving social welfare and for influencing politics and policy—Figure 1 shows some evidence for this.

Hence a decline in union power should turbo-charge the effect of globalization on populist protectionism. Indeed, returning to the extension to Balcazar (2022) mentioned above, having in

⁴Note that I assume that unions are exogenous, however they can also be affected in a import competition (Section 2), thus endogenous in a dynamic process. This is out of the scope of the current draft and left for future work.

mind that as import prices drop the likelihood of protectionist populism rises, it is straightforward to show that $\delta\phi_O(\cdot)^2/\delta p\delta\gamma < 0$. That is, the increase in the likelihood of populist protectionism as a result of import shocks, decreases with the strength of unions as a political institution. In other words, strong unions moderated the effect of import shocks on the likelihood of populist protectionism.

Figure 1: Political attitudes by decile of change in the number of unions



Source: Author's compilations. The knowledge index is an average of several questions that survey respondents answer correctly regarding: knowing the respondent's senators vote on immigration, minimum wage, capital gains, abortion, stem cell research, the war on Iraq and the CAFTA trade agreement. The redistribution index is built from questions regarding preferences for using taxes instead of fiscal austerity to balance the federal budget; the index of cosmopolitanism is built from questions regarding preferences for immigration, abortion, gay marriage and affirmative action; the security index is built from questions regarding preferences on U.S. military activities overseas: oil extraction; attacking terrorists; promoting democracy; addressing human rights violations; supporting military allies; not using international law to promote U.S. interests.

Having the previous in mind, I establish the main testable hypothesis of this manuscript:

H1. *Where unions are stronger an increase in international competition translates into lower protectionist populism vis-à-vis place where unions are weaker; where we should observe more protectionist populism.*

4 Data and variables

Political attitudes

I obtain data on individuals political attitudes regarding cosmopolitanism from the CCES.⁵ I collect data on opinions about taxation and austerity, approval of gay marriage, abortion, immigration and affirmative action. To analyze this data I create an index for attitudes towards cosmopolitanism.

Voting outcomes

Voting outcomes come from David Leipzig's Atlas (<https://uselectionatlas.org>). I obtain data on vote shares by both democrats for both presidential elections, as well as senate, house and governor elections, for the period 2002 to 2016. Since Republicans are widely associated with right-wing populism for the 2016 presidential elections, a drop in the vote share for democrats is reflective of preferences for economic nationalism broadly defined: a combination of higher tariffs, restrictions to migration and other similar policies.

Political advertising and campaigning

To measure political advertising I use data from both Wisconsin Advertising Project (WAP), which covers the 2002, 2004, and 2008 elections; I also use similar data from Wesleyan Media Project (WMP) for 2006 and 2010-2016 elections.⁶ I aggregate these data at the year-congressional district level, by measuring the growth and share of adds covering topics related to welfare, trade and ethnicity.⁷ Additionally, I collect data on presidential campaign visits to various congressional districts between 2008 and 2016, to provide an additional measure for allocation of effort.

⁵Cosmopolitanism encompasses different dimensions of community, such as promoting moral standards, global political structures, cultural expression and tolerance, or developing a platform for equality of opportunity.

⁶The data can be obtained at <https://mediaproject.wesleyan.edu> and <https://elections.wisc.edu/wisconsin-advertising-project/>.

⁷An analysis of the actual framing of elite cues in these adds is left for future work.

Policy responsiveness to unions

To measure policy responsiveness to unions' interests I use data from the AFL-CIO, which is the largest and most important federation of workers in the US. The AFL-CIO tracks the voting record of legislators on “issues important to working families, including strengthening Social Security and Medicare, freedom to join a union, improving workplace safety and more”—AFL-CIO. I use the federation's legislative scorecard to measure the percentage of votes by each congressman that are in line with unions' revealed preferences, in each session of congress. For example, in the first session of the 109th congress, the AFL-CIO's official position was to vote *Nay* on the “Job-Training Reauthorization–H.R. 27” bill, which cut overall funding for critical job-training programs. Thus if a congressperson voted in agreement with half of the AFL-CIO official positions in every bill during 2005, her score for that year would be 50%.

Bill types

I use data from the Library of Congress to identify the specific policy topics related to each bill. Unsurprisingly, the bills (or bill amendments) that unions support cover a wide range of topics (Table A2). About half of all bills are concerned with broad legislation regarding social welfare policy and trade, migration and international finance (Figure2).

Trade Adjustment Assistance petitions

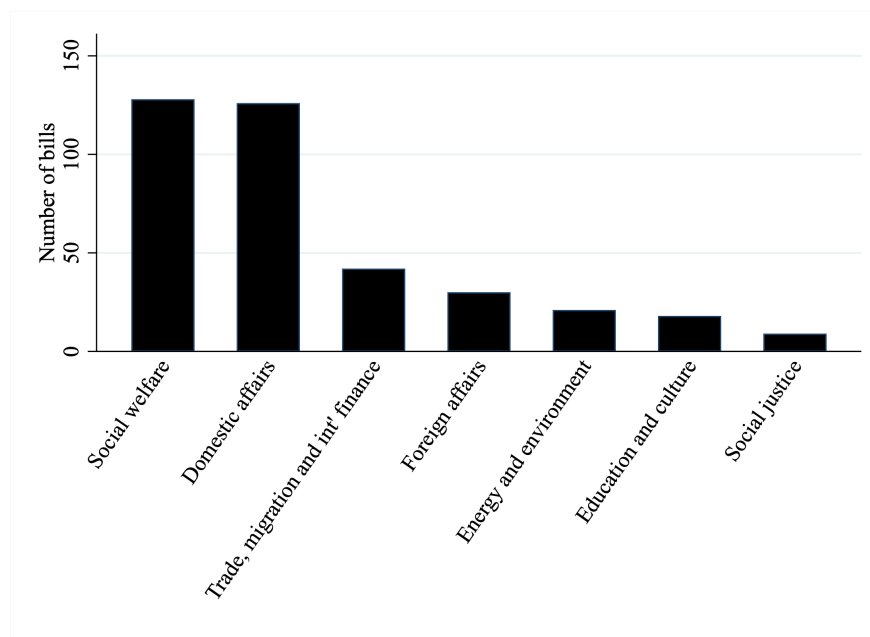
I also collect data on petitions and determinations from the Employment and Training Administration office of the U.S. Department of Labor, as an alternative measure of public policy responsiveness from bureaucrats—which are arguably beholden to political interests.⁸ I collect data, for the manufacturing sector, on the number of petitions per congressional district, as well as the number of workers involved in those petitions, the number of days until determination, and the ratio of petitions to investigators assigned to the petitions.

Union membership and union activities

Data on union membership comes from the Labor Organization Annual Financial Reports and Constitutions and Bylaws. I use the harmonized data from [Becher, Stegmüller and Käppner](#)

⁸Trade Adjustment Assistance is a federal program of the United States government to reduce the damaging impact of import competition. Workers apply to TAA by filing a TAA petition. The benefits and services available to eligible workers include job training, income support, and relocation allowances, among others.

Figure 2: Number of bills with an official position from the AFL-CIO, by topic (2002-2014)



Note: The AFL-CIO is the most important union federation of labor unions in the U.S. Information about the bills' topics is available in Table A2.

(2018). This data is highly accurate because failure to report, and to report truthful information, has steep fines and can be punishable with jail time.⁹ Figure 3 shows the distribution in union membership growth and the congressional district level.

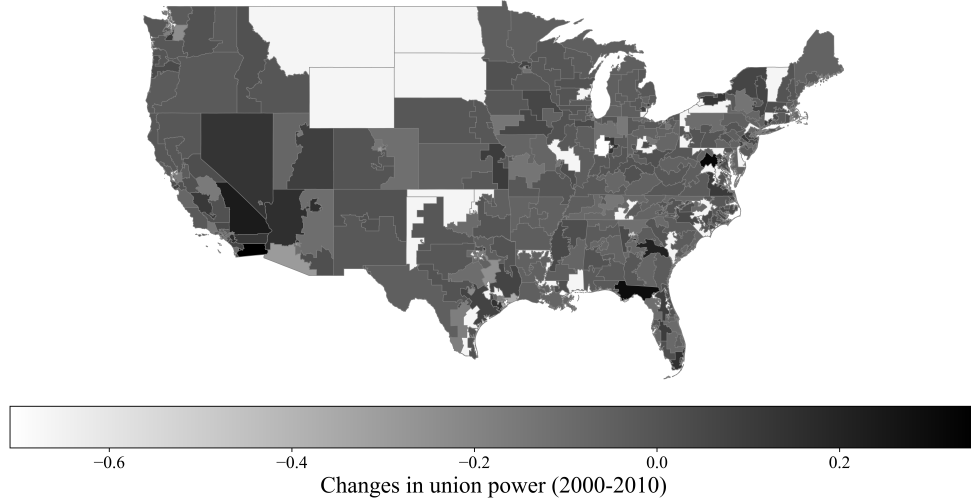
To measure union activities I collect data on collective bargaining process, strikes, and unions' total amount of all disbursements associated with work stoppages, in constant U.S. dollars of 2009, gleaned from the Bureau of Labor Statistics and the U.S. Federal Mediation and Conciliation Service and the OLMS-LS, following Balcazar (2023). Nonetheless, I construct my variables using different time periods insofar as I focus on election years: 2002-2014; 2004-2016.

Exposure to import competition

Data on exposure to import competition comes Autor et al. (2016). Specifically, I use the Bartik measure of industrial exposure to import competition, which combines industry-level variation in the usage of import competition (the *shift*) and baseline employment shares (the *share*). This

⁹The legal basis for these reports is the Labor-Management Reporting and Disclosure Act (LMRDA) of 1959. This act introduced a comprehensive system of reporting: unions have to file an initial report with the Office of Labor-Management Standards (OLMS) followed by a yearly report using a so-called LM form. For the public sector, the Civil Service Reform Act (CSRA) of 1979 created a similar system.

Figure 3: Geographical distribution of growth in number of unionized workers



shift-share measures the local industry level of import competition predicted by interacting local industry employment shares with national industry changes in import competition.

Additional covariates

I also obtain data on a number of variables that could affect both the exposure to import competition, union activities and my political outcomes: i) Data on population sizes, employment and demographics drawn from the American Community Survey and the 1970 and 1990 population censuses, ii) Data on industry-level changes obtained from County Business Patterns and NBER-CES Manufacturing Industry Database, iii) Data on exposure to robot adoption, offshoring, and task routinization. Altogether, this data comes from [Autor, Dorn and Hanson \(2015\)](#) and [Acemoglu and Restrepo \(2020\)](#); I transform these variables to congressional district aggregates using spatial correspondences. Additionally, I collect on the adoption of Right-to-Work laws.

5 Empirical strategy

First, I estimate the following shift-share first-stage regression:

$$\text{IM}_{d,(t_0,t_1)}^{US} = \gamma + \delta \text{IM}_{d,(t_0,t_1)}^{Oth} + \Delta \mathbf{X}'_d \boldsymbol{\theta} + \Delta \mathbf{Z}'_{d,(t_0-1,t_1-1)} \boldsymbol{\psi} + \varepsilon_{d,(t_0,t_1)}, \quad (1)$$

where $\text{IM}_{d,(t_0,t_1)}^{US}$ is the measure of exposure to import competition, and $\text{IM}_{d,(t_0,t_1)}^{Oth}$ is the measure of exposure to import competition in other advanced economies; $\Delta\mathbf{X}'_d$ is a rich vector of pre-treatment confounders in first-differences; $\mathbf{Z}'_{d,(t_0-1,t_1-1)}$ includes pre-treatment changes in union bargaining processes and strikes to account for the possibility that workers could anticipate task international competition and react accordingly; $\varepsilon_{d,(t_0,t_1)}$ is the idiosyncratic error term.¹⁰

In the second stage, I proceed to estimate the effect of exposure to import competition on my outcomes:

$$\Delta(y_d; t'_0, t'_1) = \alpha + \beta \widehat{\text{IM}}_{d,(t_0,t_1)}^{US} + \Delta\mathbf{X}'_d \delta + \mathbf{Z}'_{d,(t_0-1,t_1-1)} \phi + \varepsilon_{d,(t_0,t_1)}, \quad (2)$$

where $\Delta(y_d; t'_0, t'_1)$ is the post-treatment change in the outcome of interest; $\widehat{\text{IM}}_{d,(t_0,t_1)}^{US}$ is the predicted exposure to import competition from the first stage regression. We can interpret the main coefficient of interest, β , as the annualized change in the outcome when exposure to import competition increases in one percentage point (PP) in response to international pressures in import competition.

Importantly, shift-share instruments may conflate the short- and long-run responses to import shocks (Jaeger, Ruist and Stuhler, 2018). First, local shocks may trigger adjustments that gradually offset their local impact, with a period of positive employment in the manufacturing sector—a *reabsorption effect*—following the potentially negative effect on the demand of labor of a local technological shock—a *substitution effect*.¹¹ However, by controlling for long-run changes in the structural composition of the economy, I disentangle the (negative) short-run impact of international competition on employment from the (positive) movement towards equilibrium in response to changes in import competition.

5.1 Heterogenous effects

My theory states that the impact of import competition on populist protectionism is driven by weak union power (hypothesis H1). To evaluate this hypothesis, I estimate the moderating effect of pre-treatment changes in the share of unionized workers. I consider the following regression:

$$\Delta(y_d; t'_0, t'_1) = \alpha + \beta_1 \widehat{\text{IM}}_{d,(t_0,t_1)}^{US} + \beta_2 \widehat{\text{IM}}_{d,(t_0,t_1)}^{US} \times \Delta U_d + \Delta\mathbf{X}'_d \delta + \mathbf{Z}'_{d,(t_0-1,t_1-1)} \phi + \varepsilon_{d,(t_0,t_1)}, \quad (3)$$

¹⁰A shift-share instrument needs an element of exogenous variation in order to provide statistically identification of the effect of exposure to import competition on the outcomes analyzed herein (Goldsmith-Pinkham, Sorkin and Swift, 2020; Borusyak, Hull and Jaravel, 2021). Shift-share designs could also be biased in the presence of heterogeneous effects (de Chaisemartin and Lei, 2023)—a concern that has been voiced generally for observational work before (Aronow and Samii, 2016). I address this concern to some extent by focusing on heterogeneous effects driven by district-level moderators. Furthermore, my regression is robust to heterogeneity robust estimators.

¹¹To understand the implications of reabsorption effect is important, but it is outside of the scope of this draft, and thus left for future work.

where U_d is the change in the share of unions pre-treatment; β_1 corresponds to the effect of exposure to import competition when $\Delta U_d = 0$, while $\beta_1 + \beta_2 \times \Delta U_d$ is the estimated effect of tariff revenues for different values of change in the number of union workers in ΔU_d support.

6 Results

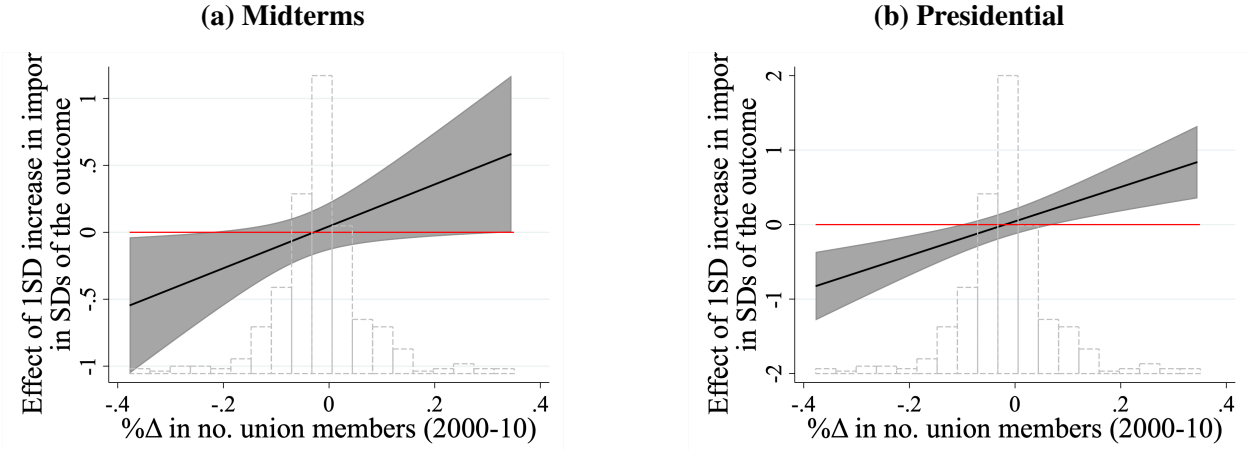
6.1 Economic nationalism

I start by investigating the effect of exposure to import competition on voting for economic nationalism—measured as lower vote shares for the Democrat party during the 2016 election. Figure 4 panel b, below, reports the effect of exposure to import competition on vote share for economic nationalism, moderated by the pre-treatment level of union power. My results indicate that an increase in one standard deviation in import competition is related to a reduction in about 0.5 standard deviations in democrats’ vote share in those place where unions have declined most. That is about a 1% reduction in democrat vote share for an 8PP increase in import competition in the presidential elections. Note also that although the result for midterms pre-dating the presidential is similar, it is much weaker statistically speaking. This is not unexpected insofar as it was Donald Trump who made use of populist-politics more evidently during the time period of my analysis. All in all, these findings give credence to the idea that unions moderate the effect of import competition [H1](#).

6.2 Political advertisement

Consistent with my previous findings and the theory defined in Section 3, Figure 5 show suggestive evidence of a stronger allocation of effort into populist-politics in those places where unions weakened the most. Indeed, we observe that in these places, campaign adds showcase more anger as sentiment, and represent topics such as redistribution, trade and ethnic topics, consistent with the ideational approach to populism, which underpins the theoretical model by Balcazar that is used to generate the main testable hypothesis herein (see [Kaltwasser et al. 2017](#); [Hawkins et al. 2018](#)). Furthermore, the findings below support the long-standing idea that populist protectionism is inherently redistributive in nature.

**Figure 4: Heterogeneous effects of exposure to import competition on vote share for democrat legislators
(conditional on pre-treatment union strength)**



Note: 95% confidence intervals, clustered at state level, in the shaded area. Controls include changes in size of the population, in the share of female labor, Hispanic, white, black and Asian groups, changes in the share of people with 65 years of age and above, as well as changes in the share of manufacturing and light manufacturing in industry, import shocks and changes in the share of routine task labor.

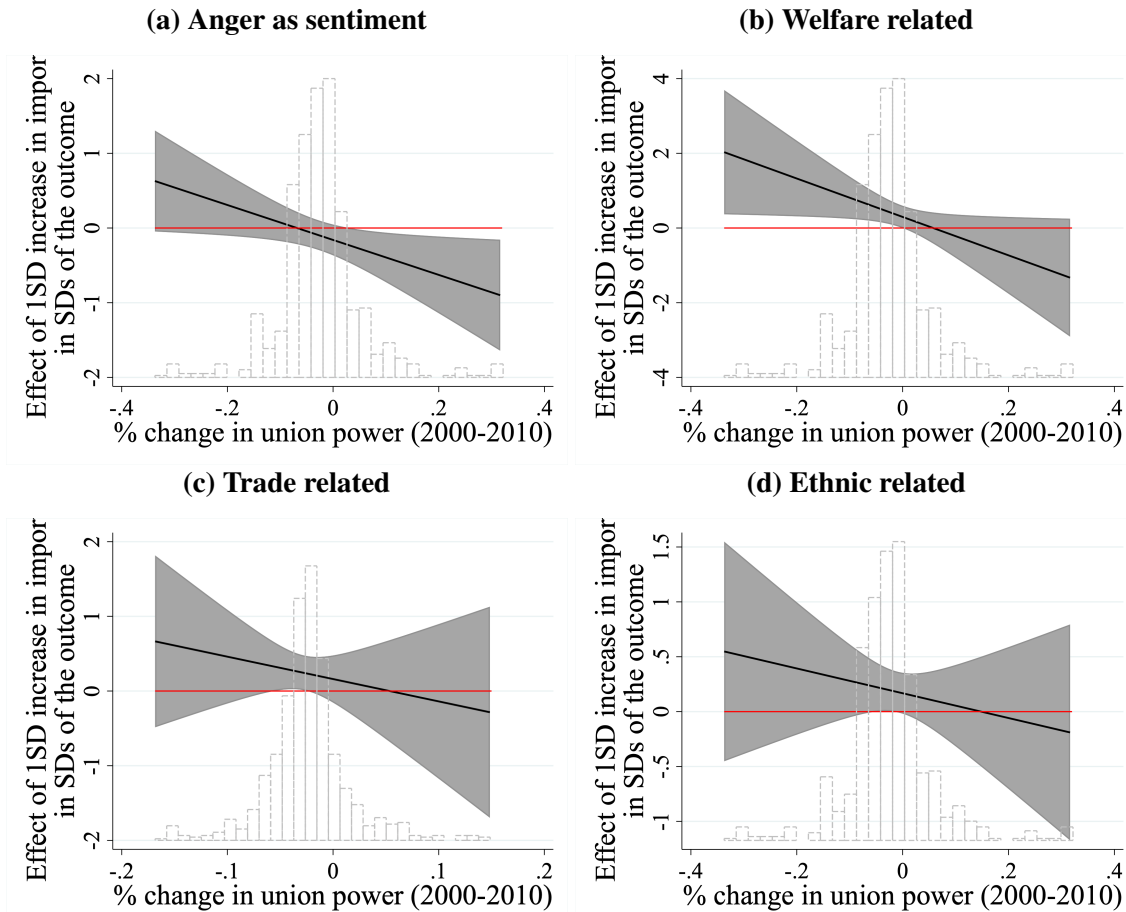
6.2.1 Attitudes toward cosmopolitanism

If the theory laid out herein is correct, these results must be accompanied by a change in voters preferences. Indeed, the literature on the role of elite cues in understanding the effect of import competition on populist protectionism, indicates that this phenomenon of must manifest in a change in preferences reflecting higher levels of economic nationalism ([Katitas, 2019](#); [Balcazar, 2023](#)). In this regard I find strong evidence for reduced attitudes towards cosmopolitanism, as a result of an import shock, in those areas where union power decreased more substantially. I find that an increase in import competition in about 8PP is associated to a decrease in about 10PP in the likelihood that voters display attitudes towards cosmopolitanism. Furthermore, I find suggestive evidence that the negative change in attitudes as a result of import shocks seems to be driven by non-union members (Figure 7).

6.3 Effect on policy responsiveness

I now focus on exploring the reduced form effect of exposure to import competition on public policy responsiveness to union's interests. More specifically, I analyze public policy responsiveness to unions' interests for those bills that are related to trade, migration and international finance and social welfare policy; i.e., approximately 45% percent of the total number of bills. In this case it is

Figure 5: Heterogeneous effects of exposure to import competition on type of campaign ads (conditional on pre-treatment union strength)



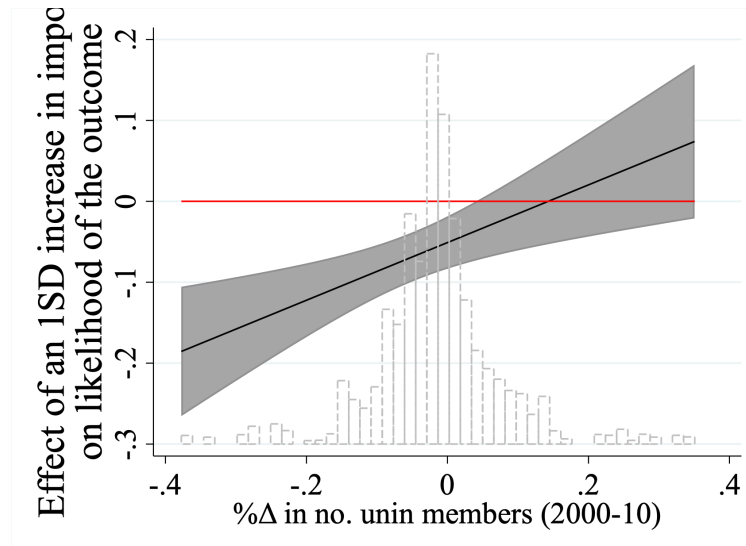
Note: 95% confidence intervals, clustered at state level, in the shaded area. Controls include changes in size of the population, in the share of female labor, Hispanic, white, black and Asian groups, changes in the share of people with 65 years of age and above, as well as changes in the share of manufacturing and light manufacturing in industry, import shocks and changes in the share of routine task labor.

unwise to use two-stage least squares: Policy making is a complex process that involves a back and forth between groups with diverse interests and strategic considerations. Thus policy is not only subject to the direct consequences from production choices, but to a myriad of other phenomena that can take place directly (or indirectly) as a result of international competition. Therefore the exclusion restriction for instrumental variables is likely violated for this outcome.

The main results for the reduced form are presented in Figure A1, and indicate the existence of a robust and negative reduced-form link between international competition and legislators' responsiveness to unions' preferences, especially in those areas where union weakened the most, when it comes to welfare policy—consistent with [Becher and Stegmüller \(2023\)](#).¹² However, the results

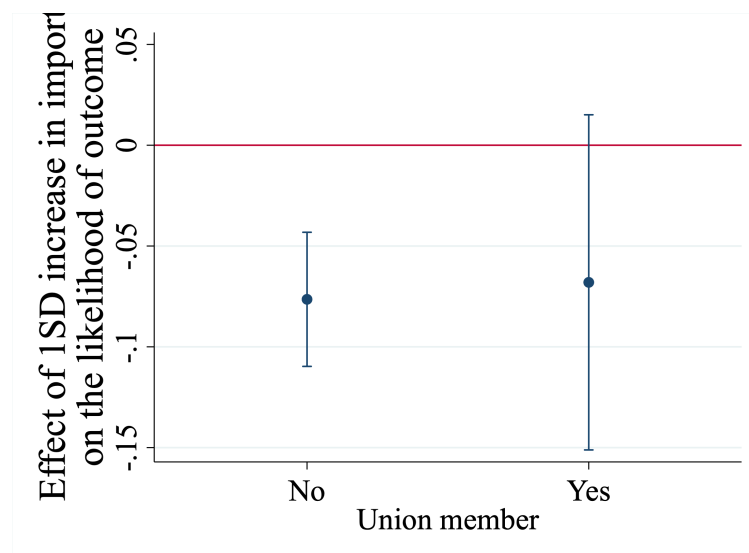
¹²Regarding domestic bills, my results suggest that international competition also reduce legislators' responsiveness

**Figure 6: Heterogeneous effects of exposure to import competition on attitudes toward cosmopolitanism
(conditional on pre-treatment union strength)**



Note: 95% confidence intervals, clustered at state level, in the shaded area. Controls include changes in size of the population, in the share of female labor, Hispanic, white, black and Asian groups, changes in the share of people with 65 years of age and above, as well as changes in the share of manufacturing and light manufacturing in industry, import shocks and changes in the share of routine task labor.

**Figure 7: Heterogeneous effects of exposure to import competition on union activity
(conditional on status)**



Note: 95% confidence intervals, clustered at state level, in the shaded area. Controls include changes in size of the population, in the share of female labor, Hispanic, white, black and Asian groups, changes in the share of people with 65 years of age and above, as well as changes in the share of manufacturing and light manufacturing in industry, import shocks and changes in the share of routine task labor.

are much weaker statistically for trade policy. The amount of variation for all other bills is too small for a meaningful analysis.

6.4 Effect on bureaucratic responsiveness

If increased competition from imports has contributed significantly to the workers' unemployment with an employer, a petition for TAA eligibility may be filed by any group of three or more workers of a firm or subdivision of a firm, their union, or their duly authorized representative. Further, a worker, group of workers, certified or recognized union, or authorized representative of the group of workers may begin a civil action for review of the determination by filing a complaint with the United States Court of International Trade (USCIT) within 60 days after the date of publication of the notice of a final determination in the Federal Register, as provided under sec. 284 of the Act (19 U.S.C. 2395).¹³

Interestingly, I find a negative effect of import competition on the number of TAA petitions filled in those places where unions have become weaker, as expected— Figure A2 panel a. All in all, it seems that the supply of investigators and the outcomes that follow respond to the lower demand for TAA from workers. This provides strong support to the idea that unions are play an essential role in helping workers address the impacts of import competition.

7 Import competition and union decline

Finally, we must consider that firms prosper as long as their competitors face similar production costs. Since unions rent-seeking activities impose higher labor costs on firms, their competitors can produce at lower costs and sell at lower prices. Hence firms with unions need to find a way to cut costs to sustain the demand for their products. The problem is that unions cannot credibly commit to not rent-seek to reduce labor costs because their primary purpose is to do exactly that, thus firms have incentives to reduce labor costs by laying off workers (Kochan et al., 2013);¹⁴ or by relocating shops to places where unionization is more difficult;¹⁵ or by reducing workers' incentives to unionize by undermining union's bargaining power. Otherwise, market forces can push firms to closing shop, reducing the number of unionized workers through a negative effect on

¹³Stories abound of workers contacting their local union leaders to express grievances about the TAA backlogs and their concerns on free-trade policies, and those leaders, in turn, attempt to deliver their members' complaints to legislators of their districts.

¹⁴Unionized workers cannot be fired in retaliatory or discriminatory way. Unions protect workers from arbitrary employer actions and provide them with legal support for these matters.

¹⁵This mechanism translates to laying off workers(Mankiya et al., 2017).

employment. Therefore we should expect a negative effect of import competition on unions, via its effect on unemployment. However, I do not find evidence for this mechanism. Instead, I find that exposure to import competition has a negative and statistically significant effect on union political activity, through lobbying and campaign contributions (Figure 3).

8 Conclusions

The findings herein help us understanding the political consequences of union activity on the backlash against globalization. I show that when unions weaken, it becomes harder for societies to sustain the redistributive commitment that supports international integration. Although much work remains to be done to understand the political consequences of international competition at a global scale, both the theory and findings herein are one step forward in this regard.

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A Appendix

A.1 AFL-CIO

Table A. 1: List of unions affiliated with the AFL–CIO

	Union name
Actors' Equity Association (AEA)	International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, Its Territories and Canada (IATSE)
Air Line Pilots Association (ALPA)	International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers (Ironworkers)
Amalgamated Transit Union (ATU)	International Association of Fire Fighters (IAFF)
American Federation of Government Employees (AFGE)	International Association of Heat and Frost Insulators and Allied Workers
American Federation of Musicians of the United States and Canada (AFM)	International Association of Machinists and Aerospace Workers (IAM)
American Federation of School Administrators (AFSA)	International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART)
American Federation of State, County and Municipal Employees (AFSCME)	International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (IBB)
American Federation of Teachers (AFT)	International Brotherhood of Electrical Workers (IBEW)
American Postal Workers Union (APWU)	International Federation of Professional and Technical Engineers (IFPTE)
American Radio Association (ARA)	International Longshore and Warehouse Union (ILWU)
American Train Dispatchers Association (ATDA)	International Longshoremen's Association (ILA)
Associated Actors and Artistes of America (4As)	International Organization of Masters, Mates & Pilots (MMP)
Bakery, Confectionery, Tobacco Workers and Grain Millers' International Union (BCTGM)	International Plate Printers, Die Stampers and Engravers Union of North America
Brotherhood of Railroad Signalmen (BRS)	International Union of Allied Novelty and Production Workers (Novelty and Production Workers)
California School Employees Association (CSEA)	International Union of Bricklayers and Allied Craftworkers (BAC)
Communications Workers of America (CWA)	International Union of Elevator Constructors (IUEC)
Farm Labor Organizing Committee (FLOC)	International Union of Operating Engineers (IUOE)
Gay and Lesbian Labor Activists Network (GALLAN)	International Union of Painters and Allied Trades (IUPAT)
Glass, Molders, Pottery, Plastics and Allied Workers International Union (GMP)	Laborers' International Union of North America (LIUNA)

Laborers' International Union of North America (LIUNA)	Seafarers International Union of North America (SIU)
Marine Engineers Beneficial Association (MEBA)	Transport Workers Union of America (TWU)
National Air Traffic Controllers Association (NATCA)	UNITE HERE
	United Association of Journeymen and Apprentices of the
National Association of Letter Carriers (NALC)	Plumbing and Pipe Fitting Industry of the United States and
	Canada (UA)
National Education Association	United Auto Workers (UAW)
National Football League Players Association (NFLPA)	United Automobile, Aerospace and Agricultural Implement
	Workers of America International Union (UAW)
National Nurses United (NNU)	United Food and Commercial Workers (UFCW)
National Taxi Workers' Alliance (NTWA)	United Food and Commercial Workers
National Women's Soccer League (NWSL)	United Mine Workers of America (UMWA)
Office and Professional Employees International	
Union (OPEIU)	United Steelworkers (USW)
Operative Plasterers' and Cement Masons' International	
Association of the United States and Canada (OPCMIA)	United Union of Roofers, Waterproofers and Allied
Professional Aviation Safety Specialists (PASS)	Workers (Roofers and Waterproofers)
Screen Actors Guild-American Federation of Television and	Utility Workers Union of America (UWUA)
Radio Artists (SAG-AFTRA)	

Notes: The ILWU disaffiliated in August 2013 over policy and other differences; LIUNA disaffiliated with AFL-CIO in 2005, but re-affiliated in 2010; UNITE HERE disaffiliated with AFL-CIO in 2005, but re-affiliated in 2009; United Food and Commercial Workers disaffiliated with AFL-CIO in 2005, but re-affiliated in 2013. The Service Employees International Union, International Brotherhood of Teamsters, United Farm Workers of America and United Brotherhood of Carpenters and Joiners of America disaffiliated from the AFL-CIO in 2005 and never rejoined—these four unions are excluded from the list above.

Table A. 2: Description of bills’ topics

Area	Topic	Description
Domestic affairs	Agriculture and Food	Primary focus of measure is agricultural practices; agricultural prices and marketing; agricultural education; food assistance or nutrition programs; food industry, supply, and safety; aquaculture; horticulture and plants. Measures concerning international trade in agricultural products may fall under Foreign Trade and International Finance policy area.
	Economics and Public Finance	Primary focus of measure is budgetary matters such as appropriations, public debt, the budget process, government lending, government accounts and trust funds; monetary policy and inflation; economic development, performance, and economic theory.
	Finance and Financial Sector	Primary focus of measure is U.S. banking and financial institutions regulation; consumer credit; bankruptcy and debt collection; financial services and investments; insurance; securities; real estate transactions; currency. Measures concerning financial crimes may fall under Crime and Law Enforcement. Measures concerning business and corporate finance may fall under Commerce policy area. Measures concerning international banking may fall under Foreign Trade and International Finance policy area.
	Congress	Primary focus of measure is Members of Congress; general congressional oversight; congressional agencies, committees, operations; legislative procedures; U.S. Capitol. Measures concerning oversight and investigation of specific matters may fall under the issue-specific relevant policy area.
	Government Operations and Politics	Primary focus of measure is government administration, including agency organization, contracting, facilities and property, information management and services; rulemaking and administrative law; elections and political activities; government employees and officials; Presidents; ethics and public participation; postal service. Measures concerning agency appropriations and the budget process may fall under Economics and Public Finance policy area.
	Law	Primary focus of measure is matters affecting civil actions and administrative remedies, courts and judicial administration, general constitutional issues, dispute resolution, including mediation and arbitration. Measures concerning specific constitutional amendments may fall under the policy area relevant to the subject matter of the amendment (e.g., Education). Measures concerning criminal procedure and law enforcement may fall under Crime and Law Enforcement policy area.
	Crime and Law Enforcement	Primary focus of measure is criminal offenses, investigation and prosecution, procedure and sentencing; corrections and imprisonment; juvenile crime; law enforcement administration. Measures concerning terrorism may fall under Emergency Management or International Affairs policy areas.
	Emergency Management	Primary focus of measure is emergency planning; response to civil disturbances, natural and other disasters, including fires; emergency communications; security preparedness.
Education and culture	Arts, Culture, Religion	Primary focus of measure is art, literature, performing arts in all formats; arts and humanities funding; libraries, exhibitions, cultural centers; sound recording, motion pictures, television and film; cultural property and resources; cultural relations; and religion. Measures concerning intellectual property aspects of the arts may fall under Commerce policy area. Measures concerning religious freedom may fall under Civil Rights and Liberties, Minority Issues policy area.
	Education	Primary focus of measure is elementary, secondary, or higher education including special education and matters of academic performance, school administration, teaching, educational costs, and student aid.
	Science, Technology, Communications	Primary focus of measure is natural sciences, space exploration, research policy and funding, research and development, STEM education, scientific cooperation and communication; technology policies, telecommunication, information technology; digital media, journalism. Measures concerning scientific education may fall under Education policy area.
	Social Sciences and History	Primary focus of measure is policy sciences, history, matters related to the study of society. Measures concerning particular aspects of government functions may fall under Government Operations and Politics policy area.
	Sports and Recreation	Primary focus of measure is youth, amateur, and professional athletics; outdoor recreation; sports and recreation facilities. Measures concerning recreation areas may fall under Public Lands and Natural Resources policy area.

Area	Topic	Description
Energy and environment	Animals	Primary focus of measure is animal protection; human-animal relationships; wildlife conservation and habitat protection; veterinary medicine. Measures concerning endangered or threatened species may fall under Environmental Protection policy area. Measures concerning wildlife refuge matters may fall under Public Lands and Natural Resources policy area.
	Energy	Primary focus of measure is all sources and supplies of energy, including alternative energy sources, oil and gas, coal, nuclear power; efficiency and conservation; costs, prices, and revenues; electric power transmission; public utility matters.
	Environmental Protection	Primary focus of measure is regulation of pollution including from hazardous substances and radioactive releases; climate change and greenhouse gases; environmental assessment and research; solid waste and recycling; ecology. Measures concerning energy exploration, efficiency, and conservation may fall under Energy policy area.
	Public Lands and Natural Resources	Primary focus of measure is natural areas (including wilderness); lands under government jurisdiction; land use practices and policies; parks, monuments, and historic sites; fisheries and marine resources; mining and minerals. Measures concerning energy supplies and production may fall under Energy policy area.
	Water Resources Development	Primary focus of measure is the supply and use of water and control of water flows; watersheds; floods and storm protection; wetlands. Measures concerning water quality may fall under Environmental Protection policy area.
Foreign affairs	International Affairs	Primary focus of measure is matters affecting foreign aid, human rights, international law and organizations; national governance; arms control; diplomacy and foreign officials; alliances and collective security. Measures concerning trade agreements, tariffs, foreign investments, and foreign loans may fall under Foreign Trade and International Finance policy area.
	Armed Forces and National Security	Primary focus of measure is military operations and spending, facilities, procurement and weapons, personnel, intelligence; strategic materials; war and emergency powers; veterans' issues. Measures concerning alliances and collective security, arms sales and military assistance, or arms control may fall under International Affairs policy area.
Social justice	Civil Rights and Liberties, Minority Issues	Primary focus of measure is discrimination on basis of race, ethnicity, age, sex, gender, health or disability; First Amendment rights; due process and equal protection; abortion rights; privacy. Measures concerning abortion rights and procedures may fall under Health policy area.
	Native Americans	Primary focus of measure is matters affecting Native Americans, including Alaska Natives and Hawaiians, in a variety of domestic policy settings. This includes claims, intergovernmental relations, and Indian lands and resources.

Area	Topic	Description
Social welfare	Labor and Employment	Primary focus of measure is matters affecting hiring and composition of the workforce, wages and benefits, labor-management relations; occupational safety, personnel management, unemployment compensation. Measures concerning public-sector employment may fall under Government Operations and Politics policy area.
	Families	Primary focus of measure is child and family welfare, services, and relationships; marriage and family status; domestic violence and child abuse. Measures concerning public assistance programs or aging may fall under Social Welfare policy area.
	Health	Primary focus of measure is science or practice of the diagnosis, treatment, and prevention of disease; health services administration and funding, including such programs as Medicare and Medicaid; health personnel and medical education; drug use and safety; health care coverage and insurance; health facilities. Measures concerning controlled substances and drug trafficking may fall under Crime and Law Enforcement policy area.
	Housing and Community Development	Primary focus of measure is home ownership; housing programs administration and funding; residential rehabilitation; regional planning, rural and urban development; affordable housing; homelessness; housing industry and construction; fair housing. Measures concerning mortgages and mortgage finance may fall under Finance and Financial Sector policy area.
	Social Welfare	Primary focus of measure is public assistance and Social Security programs; social services matters, including community service, volunteer, and charitable activities. Measures concerning such health programs as Medicare and Medicaid may fall under Health policy area.
	Taxation	Primary focus of measure is all aspects of income, excise, property, inheritance, and employment taxes; tax administration and collection. Measures concerning state and local finance may fall under Economics and Public Finance policy area.
	Transportation and Public Works	Primary focus of measure is all aspects of transportation modes and conveyances, including funding and safety matters; Coast Guard; infrastructure development; travel and tourism. Measures concerning water resources and navigation projects may fall under Water Resources Development policy area.
Trade, migration and international finance	Immigration	Primary focus of measure is administration of immigration and naturalization matters; immigration enforcement procedures; refugees and asylum policies; travel and residence documentation; foreign labor; benefits for immigrants. Measures concerning smuggling and trafficking of persons may fall under Crime and Law Enforcement policy area. Measures concerning refugees may fall under International Affairs policy area.
	Commerce	Primary focus of measure is business investment, development, regulation; small business; consumer affairs; competition and restrictive trade practices; manufacturing, distribution, retail; marketing; intellectual property. Measures concerning international competitiveness and restrictions on imports and exports may fall under Foreign Trade and International Finance policy area.
	Foreign Trade and International Finance	Primary focus of measure is competitiveness, trade barriers and adjustment assistance; foreign loans and international monetary system; international banking; trade agreements and negotiations; customs enforcement, tariffs, and trade restrictions; foreign investment. Measures concerning border enforcement may fall under Immigration policy area.

Notes: The topics and their descriptions come from <https://www.congress.gov/browse/policyarea>. I built groupings of these areas to facilitate analysis (first column).

Figure A. 1: Randomly selected snapshots of AFL-CIO newspapers

(a) AFL-CIO Newspaper snapshot, 1960 **(b) AFL-CIO Newspaper snapshot, 1970**



(c) AFL-CIO Newspaper snapshot, 1980

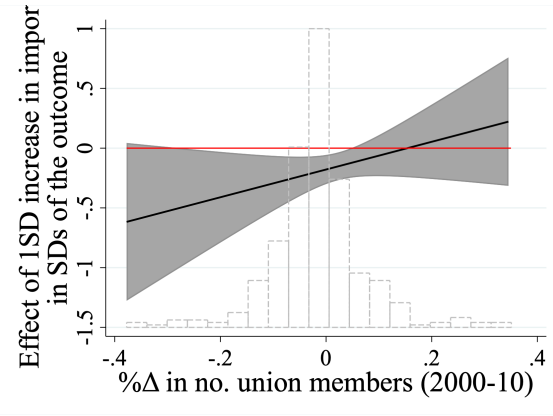


Source: Author's compilations.

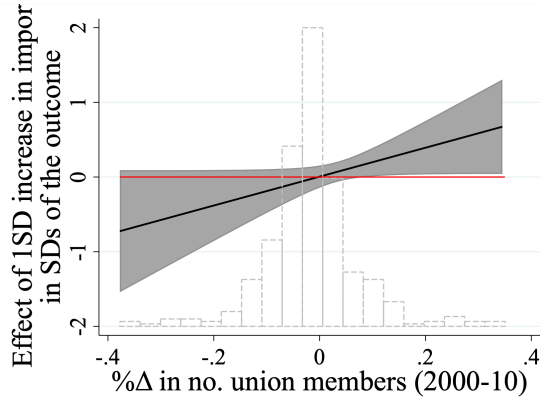
A.2 Empirical results

**Figure B. 1: Heterogeneous effects of exposure to import competition on policy responsiveness
(conditional on pre-treatment union strength)**

(a) Legislative scorecard, welfare and labor

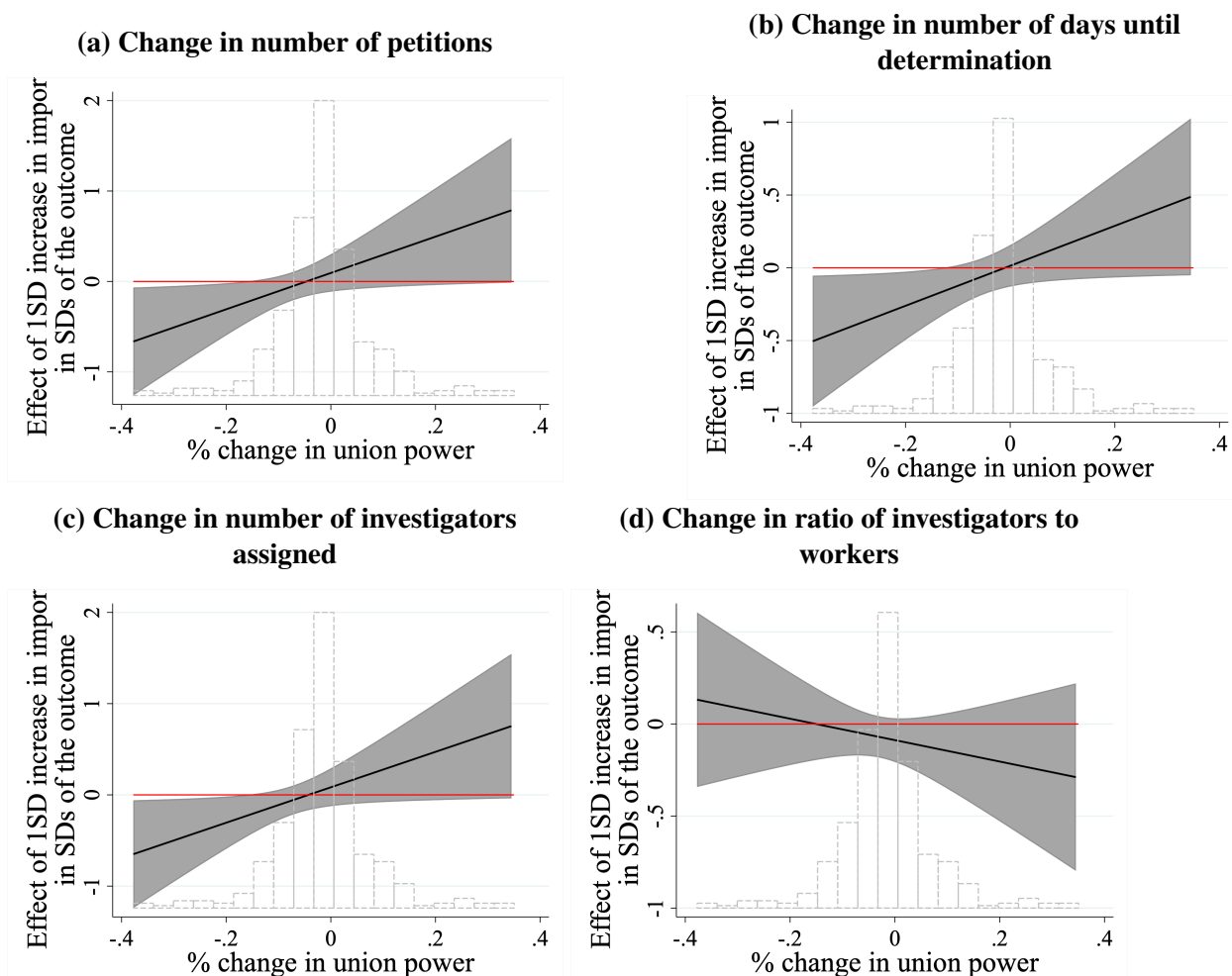


(b) Legislative scorecard, trade, migration and int' finance



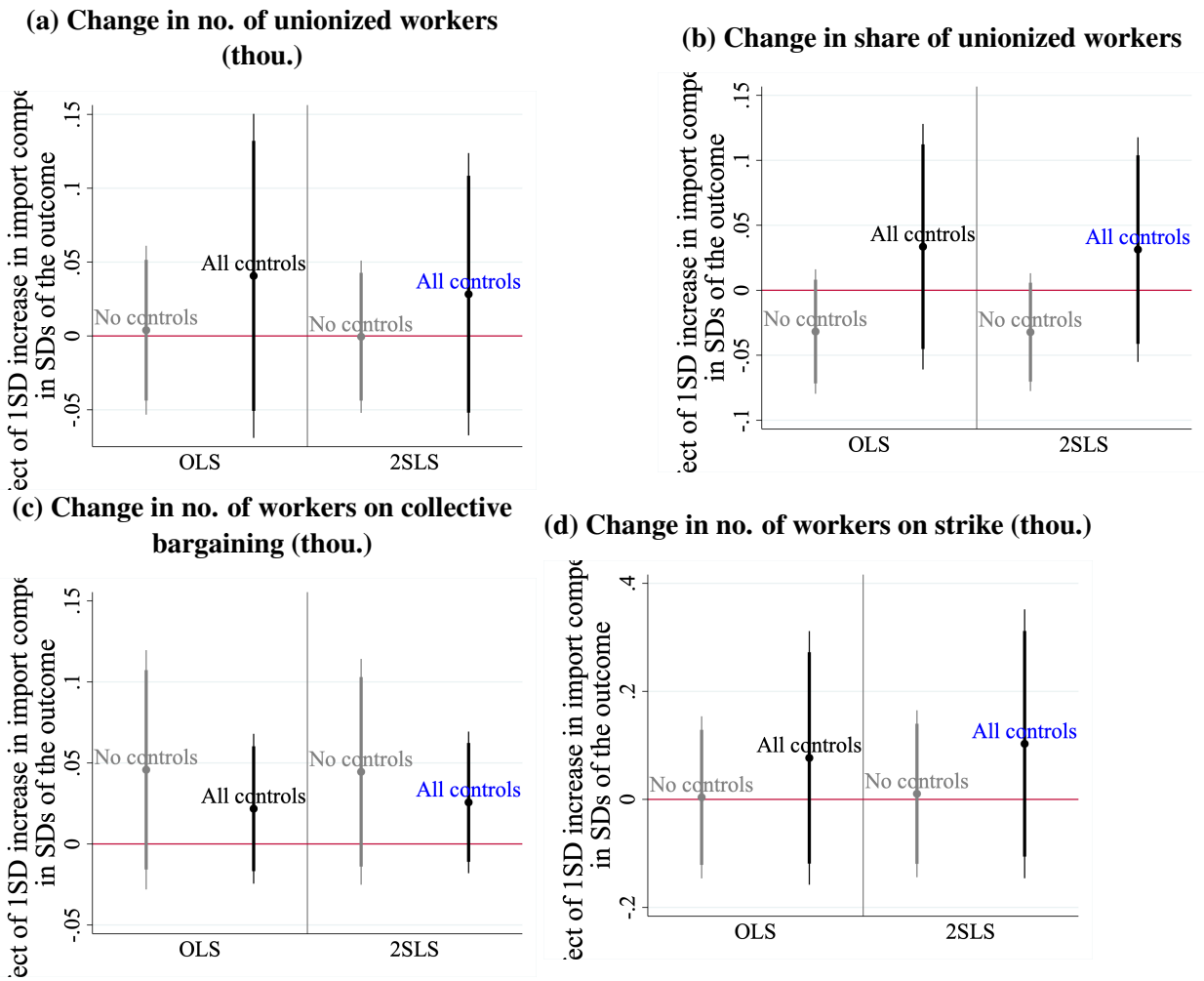
Note: 95% confidence intervals, clustered at state level, in the shaded area. Controls include changes in size of the population, in the share of female labor, Hispanic, white, black and Asian groups, changes in the share of people with 65 years of age and above, as well as changes in the share of manufacturing and light manufacturing in industry, import shocks and changes in the share of routine task labor.

**Figure B. 2: Heterogeneous effects of exposure to import competition on TAA petitions
(conditional on pre-treatment union strength)**

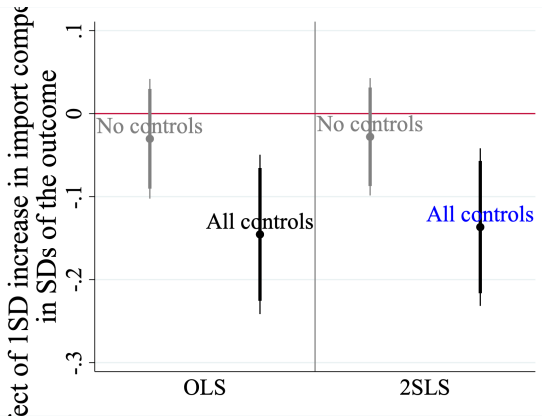


Note: 95% confidence intervals, clustered at state level, in the shaded area. Controls include changes in size of the population, in the share of female labor, Hispanic, white, black and Asian groups, changes in the share of people with 65 years of age and above, as well as changes in the share of manufacturing and light manufacturing in industry, import shocks and changes in the share of routine task labor.

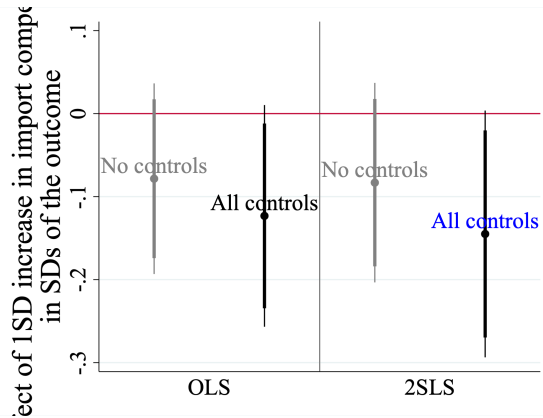
**Figure B. 3: Heterogenous effects of exposure to robots on union and worker activities
(conditional on pre-treatment union strength)**



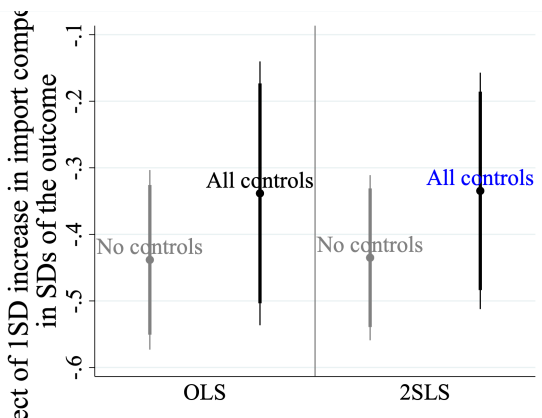
(a) Change in the likelihood of union having a PAC



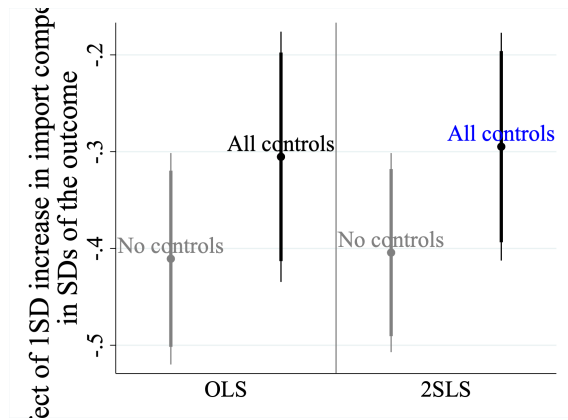
(b) Change in campaign contributions from unions



(c) Change in representational expenses from unions



(d) Change in political expenses from unions



Source: Author's calculations.

Note: 95% confidence intervals, clustered at state level, in the shaded area. Controls include changes in size of the population, in the share of female labor, hispanic, white, black and asian groups, changes in the share of people with 65 years of age and above, as well as changes in the share of manufacturing and light manufacturing in industry, import shocks and changes in the share of routine task labor. In panels (e) and (f) I also include gender, age and ethnicity.