

Appendix for “The Impact of Economic Coercion on Public Opinion: The Case of US-China Currency Relations”

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Appendix A: Media Coverage of Exchange Rate Policy in China

Appendix A examines how the Chinese press covered exchange rate policy during the period immediately preceding our survey. We focus on the one-month period from January 20, 2017 – the day of Donald Trump’s inauguration as President of the United States – to February 20, 2017, the day in which our survey entered the field. The main objective is to determine how much of the coverage about exchange rate policy was focused on US threats and encouragement, and how much attention was given to purely economic considerations.

For this analysis, we focused on four popular online news sources in China: the website for Tencent (qq.com); Sohu (sohu.com); Xinhua (xinhuanet.com); and sina.com.cn. All four of these sites rank among the most popular websites in China (see http://alexa.chinaz.com/Country/index_CN.html).

On each site, we searched all articles in this period that included the keyword “exchange rate” (“汇率”). Most of the articles were not actually about exchange rate policy, but simply referenced the exchange rate in passing or talked about other countries’ exchange rates. However, across the four sites we identified a total of 22 articles that contained in-depth discussions about Chinese exchange rate policy. Table A1 lists the titles of those articles, the source for these articles, and codes these articles along several dimensions.

First, the table indicates whether the article mentions US pressure on China to appreciate the exchange rate. Articles are coded positively if they mention that the US has criticized Chinese exchange rate policy; the US has encouraged China to appreciate the RMB; or that the US has threatened to punish China if it does not appreciate the RMB. The next column lists whether the article discusses US macroeconomic policies. Articles that mention US monetary policy, the Federal Reserve, US fiscal policy, or the appreciation of the dollar (vis-à-vis third countries) are coded positively. The final column shows which articles discussed macroeconomic policies and outcomes in China, where the relevant topics include interest rates, credit growth, foreign reserves, China’s balance-of-payments, and capital flows.

The data show that there was very little attention to US pressure at this time. Only 2 of the 22 articles (9%) discussed US pressure. Media stories about exchange rate policy in China during this period gave much more attention to US macroeconomic policies, such as rising US interest rates and a strengthening dollar. 13 articles, representing 59% of the total, discussed this topic. Unsurprisingly, virtually all articles – 20 of 22 (91%) – discussed the role of Chinese macroeconomic issues.

The key implication of this exercise is that Chinese citizens that read news stories about exchange rate policy were exposed to relatively little information about the role of US political pressure. Chinese citizens that read about exchange rate policy in this period were more likely to be aware of the international and domestic economic aspects of the issue than about US threats or endorsements.

Table A1: Media Coverage of Chinese Exchange Rate Policy

Website	Article Title	US Political Pressure	US Macroeconomic Policy	Chinese Macroeconomic Policy
Tencent	The debate on defending exchange rate has upgraded	No	Yes	Yes
Tencent	RMB does not depreciate but appreciates, and the whole family that has changed the dollar and has been crying	No	Yes	Yes
Tencent	Foreign reserves fell below the 3-trillion dollar market, experts said: the drop is good, continue!	No	No	Yes
Tencent	Xinhua talks about RMB's confidence	No	No	Yes
Sohu	CFETS RMB Exchange Rate Index Trend	No	Yes	Yes
Sohu	China becomes Japan's largest creditor to avoid an "exchange rate war" with the United States	Yes	No	No
Sohu	2016 RMB Index Annual Report by YICAI Think Tank	No	Yes	Yes
Sohu	1.8 trillion! Shocking record! The central bank once again injects liquidity!	Yes	No	Yes
Xinhua	Three major conjectures of the RMB exchange rate in 2017	No	Yes	Yes
Xinhua	RMB exchange rate has risen again	No	No	Yes
Xinhua	RMB exchange rate against a basket of currencies remained basically stable	No	Yes	Yes
Xinhua	China raises the interest rate to stabilize the exchange rate?	No	Yes	Yes
Xinhua	The foreign reserve fell below the 3 trillion mark!	No	No	Yes
Xinhua	Central bank newspaper: "\$2-trillion foreign exchange reserves are modest"	No	No	Yes
Xinhua	Zhu Xi, Director of the International Department of PBoC: I do not agree with the view that the RMB will undergo huge adjustments	No	No	Yes
Sina	Why should stabilize the exchange rate?	No	No	Yes
Sina	Guan Tao: The exchange rate issue will become the focus of China-US disputes	No	Yes	No
Sina	Zhu Haibin: RMB will continue to depreciate against the US dollar in 2017	No	Yes	Yes
Sina	Shen Jianguang: The foreign reserve has fallen below 3 trillion – so what?	No	Yes	Yes
Sina	Three considerations for the central bank to raise the MLF interest rate	No	Yes	Yes
Sina	Assistant to the PBoC governor: Monetary policy should remain prudent and robust overall	No	Yes	Yes
Sina	No need to worry too much about the PBoC's increase in the interest rate	No	Yes	Yes

Appendix B: Survey Recruitment and Questionnaire

Recruitment into the survey sample was facilitated by a Chinese crowd-sourcing service called KuRunData China Online Research, which operates in similar fashion to Amazon's Mechanical Turk but with a narrower focus on survey research. Kurun maintains several online panels, the most general being a consumer panel which had over 3 million respondents in February of 2017.¹ The consumer panel has national coverage, with roughly half of respondents located in the more densely populated and economically developed southern and eastern provinces, like Guangdong, Zhenjiang, and Shandong. Kurun's panel is very large but not representative. It skews younger, male, urban, and wealthier than conventional probability samples. As such, we do not interpret aggregate response distributions in our sample to be representative of public opinion across China. However, we do contend that our panel demographics are unlikely to bias inferences drawn from the randomized treatment experiments.

One potential source of bias in our experimental results might arise as an indirect result of recruitment into the survey. Specifically, if economic-issue oriented respondents are more likely to opt-in to the survey, then the treatment effects could be either over or understated. For instance, respondents who are less tuned-in to the economy might be less likely to internalize treatments into policy preferences. Alternatively, respondents who are more aware of economic developments might have been "pre-treated" by news coverage coming from the American election season, in which, then presidential candidate, Donald Trump frequently referenced China's exchange rate policy as evidence of "unfairness."

Based on our review of Chinese news coverage during the month prior to our survey (see Appendix A), we think it is unlikely that our respondents were pre-treated. As discussed in the main text and in Appendix A, news coverage referencing China's exchange rate rarely referenced statements coming from the United States. When it did, references were not editorialized in one direction or another.

Furthermore, there is no reason to believe that respondents opted into the survey on account of the subject matter. Kurun respondents typically have either a mobile phone or desktop application which allows them to browse and opt-in to available survey tasks. The tasks are advertised with brief headlines, including a title (*China Policy Barometer*), expected completion time (*8-10 minutes*), and compensation information (*approximately 2 USD*). Interested respondents who open the survey link are directed to an electronic

¹ Refer to the recruiter website for updated figures on the consumer panel at: <http://www.kurundata.com/en/sample.html>

consent form, which offers further description for the survey along with information concerning privacy and data storage. Our consent form describes the study as “a survey of public opinion on a number of prominent public policies...involving approximately 2000 participants from across China.” In short, while those who opted-in to the survey may have been more policy-oriented than the average Kurun panel member, we have no reason to believe that our sample was uniquely econ-literate or interested.

Box B1 provides English and Mandarin versions of the exchange rate question fielded in the 2017 wave of the China Policy Barometer. Each version of the question prompts (Control/Encouragement/Threat) was randomly assigned with equal likelihood. While every attempt was made to keep the Mandarin translation as true as possible to the English original, the Mandarin grammar structure is slightly adapted for the Chinese audience. Specifically, whereas the object being encouraged in the English version is the Chinese state, the object in the Mandarin version is the RMB itself. Thus, the literal reverse-translation of the Mandarin version of encouragement is: *America encourages appreciation in the value of the RMB relative to the dollar*. An unintended benefit of this formulation is that the Mandarin version of encouragement is arguably less likely to have been misinterpreted as a veiled threat than had the object focused on the Chinese state.


Box B1: Exchange Rate Experiment

English: An increase in the value of the RMB relative to other currencies makes imports cheaper whereas a decrease makes China’s exports more competitive in world markets.

(Control) / (Encouragement: America has encouraged China to increase the value of the RMB relative to the dollar) / (Threat: America has threatened to impose taxes on its imports of Chinese-made goods if China does not increase the value of the RMB relative to the dollar.) What do you think China should do?

Sliding Scale (0 -10)


Depreciate Appreciate



Chinese: 人民币相对其他货币升值会使得进口商品更加便宜，而人民币贬值会使得中国的出口产品在国际市场更具有竞争力。(Control) / (Encouragement: 美国正在鼓励人民币相对于美元升值。) / (Threat: 如果中国政府不愿意升值人民币，美国政府

威胁将对中国制造的商品征收额外关税。) 你认为中国应该怎么做？

使人民币贬值 使人民币升值



Boxes B2-B4 provide text and translation for all other subjective measures used in the analysis.

Box B2: Perceived Appreciation Impact

To what extent do you agree with the following statements? (请问你在多大程度上赞同以下观点?)

[Bilateral Trade] Increasing the value of the RMB would help China avoid trade tensions with America. (人民币升值可以避免同美国的贸易摩擦.)

1. Strongly Agree
2. Somewhat Agree
3. Neither agree nor disagree
4. Somewhat agree
5. Strongly agree

[America's benefit] Increasing the value of the RMB would be good for America's economy. (人民币升值对美国经济有利.)

1. Strongly Agree
2. Somewhat Agree
3. Neither agree nor disagree
4. Somewhat agree
5. Strongly agree

[China's benefit] Increasing the value of the RMB would be good for China's economy. (人民币升值对中国经济有利.)

1. Strongly Agree
2. Somewhat Agree
3. Neither agree nor disagree
4. Somewhat agree
5. Strongly agree

[China's reputation] Increasing the value of the RMB would be good for China's reputation abroad. (人民币升值有利于中国的国际声望.)

1. Strongly Agree
2. Somewhat Agree
3. Neither agree nor disagree
4. Somewhat agree
5. Strongly agree

Box B3: Chinese Identity

How much do you agree with these statements about the Chinese society? (请告知您有多赞同下列关于中国社会的观点?)

[Pride] I would rather be a citizen of China than of any other country in the world. (我宁愿做中国公民，而不愿做其他国家的公民)

1. Strongly Agree
2. Somewhat Agree
3. Neither agree nor disagree
4. Somewhat agree
5. Strongly agree

[Culture] In China, our people are not perfect, but our culture is superior to others. (在中国，我们的人民并不完美，但我们的文化比其他国家优越)


1. Strongly Agree
2. Somewhat Agree
3. Neither agree nor disagree
4. Somewhat agree
5. Strongly agree

[Model] The world would be better if people from other countries were more like the Chinese. (如果其他国家的人民更像中国人（一样），世界会变得更好)

1. Strongly Agree
2. Somewhat Agree
3. Neither agree nor disagree
4. Somewhat agree
5. Strongly agree

Box B4: U.S. - China Relations

Opinion: What is your general opinion of America? (你对美国的整体印象是怎么样的?) Sliding Scale (1 - 5)

Negative (frowny face)  Positive (smiley face)

Sentiment: Rank order your agreement with these statements about China's relationship with America. (你对下列关于中美关系的陈述有多赞同)

[Adversaries] China and America are adversaries (中国和美国是对手)

[Competitors] China and America are cooperative competitors (中国和美国是合作性竞争关系)

[Partners] China and America are international partners (中国和美国是国际伙伴)

Appendix C: Assessment of Data Quality

Respondent attentiveness is a potential concern with online surveys where subjects receive compensation for completing the survey. One might be particularly concerned that subjects that completed the survey very quickly may have failed to give sufficient attention to the questions; as a result, these respondents' answers may not be meaningful or worthy of inclusion in the analysis. However, it is not clear a priori what threshold should be used to discard responses that were filled out excessively fast.

We sought to determine the most appropriate threshold inductively. Our approach was to inspect whether surveys that were completed very quickly contained patterns of responses that appear unsystematic, as would occur if individuals were responding inattentively and answering questions randomly.

More concretely, we estimate a multivariate regression model where attitudes towards exchange rate appreciation is the outcome of interest, and a host of possible explanatory variables are included as predictors. The results of this model are presented in Table C1. Figure C1 plots the absolute value of the residuals from this model in relation to the time spent on the survey, using a non-parametric loess line of best fit. As can be seen, the absolute value of the residuals for individuals that completed the survey drops sharply for individuals that spent more than 300 seconds (5 minutes) on the survey. Due to the large residuals for subjects that spent less than five minutes on the survey, these observations have been dropped in our main results.

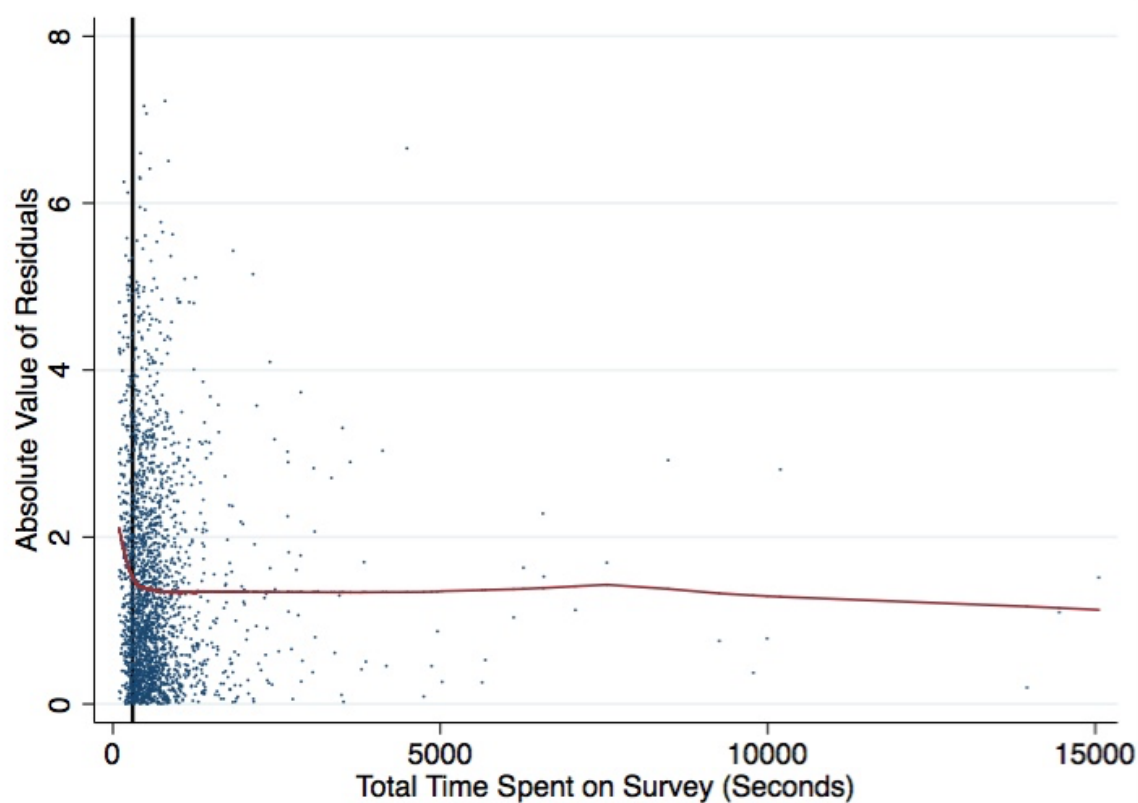
Table C1: Analysis of Data Quality

	(1)
Encouragement Treatment	-0.06 [0.098]
Threat Treatment	-0.01 [0.098]
Appreciation Benefits Trade	0.22*** [0.050]
Appreciation Benefits US	-0.13*** [0.046]
Appreciation Benefits China	0.57*** [0.051]
Appreciation Benefits Reputation	0.30*** [0.056]
Foreign-Invested Enterprise	0.06 [0.133]
Foreign Partnership	-0.10 [0.104]
Exporting Firm	-0.08 [0.093]
Income	-0.05 [0.042]
Party Approval	0.05** [0.022]
Nationalism	-0.12*

	[0.064]
Gender	0.03
	[0.082]
Education	-0.18*
	[0.094]
Urban Hukou	0.04
	[0.095]
Anti-American	-0.11***
	[0.037]
Constant	3.33***
	[0.413]
Observations	2,272
R-squared	0.199

Note: Standard errors in brackets. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure C1: Relationship Between Residuals and Time Spent on Survey



Appendix D: Alternative Thresholds for Excluding Observations

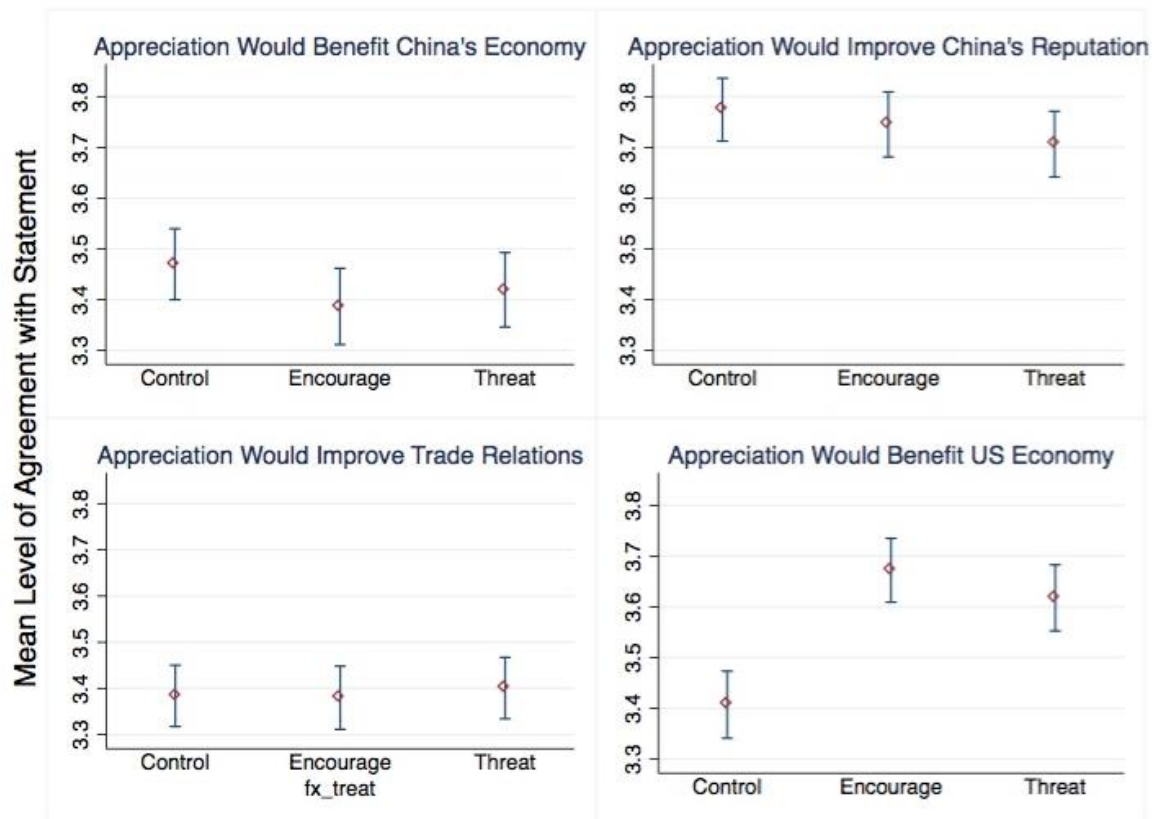
For reasons explained in Section C, the main models exclude all subjects that completed the survey in less than five minutes. However, this section shows that the main findings do not hinge on this decision. This section shows that our two main sets of results are similar when including: (a) all respondents; (c) respondents that completed the survey in more than four minutes; (d) respondents that completed the survey in more than six minutes.

One of the main findings in the paper is that our experimental treatments influenced beliefs about appreciation. Figure 5 in the main text shows that US pressure increased the belief that appreciation would benefit the US economy. It also found that the encouragement treatment reduced the belief that appreciation would benefit the Chinese economy. Figures D1, D2, and D3 replicate the results of Figure 5 using the full sample, respondents that spent over four minutes on the survey, and respondents that spent over six minutes on the survey, respectively. In all three figures, the two treatments have a statistically significant ($p < 0.05$) effect on beliefs about the US economy. The effect of the encouragement treatment on beliefs about the Chinese economy is statistically significant at the ten percent level in two cases (the four and six-minute thresholds) but falls just shy of statistical significance ($p = 0.11$) when all observations are included.

Our second main finding in the paper is that US pressure reduced support for appreciation for respondents that have negative opinions of the US. In Figure 2, we find that both treatments were statistically significant for people that reported a negative opinion of the US, but only the threat treatment was significant when using respondents' belief that US and China are adversaries as the moderating variable. Figures D4, D5, and D6 replicate

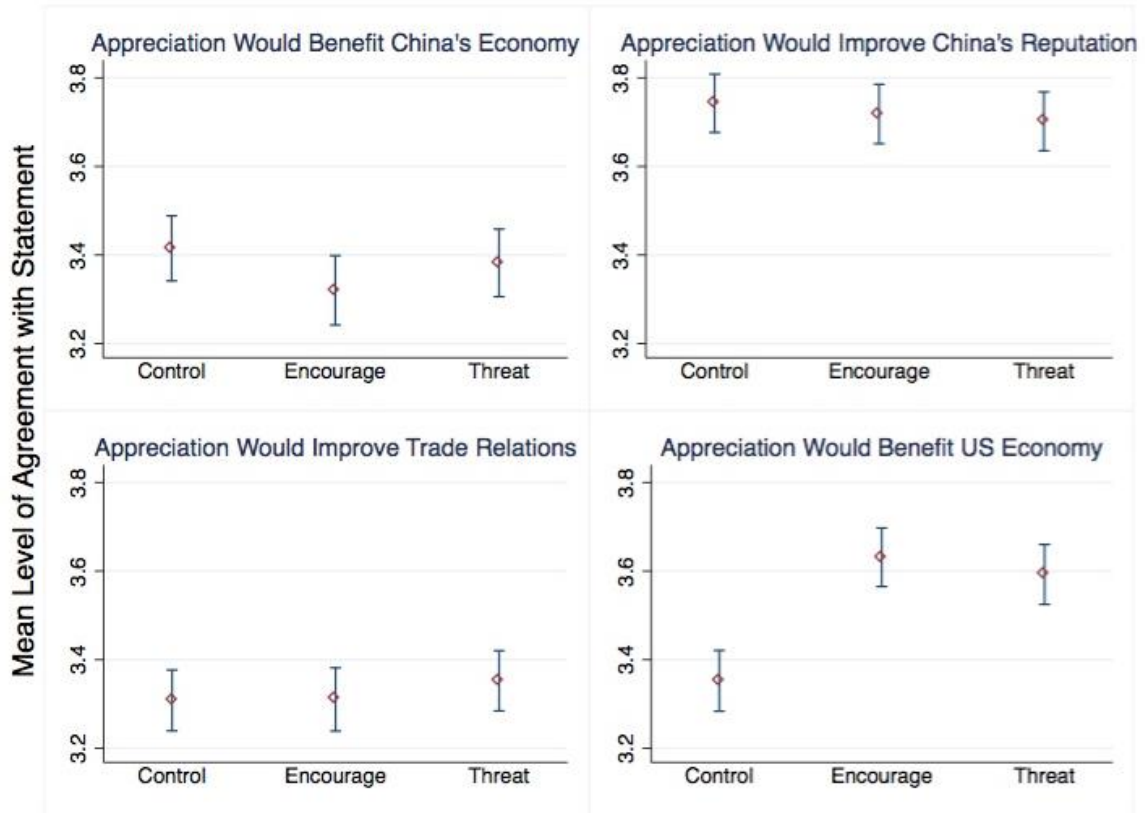
the results of Figure 2 using the full sample, respondents that spent over four minutes on the survey, and respondents that spent over six minutes on the survey, respectively. When using the variable capturing general opinions of the US, both experimental treatments are statistically significant ($p < 0.05$) in all three figures for individuals with anti-American positions. When using the variable capturing whether the US and China are adversaries, the threat treatment is statistically significant in two of the three cases, with the exception being the model that includes all observations (Figure D4).

Figure D1: Beliefs about the Consequences of Appreciation (All Observations)



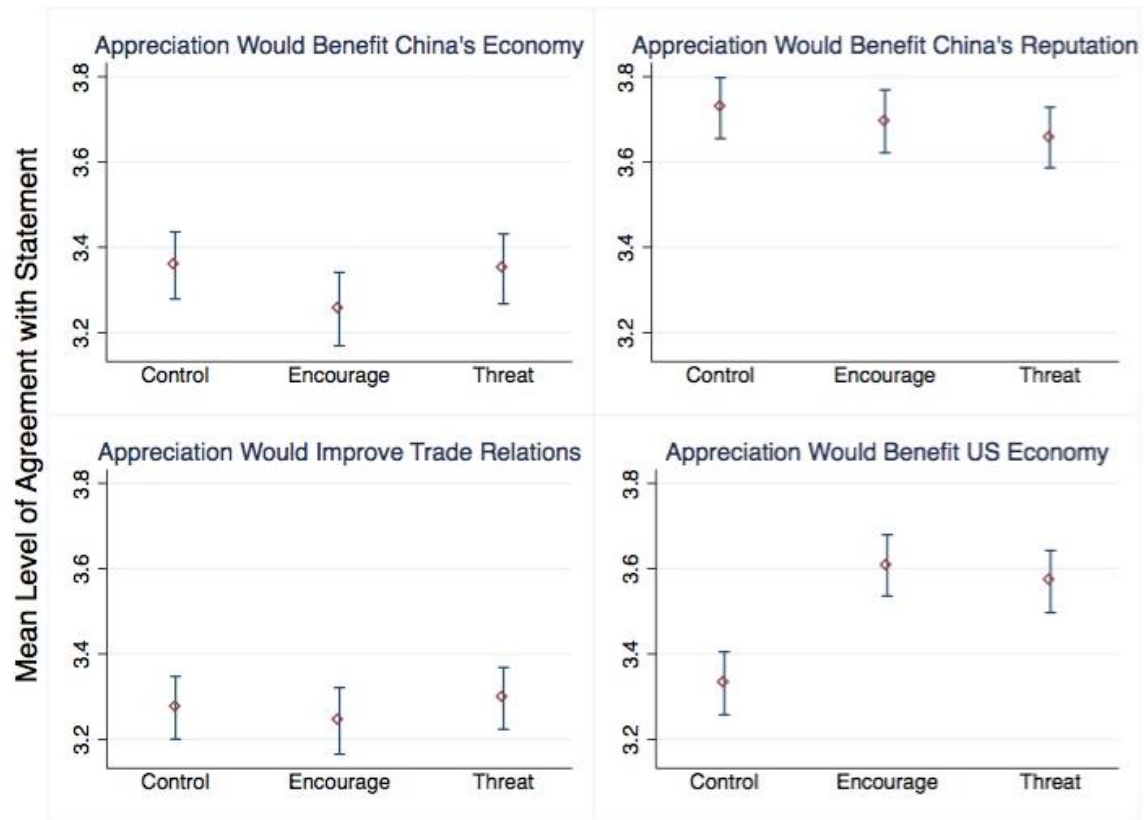
Note: Diamonds indicate mean level of agreement with the listed statement about the consequences of currency appreciation, where higher values indicate stronger agreement. Lines provide 95% confidence intervals surrounding the means.

Figure D2: Beliefs about the Consequences of Appreciation (Four-Minute Threshold)



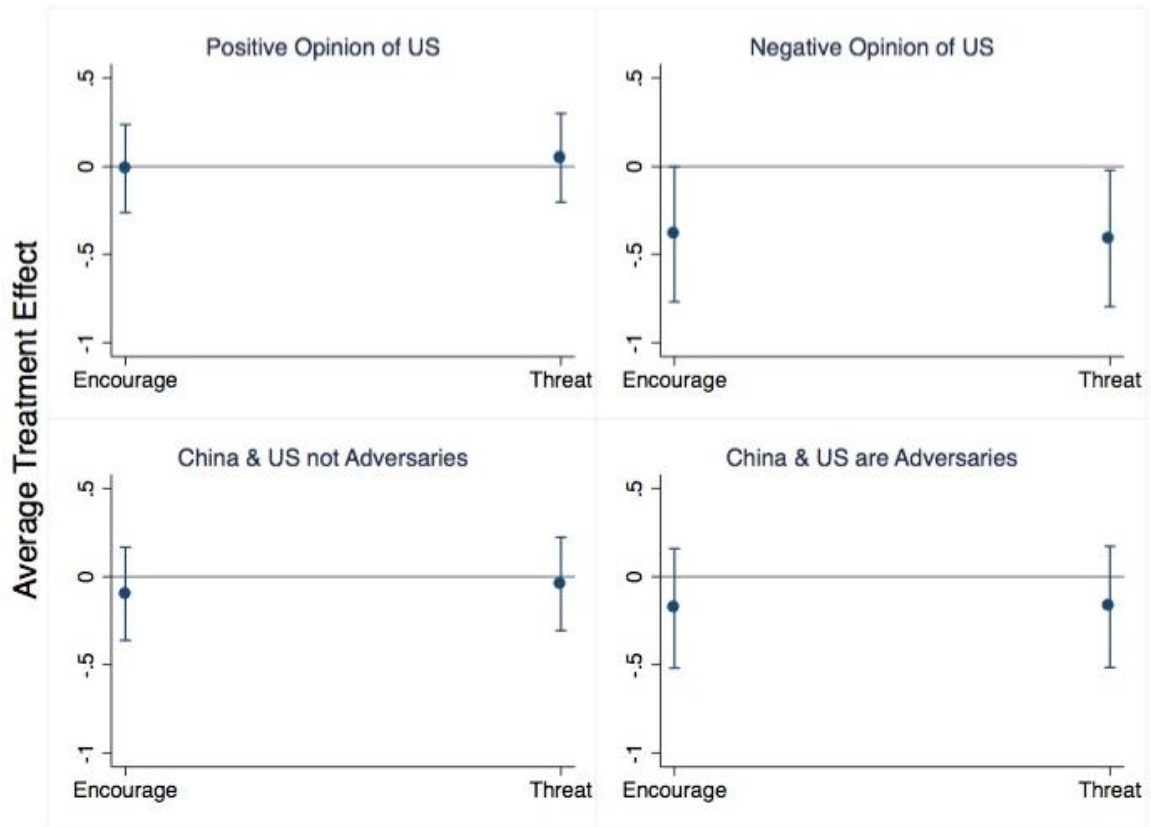
Note: Diamonds indicate mean level of agreement with the listed statement about the consequences of currency appreciation, where higher values indicate stronger agreement. Lines provide 95% confidence intervals surrounding the means.

Figure D3: Beliefs about the Consequences of Appreciation (Six-Minute Threshold)



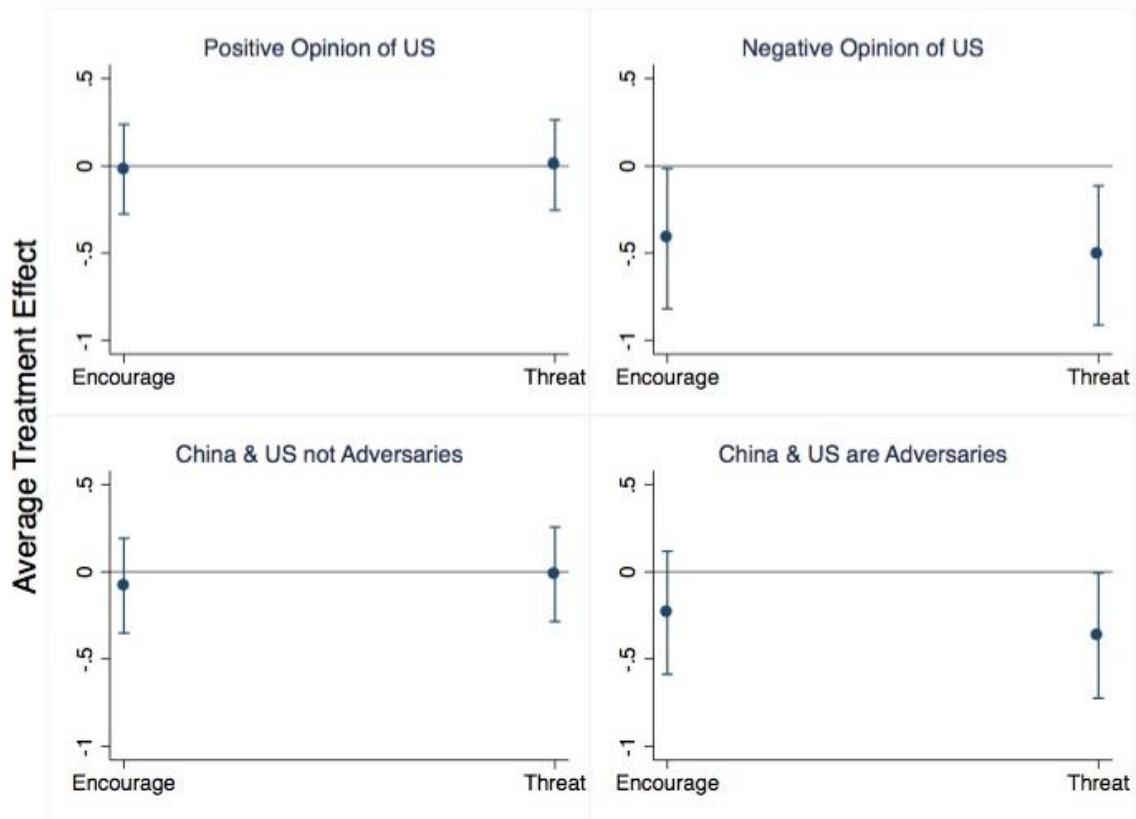
Note: Diamonds indicate mean level of agreement with the listed statement about the consequences of currency appreciation, where higher values indicate stronger agreement. Lines provide 95% confidence intervals surrounding the means.

Figure D4: Attitudes Towards Exchange Rate Appreciation (All Observations)



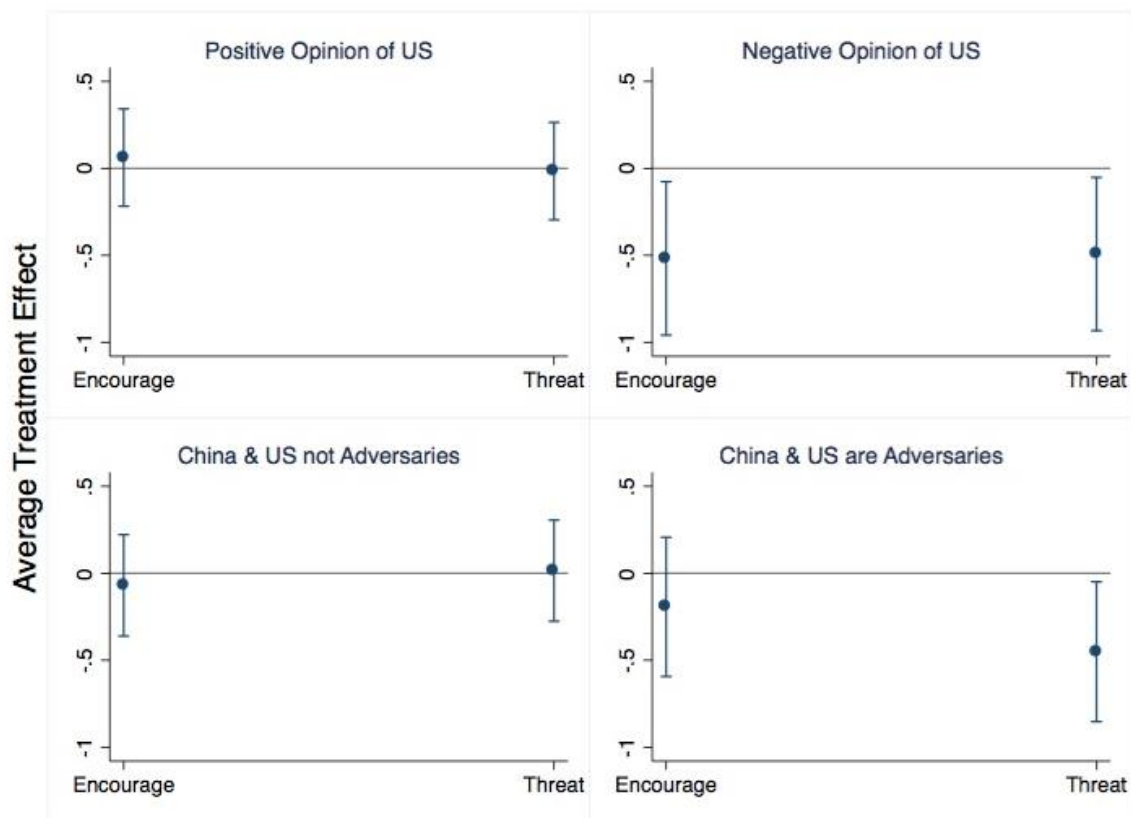
Note: Circles indicate difference between treatment group and control group in support for currency appreciation. Lines indicate 95% confidence intervals for the treatment effects. Positive (negative) values indicate that treatment makes respondents more supportive of currency appreciation (depreciation).

Figure D5: Attitudes Towards Exchange Rate Appreciation (Four-Minute Threshold)



Note: Circles indicate difference between treatment group and control group in support for currency appreciation. Lines indicate 95% confidence intervals for the treatment effects. Positive (negative) values indicate that treatment makes respondents more supportive of currency appreciation (depreciation).

Figure D6: Attitudes Towards Exchange Rate Appreciation (Six-Minute Threshold)



Note: Circles indicate difference between treatment group and control group in support for currency appreciation. Lines indicate 95% confidence intervals for the treatment effects. Positive (negative) values indicate that treatment makes respondents more supportive of currency appreciation (depreciation).

Appendix E: Randomization Check

This section examines whether random assignment into different experimental conditions was successful. To this end, Table E1 presents the results of a multinomial logit, where the outcome variable is the experimental condition that each subject received. The baseline category is the control group that received no information about US pressure. Only one of the twenty coefficients is statistically significant, which is consistent with random chance. The overall fit of the regression model is very poor (as indicated by the R-squared statistic) and the regression model is not close to attaining statistical significance, both of which suggest that assignment into treatment and controls groups occurred on a random basis.

Table E1: Randomization Check

	Threat Treatment	Encouragement Treatment
Foreign-Invested Enterprise	0.19 [0.166]	-0.12 [0.177]
Foreign Partnership	-0.07 [0.132]	-0.06 [0.133]
Exporting Firm	-0.02 [0.120]	-0.02 [0.121]
Income	-0.03 [0.054]	-0.02 [0.054]
Party Approval	0.03 [0.029]	0.01 [0.029]
Nationalism	-0.06 [0.080]	0.07 [0.081]
Gender	0.07 [0.104]	0.03 [0.105]
Education	0.03 [0.121]	-0.14 [0.120]
Urban Hukou	0.26** [0.123]	0.07 [0.121]
Anti-American	0.01 [0.047]	-0.04 [0.048]
Constant	-0.18 [0.464]	0.12 [0.464]
Observations		2,272
R-squared		0.003
Prob > χ^2		0.707

Note: Standard errors in brackets. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Appendix F: Addressing the Role of Other Covariates

This section shows that our experimental treatments have similar effects on our outcome variables in OLS regression models that account for the influences of other variables. The variables capturing beliefs about appreciation serve as the dependent variables in Table F1. As in Figure 1, these models show that the two experimental treatments have a statistically significant positive effect on the belief that appreciation is good for the US economy. The encouragement treatment has a negative effect on the belief that appreciation would benefit China's economy, which is significant at the ten percent level.

The models in Table F2 test whether attitudes towards the US moderate the effect of the treatments on support for appreciation. To maximize the comparability between these models and the results provided in Figure 2, we interact the treatments with a binary measure of whether an individual has a negative opinion of the US in model 1 and with a binary measure of whether an individual views America as an adversary of China in model 2.

The main quantities of interest from these models are the conditional marginal effects of the treatments, which are not directly available from the table. Figure F1 presents the marginal effects from model 1. Consistent with the results shown in Figure 2, the threat and encouragement treatments both have negative and statistically significant effects for individuals with a negative opinion of the United States (Anti-American = 1). In model 2 and Figure F2, the threat treatment has a negative and statistically significant effect for those that view the US as an adversary, but the encouragement treatment is not statistically significant.

The main results in the paper and in Table F2 compare respondents with high and low levels of anti-Americanism. This is useful to ease the interpretation of the findings, but the chosen thresholds are admittedly arbitrary and one might wonder about how the effects of our treatments vary across the full range of values of the moderating variable (opinions about the United States). One common way to address this question would be to include a linear interaction term between our treatments and the ordinal measure of opinions about the United States. Column 3 in Table F2 presents such a model and Figure F3 presents the marginal effects from this linear interaction model, which are largely consistent with our argument that the effect of the treatments become increasingly negative as opinions about the United States strengthen. Among those with the most negative opinions about the United States, the endorsement treatment is statistically significant and the threat treatment falls just shy of significance at the 95% level, though it is significant at the 90% level.

Hainmueller, Mummolo, and Xu (2019) show that the linearity assumption in this type of approach often produces misleading and non-robust results. Thus, we also consider

Hainmueller et al.'s (2019) alternative kernel-based estimator. This approach permits the conditional effect of a variable (in this case, our threat and endorsement treatments) to vary freely across the range of values of the moderating variable (opinions about the United States, in this application). To do so, it uses a kernel reweighting scheme to estimate a series of local marginal effects. The results of the kernel estimator, presented in Figure F4, are in line with the other approaches: both treatments have strong negative effects on support for appreciation at high levels of anti-Americanism.

Table F1: Determinants of Beliefs About Currency Appreciations

	(1) China Economy	(2) China Reputation	(3) Trade Relations	(4) US Economy
Encouragement Treatment	-0.11* [0.056]	-0.02 [0.050]	-0.03 [0.051]	0.28*** [0.050]
Threat Treatment	-0.06 [0.056]	-0.07 [0.050]	0.02 [0.052]	0.24*** [0.050]
Foreign-Invested Enterprise	0.03 [0.080]	-0.21*** [0.070]	0.03 [0.073]	-0.06 [0.071]
Foreign Partnership	0.14** [0.061]	0.13** [0.054]	0.15*** [0.056]	0.06 [0.055]
Exporting Firm	-0.01 [0.054]	0.06 [0.048]	-0.01 [0.050]	0.09* [0.048]
Income	-0.02 [0.024]	0.01 [0.021]	0.06*** [0.022]	0.06*** [0.021]
Party Approval	0.04*** [0.013]	0.05*** [0.011]	0.04*** [0.012]	-0.00 [0.011]
Nationalism	0.20*** [0.036]	0.11*** [0.031]	0.14*** [0.033]	0.16*** [0.032]
Gender	-0.28*** [0.047]	-0.12*** [0.041]	-0.06 [0.043]	0.19*** [0.042]
Education	-0.22*** [0.054]	-0.17*** [0.048]	-0.11** [0.049]	0.00 [0.048]
Urban Hukou	-0.00 [0.054]	-0.05 [0.048]	0.07 [0.050]	0.02 [0.049]
Anti-American	-0.07*** [0.022]	-0.08*** [0.019]	-0.13*** [0.020]	-0.07*** [0.019]
Constant	3.26*** [0.210]	3.61*** [0.186]	2.78*** [0.192]	2.45*** [0.187]
Observations	1,913	1,913	1,915	1,913
R-squared	0.068	0.051	0.059	0.066

Note: Standard errors in brackets. *** p < 0.01, ** p < 0.05, * p < 0.1

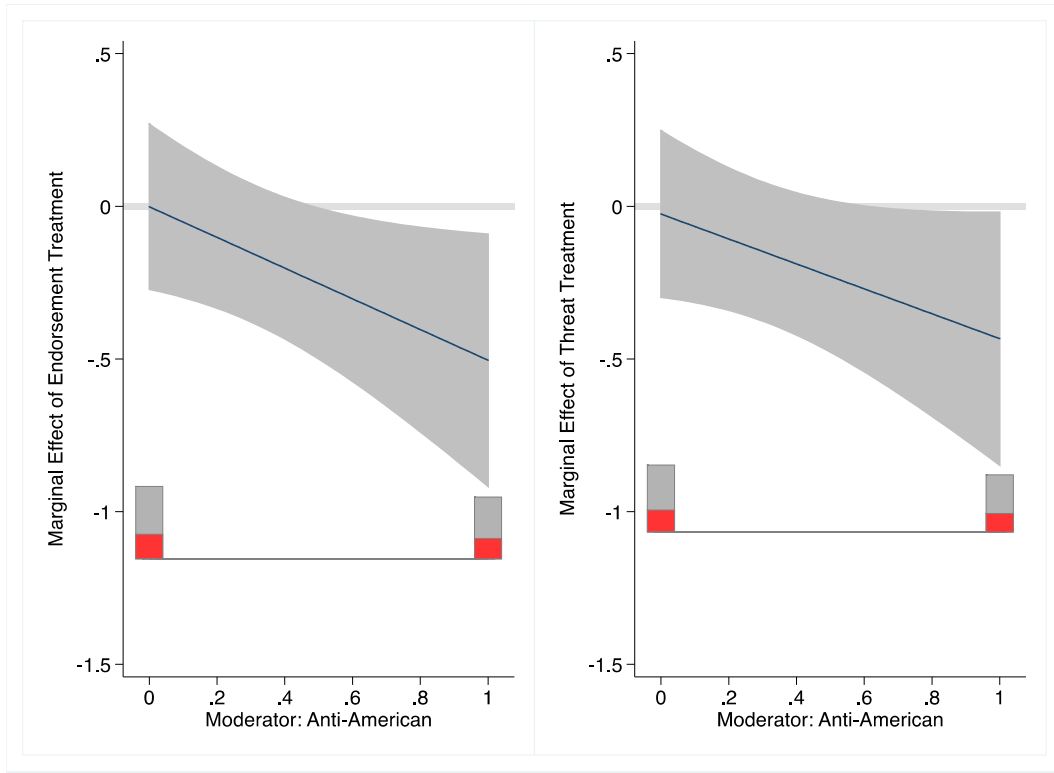
Table F2: Determinants of Beliefs About Currency Appreciations

	(1)	(2)	(3)
Encouragement Treatment	-0.00 [0.138]	-0.13 [0.149]	0.16 [0.219]
Threat Treatment	-0.03 [0.139]	-0.02 [0.148]	0.09 [0.220]
Negative Opinion of US	0.21 [0.179]		-0.05 [0.076]
Encouragement×Negative Opinion of US	-0.50** [0.252]		-0.18* [0.105]
Threat×Negative Opinion of US	-0.41 [0.253]		-0.14 [0.105]
US Adversary		0.39** [0.169]	
Encouragement×US Adversary		-0.08 [0.237]	
Threat×US Adversary		-0.37 [0.238]	
Foreign-Invested Enterprise	0.05 [0.164]	0.05 [0.164]	0.02 [0.163]
Foreign Partnership	0.15 [0.126]	0.16 [0.126]	0.14 [0.126]
Exporting Firm	-0.10 [0.112]	-0.08 [0.112]	-0.11 [0.112]
Income	-0.06 [0.049]	-0.07 [0.049]	-0.06 [0.049]
Party Approval	0.09*** [0.026]	0.09*** [0.026]	0.09*** [0.026]
Nationalism	-0.04 [0.073]	-0.07 [0.071]	0.01 [0.073]
Gender	-0.27*** [0.097]	-0.26*** [0.096]	-0.26*** [0.096]
Education	-0.31*** [0.111]	-0.30*** [0.111]	-0.32*** [0.111]
Urban Hukou	0.05 [0.112]	0.04 [0.112]	0.04 [0.112]
Constant	6.31*** [0.434]	6.32*** [0.438]	6.36*** [0.447]

Observations	1,915	1,944	1,915
R-squared	0.022	0.024	0.027

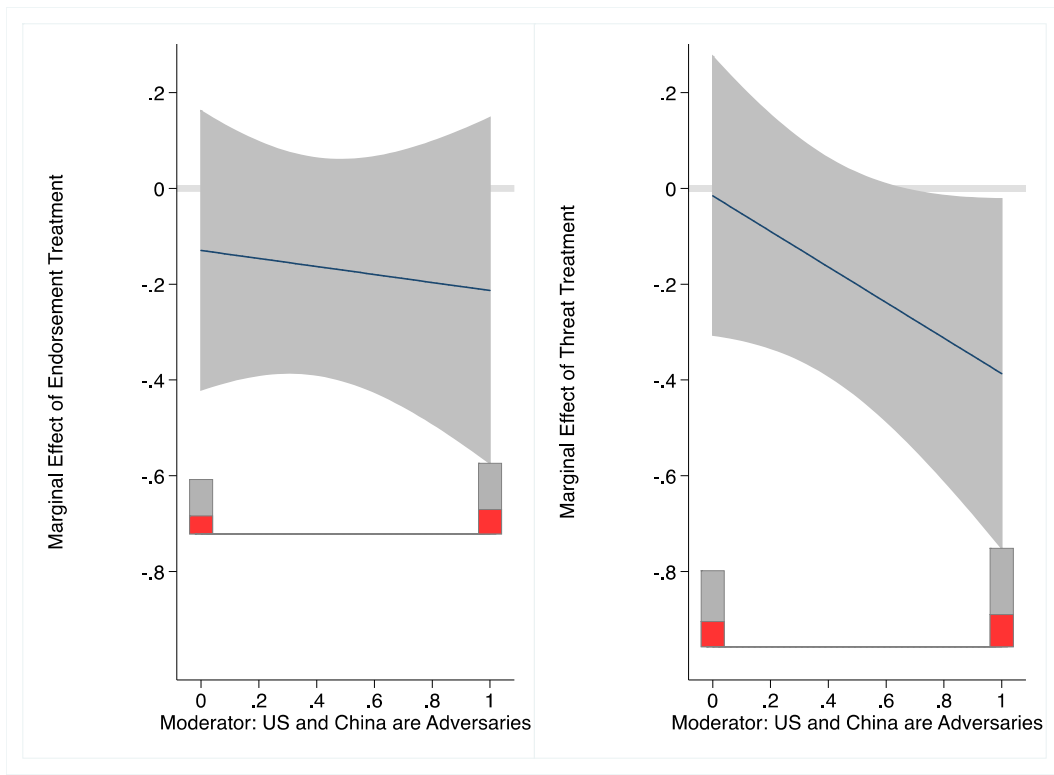
Note: Standard errors in brackets. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure F1: Marginal Effects of Threat and Endorsement Treatments



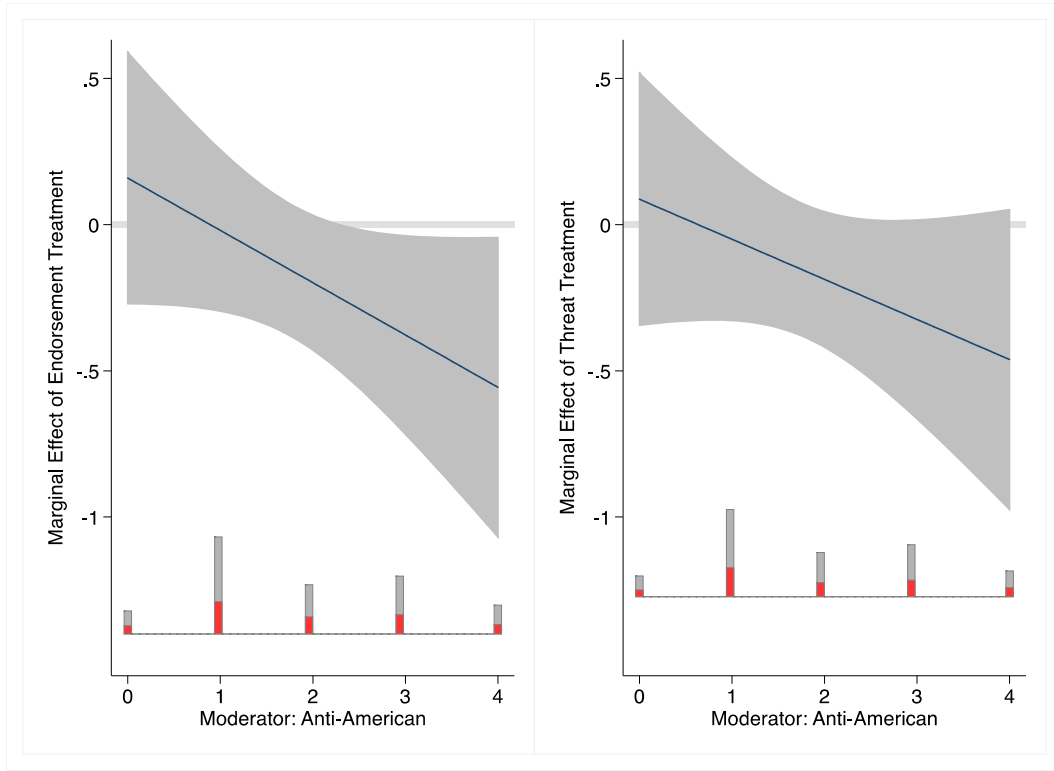
Note: Blue line indicates the conditional marginal effect of treatment variable, along with 95% confidence in gray shaded region. Bars at the bottom of figure indicate the distribution of values on the moderating variable (Opinion about the United States), with height of red bars indicating responses in the treatment group and gray bars indicating responses in the control group.

Figure F2: Marginal Effects of Threat and Endorsement Treatments (US Adversary)



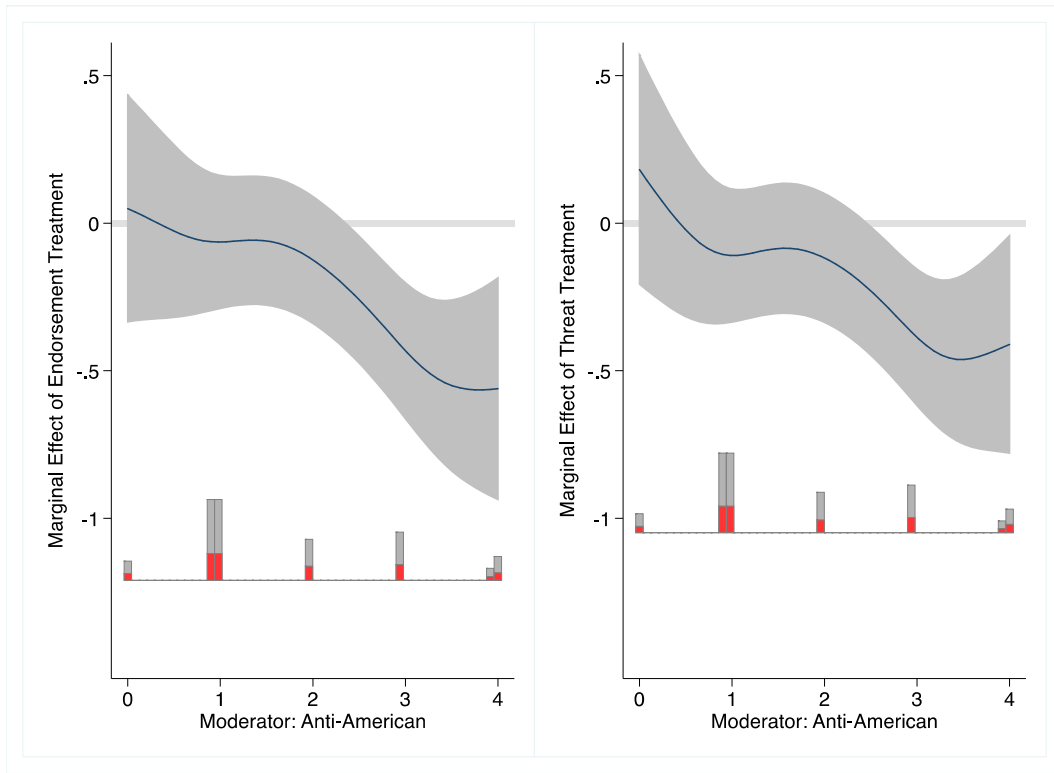
Note: Blue line indicates the conditional marginal effect of treatment variable, along with 95% confidence in gray shaded region. Bars at the bottom of figure indicate the distribution of values on the moderating variable (Opinion about the United States), with height of red bars indicating responses in the treatment group and gray bars indicating responses in the control group.

Figure F3: Marginal Effect of Treatments with Continuous Moderator



Note: Blue line indicates the conditional marginal effect of treatment variable, along with 95% confidence in gray shaded region. Bars at the bottom of figure indicate the distribution of values on the moderating variable (Opinion about the United States), with height of red bars indicating responses in the treatment group and gray bars indicating responses in the control group.

Figure F4: Marginal Effect of Treatments (Kernel Estimator)



Note: Blue line indicates the conditional marginal effect of treatment variable, along with 95% confidence in gray shaded region. Bars at the bottom of figure indicate the distribution of values on the moderating variable (Opinion about the United States), with height of red bars indicating responses in the treatment group and gray bars indicating responses in the control group.

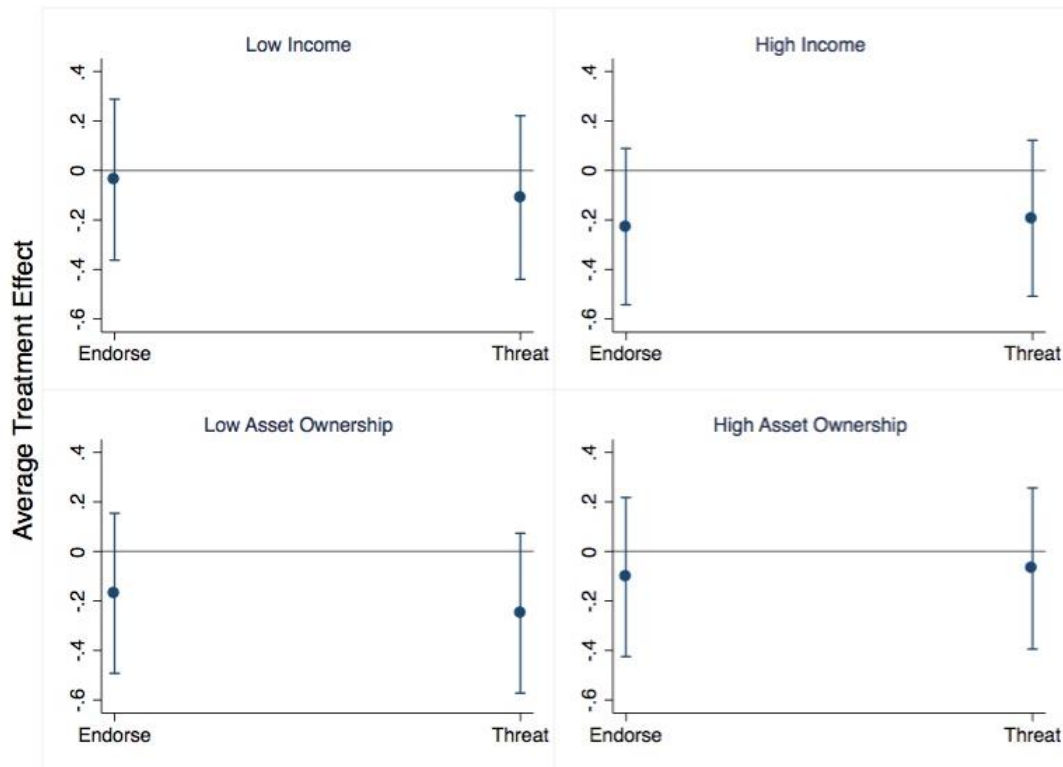
Appendix G: Additional Moderating Variables

This section examines whether income and asset ownership moderate the effect of our experimental treatments. These variables are potentially important measures of an individual's economic self-interest towards an appreciated currency. To the extent that a more appreciated exchange rate benefits poorer segments of society, it is possible that income or wealth could shape how people respond to foreign pressure.

To measure income, we split the sample based on whether respondents earn more or less than 60,000 RMB. The sample is roughly evenly split at this income threshold, with 55% above and 45% the threshold. The second measure, asset ownership, denotes whether or not the subject's family owns all of the following three items: a bank account, stocks or bonds, and real estate. 51% of respondents have high asset ownership by this measure.

Figure G1 displays the marginal effects of the two treatments on support for appreciation for these different subgroups. All point estimates are negative – indicating that the treatments are always reducing support for appreciation – but the effect sizes are small and statistically insignificant. Thus, there is little evidence that income or asset ownership are important moderators in our experiment.

Figure G1: Wealth and Support for Currency Appreciation



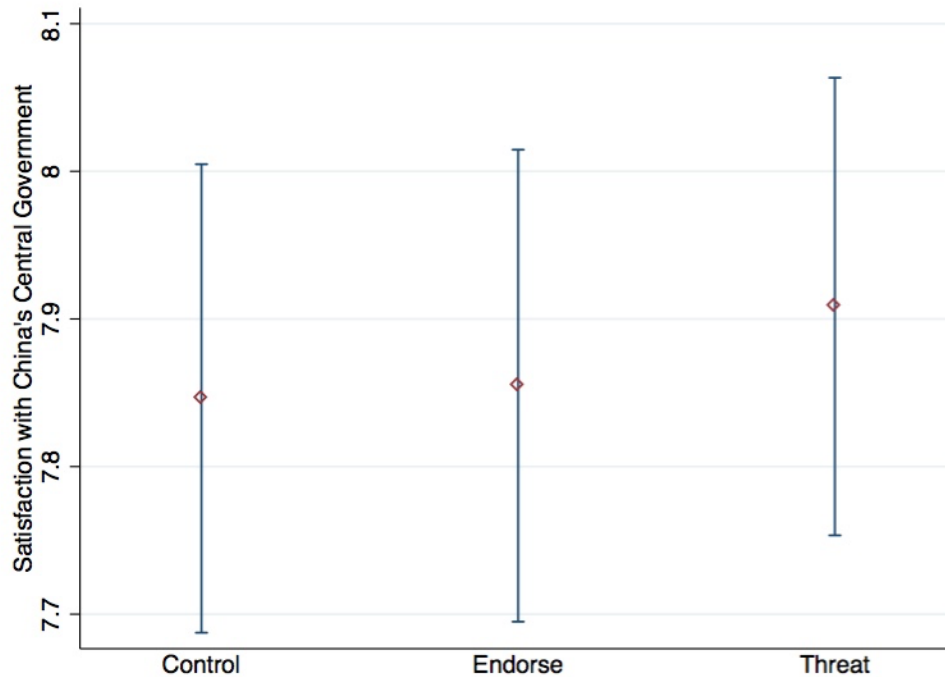
Note: Circles indicate difference between treatment group and control group in support for currency appreciation. Lines indicate 95% confidence intervals for the treatment effects. Positive (negative) values indicate that treatment makes respondents more supportive of currency appreciation (depreciation).

Appendix H: Testing the “Rally ‘Round the Flag” Effect

This section examines whether the experimental treatments influence support for China’s central government. The “rally ‘round the flag” theory posits that foreign pressure and criticism can lead citizens to increase their support for the national government. Our survey included a question about the degree to which people are satisfied with the performance of China’s central government. The response categories were integers from 0 to 10, where higher numbers indicate greater satisfaction. This question was placed several questions after our exchange rate experiment, which makes it possible to test this hypothesis.

Figure H1 displays the mean level of approval, along with 95% confidence intervals, for the three experimental conditions. Mean approval ratings are 7.85 for the control and endorsement treatments and 7.9 for the threat treatment. These differences are obviously very small and are not statistically significant. We therefore fail to find any support for this hypothesis. However, since the experiment was not designed to test this hypothesis, it would be inappropriate to make strong conclusions on the basis of this result.

Figure H1: Approval of China’s Central Government



Note: Diamonds indicate mean level of satisfaction with China's central government for each group. Lines provide 95% confidence intervals surrounding the means. Higher (lower) values on this scale indicate more (less) satisfaction.

Appendix I: Causal Mechanisms

This section examines how our experimental treatments influence beliefs about currency appreciation and how those beliefs, in turn, influence preferences for appreciation. Table I1 presents causal mediation analyses, as in Table 2, but uses the alternative measure of attitudes about the United States. In this table, Anti-American refers to respondents that report that the US and China are adversaries, and pro-American indicates that respondents do not hold to this belief. The main results are very similar to those in Table 2: the indirect effects are statistically significant in the exact same set of cases.

Tables I2 and I3 present OLS regression models that show how the experimental treatments influence the four belief variables that constitute our mediator variables. The top panel shows the results for the full sample, the middle panel shows the results for the anti-American subgroup, and the bottom panel shows the results for the pro-American subgroup. Table I2 measures opinions about the US based on the feeling thermometer variable while Table I3 uses the variable capturing whether people view the US and China as adversaries.

Tables I4 and I5 presents OLS regression models that evaluate how these beliefs influence preferences for exchange rate appreciation. Once again, we first present the results for the full sample, then split the sample based on perceptions of the US. Table I4 uses the feeling thermometer measure of attitudes about the US. Table I5 measures anti-Americanism using the US adversary variable.

Column (1) of the four tables show the results related to beliefs about whether the US economy would benefit from appreciation. Tables I2 and I3 show that the endorsement and threat treatments lead both pro- and anti-American respondents to believe that appreciation will help the US economy. The magnitude of the effects is very similar across the two groups. In addition, Tables I4 and I5 indicate that people that believe appreciation is good for the US economy are less supportive of appreciation. Once again, the direction and magnitude of that relationship is nearly identical for those that dislike the US and those with more favorable opinions of the US.

The second column in these tables focuses on beliefs about whether appreciation benefits China's economy. The threat and endorsement treatments have different effects on this belief for the anti-American and pro-American subsamples. In Table I2, for the anti-American group, the endorsement treatment reduces the belief that appreciation is good for China's economy by 0.19, which is statistically significant at the 90% level, and the threat treatment reduces this belief by -0.16, which falls a bit shy of statistical significance ($p < 0.16$). By contrast, the effects are -0.06 and 0.03 for the pro-American group. The pattern of results is similar in Table I3. Turning to Tables I4 and I5, the data show that support for appreciation is positively associated with a belief that appreciation is good for China's economy, and this effect is quite similar for pro- and anti-American groups. Overall, these patterns suggest that the treatments have different effects on peoples' beliefs about the Chinese economy based on their views towards the US.

The final two columns of Tables I2-I5 show that the treatments do not have large or statistically significant effects on beliefs about China's reputation or about trade relations. These effects are small for both subgroups. Both of these beliefs are associated with stronger support for appreciation: those that think appreciation improves China's reputation and those that think it will improve China-US trade relations are more supportive of appreciation. These effects are similar irrespective of respondents' views towards the United States.

Table II: Causal Mediation Analysis (US Adversary Measure)

Benefit American Economy			Benefit Chinese Economy		
	Endorsement	Threat		Endorsement	Threat
<i>All Respondents</i>			<i>All Respondents</i>		
Indirect	-0.079**	-0.070**	Indirect	-0.091*	-0.021
Direct	-0.049	-0.066	Direct	-0.038	-0.115
Total	-0.128	-0.136	Total	-0.129	-0.137
<i>Anti-American</i>			<i>Anti-American</i>		
Indirect	-0.104**	-0.069**	Indirect	-0.125*	-0.042
Direct	-0.097	-0.328	Direct	-0.077	-0.356**
Total	-0.201	-0.397**	Total	-0.202	-0.398**

	<i>Pro-American</i>			<i>Pro-American</i>	
Indirect	-0.067**	-0.076**	Indirect	-0.064	-0.004
Direct	-0.019	0.110	Direct	-0.023	0.037
Total	-0.086	0.034	Total	-0.087	0.033

Improve China's Reputation			Improve Trade Relations		
	Endorsement	Threat		Endorsement	Threat
	<i>All Respondents</i>			<i>All Respondents</i>	
Indirect	-0.016	-0.041	Indirect	-0.007	0.022
Direct	-0.106	-0.095	Direct	-0.117	-0.164
Total	-0.122	-0.137	Total	-0.125	-0.142
	<i>Anti-American</i>			<i>Anti-American</i>	
Indirect	-0.019	-0.077	Indirect	-0.050	-0.036
Direct	-0.176	-0.320*	Direct	-0.152	-0.362**
Total	-0.196	-0.398**	Total	-0.202	-0.397**
	<i>Pro-American</i>			<i>Pro-American</i>	
Indirect	-0.018	-0.018	Indirect	0.025	0.066
Direct	-0.062	0.051	Direct	-0.105	-0.041
Total	-0.080	0.033	Total	-0.080	0.025

Note: Cell entries provide the total, direct, and indirect effect of the experimental treatments across different mediator variables. Estimation is based on Hicks and Tingley (2011). ** p<0.05, * p<0.1

Table I2: The Impact of Threats and Endorsements on Beliefs (US Opinion Measure)

	(1) US Economy	(2) China Economy	(3) China's Reputation	(4) Trade Relations
Panel A: All Respondents				
Endorsement Treatment	0.29*** [0.050]	-0.10* [0.057]	-0.02 [0.050]	-0.01 [0.052]
Threat Treatment	0.26*** [0.050]	-0.02 [0.057]	-0.05 [0.050]	0.03 [0.052]
Constant	3.33*** [0.035]	3.38*** [0.040]	3.73*** [0.035]	3.28*** [0.037]
Observations	1,988	1,988	1,988	1,990
R-squared	0.020	0.002	0.000	0.000

	(1) US Economy	(2) China Economy	(3) China's Reputation	(4) Trade Relations
Panel B: Anti-American Subsample				
Endorsement Treatment	0.29*** [0.098]	-0.19* [0.108]	0.09 [0.099]	0.03 [0.100]
Threat Treatment	0.28*** [0.098]	-0.16 [0.108]	-0.13 [0.098]	0.03 [0.100]
Constant	3.32*** [0.069]	3.44*** [0.076]	3.70*** [0.069]	3.19*** [0.070]
Observations	587	587	586	587
R-squared	0.019	0.006	0.008	0.000
	(1) US Economy	(2) China Economy	(3) China's Reputation	(4) Trade Relations
Panel C: Pro-American Subsample				
Endorsement Treatment	0.30*** [0.058]	-0.06 [0.067]	-0.06 [0.057]	-0.02 [0.061]
Threat Treatment	0.24*** [0.059]	0.03 [0.067]	-0.02 [0.058]	0.03 [0.061]
Constant	3.34*** [0.042]	3.35*** [0.048]	3.74*** [0.041]	3.32*** [0.043]
Observations	1,369	1,369	1,370	1,371
R-Squared	0.021	0.001	0.001	0.001

Note: Standard errors in brackets. *** p<0.01, ** p<0.05, * p<0.1

Table I3: The Impact of Threats and Endorsements on Beliefs (US Adversary Measure)

	(1) US Economy	(2) China Economy	(3) China's Reputation	(4) Trade Relations
Panel A: All Respondents				
Endorsement Treatment	0.29*** [0.050]	-0.10* [0.057]	-0.02 [0.050]	-0.01 [0.052]
Threat Treatment	0.26*** [0.050]	-0.02 [0.057]	-0.05 [0.050]	0.03 [0.052]
Constant	3.33*** [0.035]	3.38*** [0.040]	3.73*** [0.035]	3.28*** [0.037]
Observations	1,988	1,988	1,988	1,990

R-squared	0.020	0.002	0.000	0.000
	(1)	(2)	(3)	(4)
	US	China	China's	Trade
Panel B: Anti-American Subsample	Economy	Economy	Reputation	Relations
Endorsement Treatment	0.36*** [0.083]	-0.16* [0.095]	-0.02 [0.081]	-0.09 [0.088]
Threat Treatment	0.24*** [0.084]	-0.06 [0.096]	-0.09 [0.082]	-0.06 [0.089]
Constant	3.38*** [0.059]	3.47*** [0.068]	3.84*** [0.058]	3.35*** [0.063]
Observations	785	785	784	785
R-squared	0.024	0.004	0.002	0.001
	(1)	(2)	(3)	(4)
	US	China	China's	Trade
Panel C: Pro-American Subsample	Economy	Economy	Reputation	Relations
Endorsement Treatment	0.24*** [0.062]	-0.07 [0.070]	-0.02 [0.063]	0.04 [0.063]
Threat Treatment	0.27*** [0.062]	-0.00 [0.070]	-0.02 [0.062]	0.10 [0.063]
Constant	3.29*** [0.044]	3.32*** [0.049]	3.66*** [0.044]	3.24*** [0.044]
Observations	1,203	1,203	1,204	1,205
R-Squared	0.018	0.001	0.000	0.002

Note: Standard errors in brackets. *** p<0.01, ** p<0.05, * p<0.1

Table I4: The Impact of Beliefs on Preferences (US Opinion Measure)

Panel A: All Respondents	(1)	(2)	(3)	(4)
US Economy	-0.28*** [0.054]			
Chinese Economy		0.80*** [0.045]		
China's Reputation			0.72*** [0.052]	
Trade Relations				0.52*** [0.051]
Constant	6.78***	3.16***	3.17***	4.10***

	[0.195]	[0.156]	[0.197]	[0.175]
Observations	2,110	2,111	2,110	2,113
R-squared	0.012	0.132	0.083	0.047
Panel B: Anti-American Subsample	(1)	(2)	(3)	(4)
US Economy	-0.27*** [0.094]			
Chinese Economy		0.71*** [0.081]		
China's Reputation			0.58*** [0.091]	
Trade Relations				0.51*** [0.091]
Constant	6.67*** [0.342]	3.36*** [0.284]	3.61*** [0.344]	4.10*** [0.306]
Observations	625	625	624	625
R-squared	0.013	0.111	0.062	0.048
Panel C: Pro-American Subsample	(1)	(2)	(3)	(4)
US Economy	-0.29*** [0.066]			
Chinese Economy		0.85*** [0.054]		
China's Reputation			0.78*** [0.064]	
Trade Relations				0.51*** [0.063]
Constant	6.86*** [0.239]	3.01*** [0.187]	2.93*** [0.243]	4.13*** [0.215]
Observations	1,447	1,448	1,449	1,450
R-squared	0.014	0.147	0.095	0.044

Note: Standard errors in brackets. *** p<0.01, ** p<0.05, * p<0.1

Table I5: The Impact of Beliefs on Preferences (US Adversary Measure)

Panel A: All Respondents	(1)	(2)	(3)	(4)
US Economy	-0.28*** [0.054]			
Chinese Economy		0.80*** [0.045]		
China's Reputation			0.72*** [0.052]	
Trade Relations				0.52*** [0.051]
Constant	6.78***	3.16***	3.17***	4.10***

	[0.195]	[0.156]	[0.197]	[0.175]
Observations	2,110	2,111	2,110	2,113
R-squared	0.012	0.132	0.083	0.047
<hr/>				
Panel B: Anti-American Subsample	(1)	(2)	(3)	(4)
US Economy	-0.33*** [0.084]			
Chinese Economy		0.67*** [0.071]		
China's Reputation			0.67*** [0.083]	
Trade Relations				0.49*** [0.079]
Constant	7.11*** [0.310]	3.69*** [0.252]	3.41*** [0.323]	4.34*** [0.272]
Observations	834	834	833	834
R-squared	0.016	0.096	0.072	0.043
<hr/>				
Panel C: Pro-American Subsample	(1)	(2)	(3)	(4)
US Economy	-0.25*** [0.070]			
Chinese Economy		0.89*** [0.057]		
China's Reputation			0.74*** [0.067]	
Trade Relations				0.55*** [0.068]
Constant	6.60*** [0.251]	2.79*** [0.198]	3.04*** [0.250]	3.93*** [0.229]
Observations	1,276	1,277	1,277	1,279
R-squared	0.010	0.159	0.088	0.049

Note: Standard errors in brackets. *** p<0.01, ** p<0.05, * p<0.1