**Online Appendix**

**Table A1: Descriptives of main variables**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variable | N | Mean | Std dev. | Min | Max |
| *Dependent variables* |  |  |  |  |  |
| Relative employment size | 4710 | 1.56 | 1.69 | 0.02 | 18.13 |
| Share hours worked low-skilled | 4185 | 30.33 | 21.80 | 0.20 | 98.28 |
|  |  |  |  |  |  |
| *Sectoral independent variables* |  |  |  |  |  |
| Chinese imports as % VA | 4619 | 0.01 | 0.02 | 0.00 | 0.40 |
| Chinese exports exposure | 4740 | -0.07 | 0.11 | -0.58 | 0.27 |
| ICT capital compensation as % VA | 4632 | 0.03 | 0.02 | 0.00 | 0.26 |
| Volume gross value added | 4710 | 113.20 | 56.85 | 0.94 | 1136.15 |
| Total excluding Chinese imports as % VA | 4619 | 0.22 | 0.52 | 0.00 | 10.12 |
|  |  |  |  |  |  |
| *Country-level independent variables* |  |  |  |  |  |
| Wage bargaining coverage | 4800 | 68.55 | 27.17 | 13.10 | 99.00 |
| Level of wage coordination | 4845 | 3.08 | 1.29 | 1.00 | 5.00 |
| Strictness of EPL regular contracts | 4815 | 2.20 | 0.98 | 0.26 | 4.83 |
| Strictness of EPL temporary contracts | 4815 | 1.70 | 1.30 | 0.25 | 4.88 |
| Net unemployment replacement rate | 4815 | 0.56 | 0.17 | 0.17 | 0.90 |
| Unemployment rate (%) | 4860 | 7.63 | 3.65 | 0.77 | 24.17 |
| Real GDP per capita | 4860 | 30.87 | 8.47 | 8.61 | 50.99 |
| Share of seats left government | 4860 | 34.23 | 37.49 | 0.00 | 100.00 |
| Tertiary education completed (%) | 4860 | 12.94 | 1.99 | 9.96 | 16.47 |

Note: The descriptives are for the pooled sample, excluding the sectors not included in the empirical specification (see Footnote 4).

**Table A2: Definition of low skilled per country in EU-KLEMS data**

|  |  |
| --- | --- |
| Country | Definition of low-skilled |
| Australia | ISCED 1+2 |
| Austria | Primary education |
| Belgium | All people up to lower secondary education |
| Canada | ISCED 1+2 |
| Czech Rep | Lower secondary and primary education |
| Germany | No formal qualifications |
| Denmark | Basic school |
| Spain | Lower secondary schooling and below |
| Finland | Lower secondary or unknown |
| France | No formal qualifications |
| UK | No qualifications |
| Ireland | ISCED 1+2 |
| Italy | No formal qualifications |
| Japan | Lower secondary |
| Netherlands | No formal qualifications (Basisonderwijs) |
| Portugal | ISCED 1+2 |
| Sweden | Intermediate education and no formal qualifications |
| US | Less than high school and some years of high school (but not completed) |

Source: EU-KLEMS (2007; 2009)

**Table A3: Sectors**

|  |  |
| --- | --- |
| ISIC code | Full name |
| AtB | Agriculture, Hunting, Forestry and Fishing |
| C | Mining and Quarrying |
| D | Total Manufacturing |
| 15t16 | Food products, Beverages and Tobacco |
| 17t19 | Textiles, Textile Products, Leather and Footwear |
| 20 | Wood and Products of Wood and Cork |
| 21t22 | Pulp, Paper, Paper Products, Printing and Publishing |
| 23t25 | Chemical, Rubber, Plastics and Fuel Products |
| 23 | Coke, Refined Petroleum Products and Nuclear Fuel |
| 24 | Chemicals and Chemical Products |
| 25 | Rubber and Plastics Products |
| 26 | Other Non-Metallic Mineral Products |
| 27t28 | Basic Metals and Fabricated Metal Products |
| 29 | Machinery and Equipment, not elsewhere classified |
| 30t33 | Electrical and Optical Equipment |
| 34t35 | Transport Equipment |
| 36t37 | Manufacturing not elsewhere classified; Recycling |

**Table A4: Chinese import and export competition and wage bill share low-skilled**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (3) Error correction model | |  | (4) Partial adjustment model | |
| Dependent variable: Δ Wage bill share low-skilled | |  | Dependent variable:  Wage bill share low-skilled | |
| Δ Chinese imports (x 10-1) | 3.679 |  |  |  |
| (0.70) |  |  |  |
| Chinese imports (t-1) (x 10-1) | -5.424\*\*\* |  | Chinese imports (x 10-1) | -3.325\*\*\* |
| (-2.66) |  |  | (-3.18) |
| Δ Chinese exports competition | 1.411 |  |  |  |
| (1.18) |  |  |  |
| Chinese exports competition (t-1) | -0.811\*\*\* |  | Chinese exports competition | -0.650\*\*\* |
|  | (-2.70) |  |  | (-2.86) |
| Δ Total excluding Chinese imports (x 10-1) | 0.164\*\* |  |  |  |
| (2.23) |  |  |  |
| Total excluding Chinese imports (t-1) (x 10-1) | -0.001 |  | Total excluding Chinese imports (x 10-1) | 0.035 |
| (-0.01) |  | (0.60) |
| Δ Technology | 2.065 |  |  |  |
|  | (0.81) |  |  |  |
| Technology (t-1) | -4.278\*\*\* |  | Technology | -3.359\*\* |
|  | (-3.95) |  |  | (-2.20) |
| Δ Value added | 0.001 |  |  |  |
|  | (1.29) |  |  |  |
| Value added (t-1) | -0.000 |  | Value added | -0.000 |
|  | (-0.24) |  |  | (-0.28) |
| Bargaining coverage (t-1) | -0.003 |  | Bargaining coverage | -0.003 |
|  | (-1.14) |  |  | (-1.39) |
| Bargaining coordination (t-1) | -0.133\*\*\* |  | Bargaining coordination | -0.162\*\*\* |
|  | (-3.73) |  |  | (-4.76) |
| Left government (t-1) | 0.001 |  | Left government | 0.001 |
|  | (0.96) |  |  | (0.56) |
| EPL regular contracts (t-1) | 0.352\*\* |  | EPL regular contracts | 0.402\*\*\* |
|  | (2.06) |  |  | (2.88) |
| EPL temporary contracts (t-1) | -0.018 |  | EPL temporary contracts | -0.040 |
|  | (-0.19) |  |  | (-0.44) |
| Unemployment benefits (t-1) | 0.548\*\*\* |  | Unemployment benefits | 0.658\*\* |
|  | (2.59) |  |  | (2.28) |
| Education level (t-1) | 0.041\*\* |  | Education level | 0.033 |
|  | (2.02) |  |  | (1.49) |
| Unemployment rate (t-1) | -0.026\*\* |  | Unemployment rate | -0.024\* |
|  | (-2.24) |  |  | (-1.91) |
| GDP per capita (x 10-3) (t-1) | 0.016\*\* |  | GDP per capita (x 10-3) | 0.020\*\*\* |
|  | (2.02) |  |  | (3.01) |
| Wage bill share low-skilled (t-1) | -0.018\*\*\* |  | Wage bill share low-skilled (t-1) | 0.983\*\*\* |
| (-3.43) |  | (199.16) |
| Constant | -1.786\*\*\* |  | Constant | -1.888\*\*\* |
|  | (-4.90) |  |  | (-5.70) |
| N | 3777 |  | N | 3814 |
| Adjusted R2 | 0.204 |  | Adjusted R2 | 0.997 |

Note: Panel-corrected standard errors and panel-specific AR(1) structure, 1990-2004. The regressions also include sector fixed effects (not shown here). T-statistics in parentheses, \*p<0.1, \*\*p<0.05, \*\*\*p<0.01.

**Figure A1: Simulated long term effects of import competition and export competition on relative employment size**

**Macintosh HD:Users:stefan:Dropbox:2014-12-22 Copy:Papers and literature:Sectoral trade:Stata files:China Graphs:Figure A1 rel empl import export competition.pdf**

Note: vertical lines indicate the 95% confidence intervals for each year. They are slightly jittered to avoid overlap.