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Company closures and the erosion of the political center: Evidence from Germany

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Abstract

This paper investigates the link between company closures and political preferences using German panel data. I first show that job loss due to a company closures leads to similar adverse labor market outcomes as those found in other countries. I them show that men become less likely to identify with political parties and mainstream parties in particular, while women become less interested in politics. Effects are stronger for individuals who see job creation and protection as a state responsibility and for lower skilled workers, but do not vary with the routine-intensity or offshorability of the former job.

Keywords: Job loss, displacement, company closure, party identification, political preferences

JEL codes: J64 (primary), J24, F66, P16

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1. Introduction

1.1 Motivation

Recent years have seen a deterioration of the support for mainstream parties and the rise of fringe parties in many Western countries. In the UK, the UK independence party has increased its vote share from 0.3% of the national vote in the 1997 general election to 12.6% of the national vote in 2015. At the same time, the combined vote share of the two largest mainstream parties, Labour and the Conservative Party, decreased from 73.9% of the national vote to 65.1% in 2015. In the US, political fringe movements within the mainstream parties, most prominently the Tea Party movement in the Republican party, became more prominent, culminating in Donald Trump becoming US president on a clear anti-establishment ticket in 2016. In Germany, the vote share of the two largest parties, the Social Democrats and the Christian democrats dropped from 76% in 1998 to 61.8% in 2009. At the same time, fringe parties on the extreme left (*Die Linke* and its predecessor parties) and right (NPD, DVU, *Republikaner* and more recently the AfD) have increased their respective vote shares from 5.1% and 3.3% in 1998 to 8.6% and 6% in 2013.

Following Donald Trump's unexpected success in the "Rust Belt" states of the American Mid-West and the high vote shares for Brexit in former industrial towns in the UK, a particular public focus has been on the role that fundamental changes to the labor market, in particular, plant closures and the moving of industries abroad, have played for what is often perceived as an anti-establishment vote. In this paper, I look at this question using German company closures as a source of plausibly exogenous source of job losses and individual-level panel data from the German Socio-Economic panel.

1.2 Job losses, labor market outcomes and recent changes in the labor market

A large literature has studied the consequences of involuntary job losses on individuals' outcomes such as earnings or health (e.g., Topel, 1990, Ruhm, 1991; Jacobson, Lalonde and

Sullivan, 1993; Stevens, 1997; Schoeni and Dardia, 2003; Kodrzycki, 2007; von Wachter and Sullivan, 2009; Couch and Placzek, 2010; von Wachter, Song and Manchester, 2011, von Wachter and David, 2011; Black, Devereux and Salvanes, 2015). A typical finding is that affected individuals suffer long-lasting and large negative effects in terms of employment probabilities, earnings or even mortality. Focusing on individuals who were displaced because their employers closed down, I first show that – similar to US evidence – earnings and employment opportunities of affected individuals decline in the years following their displacement. Using the same methodology as the more recent papers, I find similar declines, in particular in terms of employment: Men who lose their jobs due to a plant closure initially have a 31% lower employment probability (34% for women) which partially recovers over time.

I consider how these negative effects are affected by recent changes in labor market conditions, namely globalization and technological progress. The automation of work and the increased use of computers have contributed to a loss of jobs in which workers mostly engage in routine-work, leading to a polarization of labor markets, i.e., the disappearance of middle-income jobs and increases in the number of workers employed in either "good" or "bad" jobs (see, e.g., Autor, Levy and Murnane, 2003; Autor, Katz, Kearney, 2006 and Autor, Dorn and Hanson, 2015, for the US; Goos and Manning, 2007, for the UK; Goos, Manning, Salomons, 2009, 2014, for a range of OECD countries; Spitz-Oener, 2006, and Dustmann, Ludsteck and Schoenberg, 2009, for Germany). Recent evidence also suggests that workers, at least in the US, faced considerable adjustments costs to increases in international trade, leading to wage and employment losses for workers and local labor markets particularly in manufacturing (see, e.g., Autor, Dorn and Hanson, 2013; Autor, Dorn, Hanson and Song, 2014; Autor, Dorn and Hanson, 2015 and Acemoglu, Autor, Dorn, Hanson and Price, 2016). Both developments suggest the disappearance of certain types of work, namely work that is easy to automate or

easy to move abroad. In addition to the classical explanations for adverse labor market effects of displacement – the loss of firm-specific human capital as well as the depreciation of general human capital during unemployment – these developments might increase adverse effects for laid-off workers who are skilled in the type of work that is automated or offshored. Recent evidence suggests that "task-specific" human capital, i.e., being able to perform certain tasks in the workplace, is an important component of workers' wage growth and that most workers move between jobs where they perform similar tasks (Gathmann and Schoenberg, 2010). If certain types of work are replaced by either machines or workers abroad, we would expect a stronger loss of human capital for those workers who are skilled in these types of work. There is also an important gender dimension in these developments as recent evidence suggests that men might be suffering more from these changes, in particular the decline in manufacturing employment, for example, in terms of marriage prospects (Autor, Dorn and Hanson, 2017) and mortality (Case and Deaton, 2015; Pierce and Schott, 2016; Autor, Dorn and Hanson, 2017).

I indeed find that employment probabilities post-displacement are substantially lower for primarily men who were engaged in more routine-task-intensive occupations prior to job loss. Conditional on employment, wages do not appear to change very much. Labor market outcomes do not appear to vary with measures of the offshorability of jobs, which is similar to recent evidence by Goos, Manning, Salomons (2014) that offshorability does not appear to matter much for labor market outcomes once routine-task intensity is controlled for.

Finally, I consider effects for different education groups. I find that employment losses occur for all three skill groups and both men and women, but are much more severe for lower skill groups with a similar patterns for wage losses.

1.3 Job losses, worries and political interest

Job losses and the experience of unemployment are clearly drastic life-changes for many workers. In particular, men's life satisfaction and mental health appear to be harmed by

past and current unemployment (Clark, Georgellis, Sanfey, 2001; Clark, 2003; Clark et al., 2008, Kassenboehmer and Haisken-DeNew, 2009). There is some evidence that this is due to concerns about social status (Clark, 2003), which fits with traditional male gender roles as the main earner in families. Against this background, I consider how the experience of job loss affects individuals' general political interest as well as their identification with a political party in general and with mainstream and fringe parties in particular.

There are several reasons why one might suspect the existence of such a link. Firstly, a large and well-established literature (see, e.g., Nannestad and Paldam, 1994, and Lewis-Beck and Stegmaier, 2000, for surveys) has documented a link between economic conditions and voting behavior with the general conclusion that bad economic conditions are unfavorable for the incumbent party in government. There is also evidence that parental unemployment (Siedler, 2011) or job loss fears (Geishecker and Siedler, 2012) lead to more support for far right-wing parties in Germany. Secondly, a range of other papers has considered a link between individuals' economic situation and their political preferences in a broader sense, such as preferences for redistribution or social policies (e.g., Iversen and Soskice, 2001; Alesina and La Ferrara, 2003; Margalit, 2013). In terms of job losses, a crucial element will likely be to what extent the individual blames the state rather than, say, an individual employer for their displacement. Individuals who strongly believe in free markets and small government for example would appear to be inherently less likely to blame the state for individual economic misfortune. Another relevant aspect will likely be to what extent displaced workers find their worries being reflected by political parties. For example, recent work on Britain (Evans and Tilley, 2017) suggests that, in particular, the Labour Party's movement towards a greater appeal for middle-class voters left working class voters without mainstream political representation and increased both abstentions from voting and voting for minor/fringe parties such as the UK Independence Party.

The latter argument might be particularly relevant for workers who suffer more from the negative effects of displacement as the type of work they prefer has been displaced by machines or offshored to other countries. For offshoring, it appears to be possible that workers end up blaming the state and mainstream parties, as factors increasing the risk of offshoring, such as free-trade agreements or WTO membership are political decisions. In fact, evidence for the US by Autor, Dorn, Hanson and Majlesi (2016) finds that exposure to (Chinese) import competition increased political polarization in local labor markets. Dippel, Heblich and Gold (2015) consider the effects of Chinese and Eastern European import competition in German regions and find evidence that these realized trade shocks contributed to increases with far-right party identification. For technological change, the case is more difficult as technological progress and automation are not clearly linked with any actions by the state or mainstream parties. As the evidence of Evans and Tilley (2017) suggests, however, these voters might still become disaffiliated from mainstream politics if they perceive the political reaction to their problems to be insufficient. Concerns about automation did not play a large role in the German political discourse during the sampling period used in this paper, so it seems possible that affected workers do not feel being taken seriously by political parties.

Empirically, I find that involuntary job losses primarily lead to a lower affiliation with mainstream parties for men. These effects are economically large. There are no effects on the self-stated identification with either right-wing or left-wing fringe parties. I show that the effects are much more pronounced for individuals who, before displacement, stated that the protection and creation of jobs is a state responsibility. I also consider how people's worries are changed by displacement. The results suggest that again in particular men become more worried about their own economic situation and less worried about their job security, while more general worries about topics such as the general economic situation, immigration, peace or the environment are essentially unchanged. This basic pattern suggests that changes in

political attitudes are likely to be related to the experience of the job loss as such. I do not find any evidence that changes in political opinions depend on the routine-task intensity or the offshorability of the previous job.

Finally, I find that – at least for men – both the economic effects of displacement and the changes in party identification occur for the same skill groups, namely non-university educated workers. Political reactions, most prominently the loss in (mainstream) party identification are also only found for these two groups, further reinforcing that the political reactions are indeed tied to the labor market effects of job loss.

The remainder of this paper is organized as follows: Section 2 givens brief overview of the political system in Germany and its political parties. Section 3 describes the data and estimation strategy. Results follow in section 4, section 5 concludes.

2 Background information on the political system and parties in Germany

Germany operates a federal system with major elections being held at the state (*Landtagswahlen*) and the federal level (*Bundestagswahlen*). In addition, there are elections on the local government/county level (*Kommunahlwahlen)* as well as elections to the European Parliament. Most elections are principally based on proportional representation, where the proportion of seats a party receives in the respective parliament (*Bundes-* or *Landtag*) is a direct function of their vote share in the respective election. Parties will need to reach at least 5% of valid votes to receive seats in parliament or win seats in three constituencies (*Direktmandate*). Politicians who have been directly elected in a constituency (Wahlkreis) are guaranteed their seat regardless of the vote share won by their party. In the case of the *Bundestag* there are 299 directly elected members with at least 299 additional members being allocated according to the overall vote shares of the parties. The number of non-directly elected members is adjusted (the *Ueberhangmandate*) so that the overall number of seats reflects the vote shares of the respective parties. Relative to pure majority voting systems as, for example, used in the UK,

the German system provides a higher incentive for people to support smaller parties that are more closely aligned with their personal preferences as such votes are not "lost" provided the party reaches at least 5% of the vote share overall or can win a constituency.

There are three mainstream parties that have been around at least since the late 1940s. These are the *Sozialdemokratische Partei Deutschlands* (SPD), the German mainstream center-left party that can trace its origins to the late 19th century, the *Christlich Demokratische Union Deutschlands* (CDU) with its Bavarian sister party the *Christlich-Soziale Union in Bayern* (CSU), both of which are center-right parties founded after the end of World War II and the *Freie Demokratische Partei* (FDP), which is a classical (economically) liberal party also founded in the late 1940s. The remaining mainstream party, *Bündnis 90/Die Grünen*, was created in 1993 through a merger of the West German Green Party (founded in 1980) and the East German *Bündnis 90*, which was founded during the East German revolution of 1989/90. *Bündnis 90/Die Grünen* is a social-liberal party with a strong environmental tradition. Various coalitions of these four parties have formed every Federal and most state governments of the post-war period.

The main party on the left fringe of the German party system with any relevant vote share is *Die Linke*, which was formed in 2007 through a merger between the *Partei des Demokratischen Sozialismus* (PDS), the successor of the former state party of the German Democratic Republic, the *Sozialistische Einheitspartei Deutschlands*, and *Arbeit und soziale Gerechtigkeit – Die Wahlalternative*, which was founded in 2005 as a protest movement against labor market reforms enacted by the then ruling coalition between SPD and the Greens.[1]

[1] There are also some other far left parties such as the *Deutsche Kommunistische Partei* (German Communist Party) or the *Maxistisch-Leninistische Partei Deutschlands* (Marxist–Leninist Party of Germany) that do not play a visible role in German politics. For the purpose of this paper, supporters of these parties are simply treated as supporting a left-wing fringe party (although this is empirically irrelevant as there is not a single supporter of any of these parties in the data).

Die Linke has been part of various state governments in East Germany, but some parts of it are still under surveillance by the German domestic security service, the *Verfassungsschutz*, as they are considered a threat to Germany's constitutional order.

The extreme right of the German party spectrum over the time period considered in this paper consist of the *Nationaldemokratische Partei Deutschlands* (NPD), founded in 1964, the *Deutsche Volksunion* (DVU), founded in 1971 and merged with the NPD in 2010, and *Die Republikaner* (REP), founded in 1983 as a breakaway from CDU/CSU. NPD and DVU are generally considered to be more openly extreme right than the REP, although the latter is also known for xenophobic views. All three parties had some limited electoral success in various state parliaments in some periods and at least NPD and DVU have been under surveillance by the *Verfassungschutz* at various points in time. After the period considered in this paper, the *Alternative fuer Deutschland* (AfD) was founded as a less openly extremist and more "normal" populist and Eurosceptic party that has enjoyed electoral support in many state elections.

3. Estimation and data

The analysis follows a standard empirical approach used, *inter alia*, by von Wachter, Song and Manchester (2011) and von Wachter and David (2012), which has been used as a benchmark to test the validity of other approaches by, for example, Black, Devereux and Salvanes (2015). The outcome of interest is essentially modelled as

$$y_{it} = \alpha_i + \delta_t + \tau_1 * \text{displaced}_t + \tau_2 * \text{displaced}_{t-1} + \tau_3 * \text{displaced}_{t-2} + \tau_4 * \text{displaced}_{t<=t-3} + \varepsilon_{it} \quad (1)$$

where y_{it} is the outcome for individual i at time t, α_i and δ_t are person and time fixed effects and the coefficients of interest are τ_1 to τ_4 which give the effects of a displacement due to a company closure in the respective year and after 1, 2 and 3 and more years. I also present results from joint significance tests for τ_1 to τ_4 to make statements about changes in the outcome after the displacement.

The separate identification of the effects of interest, τ, and the time effects, δ, come from the inclusion of non-displaced workers, who essentially provide the counterfactual outcome for the displaced, and the fact that not every worker is displaced in the same year. The central assumption underlying this approach is that – conditional on the fixed effects – workers affected by a company closure are like those remaining in employment. This assumption would hold if a company closure was a completely random shock. A potential problem, however, is that both workers and managers might be aware of the economic problems of a company before it actually closes. This knowledge in turn can lead to two effects. Managers might try to get rid of the least productive workers in the run-up to the (imminent, but maybe still uncertain) closure, while at the same time employees might try to leave the "sinking ship". Schwerdt (2011), for example, finds that in Austria selective turnover of workers begins two quarters before the actual closure. In the context of this paper, in which I use annual survey data where workers are asked directly about the reason for their displacement, there are two mitigating factors for this selection problem. Firstly, the annual frequency of the data makes it more likely that workers' eventual pre-closure turnover is captured in the same year as the actual closure. Secondly, given that workers are asked directly for the reason of their displacement[2], it seems likely that at least some of them would reply with "company closure" even if they resigned in the run-up to the closure or were dismissed by management because of the closure. Both factors should minimize eventual errors relative to the more commonly used administrative data where plant closures are essentially identified by observing mass movements of workers from a specific firm at a specific point in time. Notwithstanding these arguments, I also include a one-

[2] The exact question is "How was this job terminated?" (which is asked as a follow-up question to whether the respondent changed jobs). Company closures are identified by the reply "Because your place of work or office has closed". Other alternatives include "My resignation", "Dismissal", "Mutual agreement" etc.

year lead of the displacement event to explicitly allow for differences between displaced and non-displaced workers in the year before the plant closure.

The data used in this paper comes from the German Socio-Economic Panel, a long-running household panel (see Wagner et al. 2007 for a general overview). Further information on the sampling design as well as additional information on the overall structure of the SOEP can be found in Haisken-DeNew and Frick (2005).

I focus on the period 2001 to 2013 during which all variables of interest are available. Following the usual approach in the literature I restrict the sample to workers in stable employment in the year before the displacement (in this case with at least three years of tenure) and drop very young workers (below 30 years of age) as individual fixed effects might not capture the permanent component of their labor market prospects very well (e.g., von Wachter and Bender, 2006). Note that individuals who are unaffected by plant closures can also enter and exit unemployment over the course of time. I also drop individuals working as legislators and senior officials (ISCO 11), as teaching professionals and teaching associate professionals (ISCO 23 and 33); as skilled agricultural and fishery workers (ISCO 61) and as agricultural, fishery and related laborers (ISCO 92). The former two groups are often lifetime civil servants (*Beamte*) in Germany and cannot lose their jobs, while the latter two groups are essentially agricultural workers whose labor markets work very differently from manufacturing and service sector employees. Applying these restrictions leaves me with 54,353 observations from 8,889 men and 43,510 observations from 7,465 women. Table 1 presents descriptive statistics for the estimation sample, individual variables are explained in the following paragraphs.

(Table 1 about here.)

In a first step, I look at the labor market effects of displacements due to company closures on the affected individuals. The logic underlying this first step is quite simple: If people's economic situation does not change because of being affected by a plant closure, it

becomes inherently less likely that they will change their political opinion because of it. After establishing that individuals are indeed adversely affected, I turn to the main question of this paper: To what extent does this experience of having involuntarily lost their jobs shape people's political opinion? I then consider five main outcomes, specifically whether individuals claim that they are strongly interested in politics, whether they identify with any political party and finally whether they identify with a mainstream, far left or far right party with definitions of mainstream, far left and far right following section 2. I also use information from a question asked in the 1997 and 2002 surveys (the latter for people not displaced in 2001 or 2002) about the role of government, specifically whether individuals state that it is the state's responsibility to create and secure jobs, to consider potential effect heterogeneity along the lines outlined in section 1.3.

Subsequently, I turn to a range of measures that can help to explain why people's political opinions have changed. Respondents in the SOEP are asked annually about a range of worries. Some of these, such as worries about their own economic situation or their job, could in principle be directly affected by involuntary job loss. Others, such as worries about the general economic situation or immigration, could be indirectly affected, if, for example, respondents believe that their job was lost due to economic policies pursued by the government or because of foreign competition. I also consider a group of worries that are unlikely to be affected by the experience of job loss, such as worries about the environment or peace.

Finally, I consider implications from the recent literature on technological change and offshorability. A body of evidence (Autor, Levy and Murnane, 2003; Autor, Katz, Kearney, 2008 and Autor, Dorn and Hanson, 2015, for the US; Goos and Manning, 2007, for the UK; Goos, Manning, Salomons, 2009, 2014, for a range of OECD countries; Spitz-Oener, 2006, and Dustmann, Ludsteck and Schoenberg, 2009, for Germany) has documented that workers engaged in routine-task intensive work face potential substitution by technology. In addition,

another strand of the literature has documented labor market pressure arising from international trade and offshoring (see, e.g., Autor, Dorn and Hanson, 2013; Autor, Dorn, Hanson and Song, 2014; Autor, Dorn and Hanson, 2015 and Acemoglu, Autor, Dorn, Hanson and Price, 2016). As workers move mainly between jobs with similar task content (Gathmann and Schoenberg, 2010) this suggests that workers who were engaged in either routine-task intensive or in jobs that are more easily offshorable should suffer worse displacement effects and might consequently change their political opinions more strongly than other workers.

To investigate this possibility, I interact the displacement dummies with two measures of routine-task intensity and offshorability taken from Goos, Manning and Salomons (2014). Both measures are based on the occupation the displaced worker worked in directly before displacement. The measure of routine-task intensity is based on one developed by Autor and Dorn (2013) and Autor, Dorn and Hanson (2015) and mapped into the European occupation classification ISCO by Goos, Manning and Salomons (2014). Again following Goos, Manning and Salomon (2014), the measure of offshorability comes from Blinder and Krueger (2013) who collected data on various measures of offshorability as part of the Princeton Data Improvement Initiative. The measure used here is Blinder's and Krueger's preferred measure, which is based on professional coders' assessments of how easily a given occupation can be offshored. The data used again comes from Goos, Manning and Salomons (2014) who mapped the Blinder/Krueger measure into ISCO codes. Both measures are normalized to have zero mean and unit standard deviation. Higher values indicate a higher routine-task intensity/offshorability.

Finally, I estimate equation (1) separately by education levels. I group individuals into three groups. The first, the low-skilled, includes people with up to 10.5 years of education. This group corresponds to people who either completed the lowest tier of secondary schooling

(*Hauptschule*) and vocational training (giving them 9 + 1.5 years of schooling[3]) or the middle school tier (*Realschule*, 10 years) without any further education. Medium-skilled are workers with between 11 and 15.5 years of education. This group essentially comprises workers who completed either the middle or top tier of secondary education (*Gymnasium*) and some post-school education, primarily vocational training, below university level. The final group, the high-skilled, are formed by everyone with at least 16 years of education, which essentially corresponds to university-educated workers.

4 Results

Table 2 displays results for labor market. Both men and women experience a sharp drop in employment probabilities in the magnitude of 30 percentage points in the year of the displacement, which drops to around 4 percentage points three years later. These effects are jointly significant. Looking at the one-year lead coefficient, we see slightly higher employment prospects for workers affected by displacement, which suggests that these effects are lower bounds. This effect is likely to be purely mechanical as everyone affected by a plant closure in *t* will likely have been employed in *t-1*, while those unaffected might include people who are currently not employed. For wages, we see somewhat different results for men and women: Women experience an initial drop in wages by roughly 13%, which becomes much smaller and insignificant in subsequent years. For men, all post displacement effects point towards a statistically significant and large decline in wages. This evidence should be treated with some caution, however, as there is evidence for a decline in wages in the year prior to the displacement. The larger decline in earnings after 3+ years should be treated with some caution – while the point estimate is indeed more negative than in previous years, the difference is not actually statistically significant. The general pattern suggests that both men and women appear

[3] German vocational typically lasts for three years, but is split up into 50% formal education in a vocational school and 50% work experience in a company. By convention, the former is included in years of education and the latter in measures of work experience.

to suffer in terms of employment prospects with some suggestive evidence that men also face a longer-term decline in earnings. The results are somewhat smaller than some estimates for the US, but are certainly sizeable enough to lead to an effect on people's political preferences.[4]

(Table 2 about here.)

Table 3 presents evidence on the main question of this paper. Overall the results suggest that men lose identification with parties overall as well as mainstream parties in particular. The pattern of coefficients is difficult to discuss – the point estimates suggest a decline in *t* and again three years after displacement, but the confidence intervals around all coefficient estimates overlap. For women, there does not appear to be any link between displacement and political outcomes. There appears to be no increase on fringe party identification in either group.

(Table 3 about here.)

Table 4 investigates an important source of heterogeneity, namely whether individuals' beliefs about the responsibilities of the state matter. As explained in section 1.3, the underlying idea is quite simple: If someone believes that the state has a responsibility to provide and secure work for its citizens, it seems more likely that such an individual would blame the state for an eventual job loss and subsequently might become disaffected. Someone with strong free market beliefs on the other hand is probably less likely to blame the state in such a case. Table 4

[4] In addition, I re-estimated table 2 on a matched sample in which those affected and unaffected by plant closures. Specifically, I calculate the propensity score to be affected by a plant closure in *t* based on on several characteristics measured in *t-1*, namely a worker's years of education, lifetime full-time work experience and unemployment experience, occupational position and 3-digit occupations, and then use radius matching with a caliper of 0.05 to create the matched sample. Results are essentially identical to those in table 2. Adding additional controls for unemployment and full-time work experience reduces the absolute size of the coefficients somewhat but leaves the basic pattern unchanged.

suggests that this indeed the case. [5] While we again do not see any effects for women, all the effects observed for men in Table 3 appear to be due to people who believe that the state should provide and protect jobs. For this group, general and mainstream party identification drop by more than 10 percentage points. These results suggest that men who feel that the state needs to provide work for them, feel more strongly disaffected

(Table 4 about here.)

Table 5 presents evidence on the impact of displacement on various self-stated worries. Overall the evidence here is very similar for both men and women: There is an increase in worries about job security and the own economic situation in the year before the displacement. Worries about the own economic situation remain elevated for a brief period after displacement and then return to the baseline. There is also a sharp and persistent drop in the fraction of people, in particular men, who are worried about their own job. While the ultimate reasons for this effect is unclear, potential explanations would be unemployed individuals not worrying about job security, individuals accepting job loss as a fact of life after experiencing it or individuals moving into worse jobs making them less concerned about job security as they have less to lose. Effect on other worries are generally small and show no consistent pattern that would point towards any real effects. In particular, neither men nor women appear to become more concerned about the general economic situation or start blaming immigrants.

(Table 5 about here.)

(Tables 6 and 7 about here.)

Tables 6 and 7 replicate Tables 2 and 3, but with interactions for the routine-task intensity and the offshorability of the displaced workers' former jobs. In terms of employment the results suggest that male workers who used to work in more routine-task intensive occupations find it

[5] Results for the identification for extreme left and right wing parties have been dropped henceforth due to space considerations. The effects are essentially the same – namely, zero – as those found in the base specifications.

harder to find employment after their displacement. This finding is consistent with evidence that workers primarily move between jobs with similar task requirements (Gathmann and Schoenberg, 2010) and the disappearance of routing-task intensive jobs due to automation. Changes to wages as well as labor market outcomes for women appear to be unaffected by the routine-task intensity of the previous job. Offshorability also does not appear to matter much, which is consistent with findings by Goos, Manning and Salomons (2014) that offshorability does not matter for wage inequality once routine-task intensity is accounted for. In terms of political outcomes, Table 7 suggests that political reactions to displacement – except for possibly political interest for men and party identification for women – do not vary with the characteristics of the previous job. These results suggest that these do not blame the state more than other displaced workers. A potential explanation for this result might be that the link between fundamental changes in the labor market on the one hand and the closure of a specific company and subsequent difficulties in the labor market for affected workers is very indirect and might not be obvious to the average worker.

(Table 8 about here.)

Table 8 to 10 replicate the results for Tables 2 and 3, but separating worker by their education level. Table 8 looks at labor market outcomes. For both men and women, employment losses are both more severe and more persistent for lower skilled workers. While high-skilled men initially suffer a drop in their employment probability by 23 percentage points, the corresponding drop for low-skilled men is almost twice as large at 41 percentage points. Three years after the displacement, we still see similar relative differences: Low-skilled men who lost their job are now 7 percentage points less likely to be employed, while the corresponding figure for high-skilled men is a (statistically insignificant) 3 percentage points. Medium skilled workers are between the other two groups. For women, we see essentially the same pattern with low-skilled women also suffering more severe and more persistent employment losses

than higher-skilled women. In terms of wages, we again only see earnings losses for men. These are again much more pronounced for low-skilled workers, who lose between 10 and 20% of their monthly earnings. Effects are much smaller and usually insignificant for medium and high-skilled workers. For women, the pattern of point estimates is similar, the point estimates are sometimes economically large, but effects are usually statistically insignificant.

(Tables 9 and 10 about here.)

The political reactions for men and women are found in tables 9 and 10 respectively. For men, the results suggest that the losses of identification with political parties due to job loss are concentrated among the low and medium-skilled with essentially no reaction by high-skilled workers. Effects are only jointly significant for low and medium-skilled men and mainstream party identification. For women, there appears to be very little reaction in terms of political outcomes.

5 Conclusion

This paper used plausibly exogenous job losses through company closures to consider the relationship between displacement and political attitudes, worries and labor market outcomes in Germany. Overall, the results suggest that (a) workers who lose their job because of a company closure have a lower probability to be employed and face lower wages, (b) that these negative employment effects are worse for men who worked in routine-task intensive occupations prior to displacement, (c) that there is some evidence that political attitudes of men, but not women, change in response to job loss, specifically that men lose identification with parties in general and mainstream parties in particular and (d) that these effects are considerably stronger for people who believe that the state has a role to play in the creation and preservation of jobs. This result highlights that individuals' expectations regarding the state's role are an important mediating factor in the relationship between adverse economic shocks and political reactions.

There is also evidence that the all effects are stronger for low and medium-skilled workers, while characteristics of the previous job, such as routine-task intensity of offshorability do not appear to matter much for the political reactions. The general pattern of the results, namely that effects of displacement on political opinions tend to coincide with negative effects on labor market outcomes, suggests that the latter are indeed driving the former. An interesting finding is that the loss of support for mainstream parties does not seem to coincide with any increase in the support for fringe parties. A possible explanation for this result might lie in some specifics of German fringe parties around that time: *Die Linke* has a history as the former state-party of the German Democratic Republic, while the three right-wing parties were often associated with Neo-Nazi followers – both of which might pose additional hurdles for disillusioned mainstream voters looking for a new political home. Indeed, the fact that the *AfD* as a more respectable right-wing, euro-skeptic and populist party could pick up double digit vote shares in various federal state elections just a few years after its foundation in 2013 suggests that there was indeed a previously untapped reservoir of disenfranchised voters that could be mobilized by the "right" party. Given this pattern of results, it seems indeed possible that the substantial changes to labor markets in Western developed countries in recent history have contributed to a decline in mainstream party support in these countries.

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Table 1: Descriptive statistics

Variable	Men		Women	
	Mean	Std. Dev.	Mean	Std. Dev.
Believes state is responsible for the creation and protection of jobs	.353	.478	.423	.494
Routine task intensity index	-.198	.911	.107	1.07
Blinder-Krueger offshorability index	-.018	.837	-.148	.697
Strong interest in politics	.502	.50	.2741	.446
Identifies with a political party	.507	.50	.412	.492
Identifies with mainstream party	.464	.50	.379	.485
Worried about own economic situation	.185	.388	.204	.403
Worried about own job security	.127	.333	.112	.315
Worried about general economic situation	.362	.481	.369	.483
Worried about immigration	.263	.440	.251	.434
Worried about the environment	.223	.416	.280	.449
Worried about peace	.293	.455	.392	.488
Worried about crime	.348	.476	.402	.490
Worried about xenophobia	.220	.414	.271	.444
Ln(monthly wage)	8.01	.614	7.29	.810
Employed	.960	.196	.942	.234
	54,353		43,510	

Table 2: Involuntary job loss, employment and earnings

	Men		**Women**	
	Ln(monthly wage)	Employed (1 = yes)	Ln(monthly wage)	Employed (1 = yes)
Will lose job in one year	-0.043***	0.059***	-0.039	0.094***
	(0.016)	(0.008)	(0.032)	(0.012)
Lost job due to company closure in t	-0.077***	-0.307***	-0.127**	-0.340***
	(0.024)	(0.024)	(0.056)	(0.027)
Lost job one year ago	-0.072***	-0.073***	-0.056	-0.031
	(0.024)	(0.020)	(0.043)	(0.019)
Lost job two years ago	-0.070***	-0.072***	-0.055	-0.075***
	(0.023)	(0.020)	(0.051)	(0.024)
Lost job three or more years ago	-0.131***	-0.044***	-0.036	-0.037*
	(0.033)	(0.016)	(0.052)	(0.020)
P-value job loss in and after t jointly sign.	0.002	0.000	0.178	0.000
Observations	52025	54353	40868	43510

Coefficients, standard errors adjusted for clustering on the individual level in parentheses. */**/*** denote statistical significance on the 10%, 5% and 1% level respectively. All estimates include individual and year fixed effects.

Table 3: Involuntary job loss and political interest and identification

	Strong political interest (1= yes)	Identifies with a political party (1 = yes)	Identifies with a mainstream party (1 =yes)	Identifies with left-wing fringe party (1= yes)	Identifies with right-wing fringe party (1 = yes)
			Men		
Will lose job in one year	0.016	0.002	-0.003	0.005	0.006
	(0.019)	(0.021)	(0.022)	(0.006)	(0.006)
Lost job due to company closure in t	0.015	-0.055***	-0.067***	0.009	0.003
	(0.017)	(0.021)	(0.021)	(0.007)	(0.005)
Lost job one year ago	0.008	0.004	0.004	-0.003	0.003
	(0.021)	(0.026)	(0.027)	(0.009)	(0.005)
Lost job two years ago	0.006	-0.029	-0.032	-0.001	0.008
	(0.021)	(0.028)	(0.028)	(0.007)	(0.009)
Lost job three or more years ago	-0.019	-0.047*	-0.067***	0.007	0.006*
	(0.020)	(0.026)	(0.025)	(0.009)	(0.004)
P-value job loss in and after t jointly sign.	0.396	0.040	0.002	0.583	0.388
Observations	54353	54353	54353	54353	54353
			Women		
Will lose job in one year	-0.008	-0.006	-0.007	0.006	0.002
	(0.021)	(0.023)	(0.023)	(0.008)	(0.002)
Lost job due to company closure in t	-0.001	0.003	0.004	-0.001	-0.002
	(0.018)	(0.024)	(0.023)	(0.009)	(0.002)
Lost job one year ago	0.001	-0.034	-0.025	-0.008	0.006
	(0.026)	(0.036)	(0.035)	(0.010)	(0.005)
Lost job two years ago	-0.051*	-0.012	-0.016	0.004	-0.001
	(0.026)	(0.032)	(0.032)	(0.011)	(0.002)
Lost job three or more years ago	-0.039*	-0.027	-0.025	-0.005	0.001
	(0.023)	(0.030)	(0.029)	(0.014)	(0.002)
P-value job loss in and after t jointly sign.	0.184	0.773	0.812	0.700	0.352
Observations	43510	43510	43510	43510	43510

Coefficients, standard errors adjusted for clustering on the individual level in parentheses. */**/*** denote statistical significance on the 10%, 5% and 1% level respectively. All estimates include individual and year fixed effects.

Table 4: The role of beliefs in the responsibilities of the state

	Strong political interest (1= yes)	Identifies with a political party (1 = yes)	Identifies with a mainstream party (1 =yes)
		Men	
Will lose job in one year	0.034	0.019	0.021
	(0.026)	(0.030)	(0.031)
Lost job due to company closure in t	0.052**	-0.033	-0.041
	(0.022)	(0.031)	(0.030)
Lost job one year ago	0.019	0.043	0.059*
	(0.030)	(0.036)	(0.036)
Lost job two years ago	0.029	0.012	0.012
	(0.031)	(0.037)	(0.035)
Lost job three or more years ago	-0.007	0.025	-0.008
	(0.026)	(0.036)	(0.035)
Interactions with belief that state is responsible for the creation and protection of jobs			
Will lose job in one year	-0.038	-0.034	-0.050
	(0.039)	(0.043)	(0.043)
Lost job due to company closure in t	-0.080**	-0.048	-0.055
	(0.035)	(0.040)	(0.040)
Lost job one year ago	-0.023	-0.086*	-0.125**
	(0.042)	(0.051)	(0.053)
Lost job two years ago	-0.050	-0.094*	-0.098*
	(0.042)	(0.056)	(0.055)
Lost job three or more years ago	-0.025	-0.160***	-0.129***
	(0.039)	(0.048)	(0.047)
P-value job loss in and after t jointly sign.	0.190	0.001	0.000
Observations	54353	54353	54353
		Women	
Will lose job in one year	-0.037	0.001	-0.002
	(0.031)	(0.035)	(0.033)
Lost job due to company closure in t	-0.017	0.012	0.014
	(0.023)	(0.034)	(0.033)
Lost job one year ago	-0.021	0.003	0.008
	(0.033)	(0.047)	(0.047)
Lost job two years ago	-0.060*	-0.027	-0.033
	(0.036)	(0.044)	(0.043)
Lost job three or more years ago	-0.075**	-0.011	-0.006
	(0.035)	(0.044)	(0.043)
Interactions with belief that state is responsible for the creation and protection of jobs			
Will lose job in one year	0.059	-0.014	-0.011
	(0.041)	(0.047)	(0.045)
Lost job due to company closure in t	0.033	-0.020	-0.020
	(0.036)	(0.047)	(0.047)
Lost job one year ago	0.050	-0.084	-0.075
	(0.052)	(0.073)	(0.070)
Lost job two years ago	0.018	0.029	0.034
	(0.052)	(0.065)	(0.064)
Lost job three or more years ago	0.074*	-0.032	-0.039
	(0.044)	(0.058)	(0.057)
P-value job loss in and after t jointly sign.	0.374	0.770	0.804
Observations	43510	43510	43510

Coefficients, standard errors adjusted for clustering on the individual level in parentheses. */**/*** denote statistical significance on the 10%, 5% and 1% level respectively. All estimates include individual and year fixed effects.

Table 5: Involuntary job loss and worries

	Worried about own economic situation (1 = yes)	Worried about own job security (1 = yes)	Worried about general economic situation (1 = yes)	Worried about immigration (1 = yes)	Worried about the environment (1 = yes)	Worried about peace (1 = yes)	Worried about crime (1 = yes)	Worried about xenophobia (1 = yes)
				Men				
Will lose job in one year	0.093***	0.203***	0.053**	-0.031	0.029	0.018	-0.027	0.012
	(0.022)	(0.026)	(0.025)	(0.021)	(0.023)	(0.022)	(0.024)	(0.021)
Lost job due to company closure in t	0.073***	-0.100***	-0.007	-0.024	-0.007	0.023	-0.035	-0.016
	(0.021)	(0.021)	(0.024)	(0.021)	(0.021)	(0.020)	(0.024)	(0.020)
Lost job one year ago	0.047*	-0.018	-0.008	-0.001	0.038*	0.012	0.026	0.026
	(0.027)	(0.030)	(0.028)	(0.026)	(0.023)	(0.027)	(0.028)	(0.024)
Lost job two years ago	0.008	-0.083***	-0.016	0.028	0.003	0.049*	0.004	-0.021
	(0.026)	(0.027)	(0.029)	(0.025)	(0.025)	(0.028)	(0.027)	(0.026)
Lost job three or more years ago	0.006	-0.098***	-0.030	0.011	0.015	0.002	-0.018	-0.014
	(0.022)	(0.021)	(0.025)	(0.024)	(0.023)	(0.022)	(0.027)	(0.021)
P-value job loss in and after t jointly sign.	0.005	0.000	0.817	0.335	0.449	0.380	0.230	0.443
Observations	54353	54353	54353	54353	54353	54353	54353	54353
				Women				
Will lose job in one year	0.029	0.174***	-0.007	0.011	-0.035	-0.024	-0.016	-0.028
	(0.025)	(0.027)	(0.027)	(0.025)	(0.025)	(0.026)	(0.030)	(0.023)
Lost job due to company closure in t	0.074***	-0.070***	0.014	-0.000	-0.039*	-0.016	-0.002	0.049**
	(0.026)	(0.022)	(0.025)	(0.024)	(0.023)	(0.025)	(0.028)	(0.024)
Lost job one year ago	0.018	-0.004	-0.028	0.051	-0.030	0.069**	-0.051	0.018
	(0.033)	(0.029)	(0.032)	(0.033)	(0.030)	(0.028)	(0.037)	(0.032)
Lost job two years ago	-0.002	-0.015	0.038	-0.019	-0.023	0.016	-0.032	0.031
	(0.033)	(0.027)	(0.038)	(0.033)	(0.031)	(0.032)	(0.035)	(0.034)
Lost job three or more years ago	0.023	-0.031	0.035	0.047*	-0.012	0.046	-0.033	0.040
	(0.027)	(0.023)	(0.030)	(0.027)	(0.030)	(0.031)	(0.032)	(0.028)
P-value job loss in and after t jointly sign.	0.043	0.026	0.488	0.098	0.426	0.057	0.604	0.351
Observations	43510	43510	43510	43510	43510	43510	43510	43510

Coefficients, standard errors adjusted for clustering on the individual level in parentheses. */**/*** denote statistical significance on the 10%, 5% and 1% level respectively. All estimates include individual and year fixed effects.

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Table 6: Routine-task intensity and offshorability of prior job and the earnings and employment losses of involuntary job loss

	Men		**Women**	
	Ln(monthly wage)	Employed (1 = yes)	Ln(monthly wage)	Employed (1 = yes)
Will lose job in one year	-0.043***	0.055***	-0.017	0.083***
	(0.016)	(0.008)	(0.035)	(0.012)
Lost job due to company closure in t	-0.076***	-0.315***	-0.119**	-0.318***
	(0.023)	(0.024)	(0.053)	(0.028)
Lost job one year ago	-0.073***	-0.073***	-0.047	-0.029
	(0.024)	(0.022)	(0.043)	(0.019)
Lost job two years ago	-0.068***	-0.080***	-0.043	-0.079***
	(0.023)	(0.020)	(0.052)	(0.025)
Lost job three or more years ago	-0.131***	-0.051***	-0.022	-0.031
	(0.034)	(0.016)	(0.052)	(0.019)
Interactions with routine task intensity index				
Will lose job in one year	-0.005	-0.003	-0.023	0.012
	(0.015)	(0.009)	(0.027)	(0.010)
Lost job due to company closure in t	-0.001	-0.065***	-0.013	-0.058**
	(0.020)	(0.024)	(0.037)	(0.026)
Lost job one year ago	-0.001	-0.006	0.016	-0.024
	(0.015)	(0.021)	(0.023)	(0.019)
Lost job two years ago	0.012	-0.048**	-0.021	-0.016
	(0.014)	(0.019)	(0.037)	(0.022)
Lost job three or more years ago	-0.002	-0.027**	-0.012	-0.004
	(0.024)	(0.013)	(0.029)	(0.010)
Interactions with Blinder-Krueger Offshorability index				
Will lose job in one year	-0.022	0.005	0.084**	-0.038**
	(0.016)	(0.009)	(0.040)	(0.015)
Lost job due to company closure in t	-0.011	0.075***	0.023	0.039
	(0.020)	(0.026)	(0.054)	(0.037)
Lost job one year ago	0.000	0.018	0.064	-0.016
	(0.023)	(0.019)	(0.040)	(0.025)
Lost job two years ago	0.003	0.018	0.039	-0.032
	(0.017)	(0.021)	(0.066)	(0.040)
Lost job three or more years ago	0.012	-0.003	0.080*	0.031
	(0.018)	(0.011)	(0.047)	(0.021)
P-value job loss in and after t jointly sign.	0.106	0.000	0.356	0.000
Observations	52025	54353	40868	43510

Coefficients, standard errors adjusted for clustering on the individual level in parentheses. */**/*** denote statistical significance on the 10%, 5% and 1% level respectively. All estimates include individual and year fixed effects.

Table 7: Routine-task intensity and offshorability of prior job and the effect of involuntary job loss on political interest and identification

	Men			Women		
	Strong political interest (1= yes)	Identifies with a political party (1 = yes)	Identifies with a mainstream party (1 =yes)	Strong political interest (1= yes)	Identifies with a political party (1 = yes)	Identifies with a mainstream party (1 =yes)
Will lose job in one year	0.012	0.002	-0.004	-0.003	-0.010	-0.009
	(0.019)	(0.021)	(0.021)	(0.024)	(0.023)	(0.023)
Lost job due to company closure in t	0.013	-0.053**	-0.065***	-0.018	0.003	0.006
	(0.018)	(0.021)	(0.021)	(0.018)	(0.025)	(0.025)
Lost job one year ago	0.001	0.007	0.006	0.006	-0.043	-0.030
	(0.022)	(0.028)	(0.029)	(0.028)	(0.036)	(0.035)
Lost job two years ago	-0.001	-0.031	-0.034	-0.052*	0.002	-0.004
	(0.022)	(0.029)	(0.029)	(0.030)	(0.035)	(0.034)
Lost job three or more years ago	-0.028	-0.048*	-0.068***	-0.040*	-0.020	-0.013
	(0.020)	(0.027)	(0.026)	(0.024)	(0.032)	(0.029)
Interactions with routine task intensity index						
Will lose job in one year	-0.035*	-0.021	-0.020	-0.000	0.009	0.000
	(0.020)	(0.020)	(0.021)	(0.023)	(0.022)	(0.022)
Lost job due to company closure in t	-0.013	0.018	0.014	0.040**	-0.002	-0.005
	(0.018)	(0.019)	(0.021)	(0.019)	(0.022)	(0.021)
Lost job one year ago	-0.030	0.018	0.010	-0.042*	0.018	0.017
	(0.021)	(0.031)	(0.031)	(0.022)	(0.031)	(0.031)
Lost job two years ago	-0.045**	-0.010	-0.016	0.009	-0.020	-0.020
	(0.021)	(0.030)	(0.030)	(0.023)	(0.027)	(0.027)
Lost job three or more years ago	-0.040***	-0.012	-0.011	0.015	-0.039*	-0.050***
	(0.014)	(0.019)	(0.020)	(0.018)	(0.020)	(0.019)
Interactions with Blinder-Krueger Offshorability index						
Will lose job in one year	0.005	-0.033	-0.020	0.018	-0.008	-0.008
	(0.018)	(0.022)	(0.022)	(0.029)	(0.027)	(0.026)
Lost job due to company closure in t	0.013	-0.043**	-0.017	-0.038*	-0.001	0.004
	(0.017)	(0.020)	(0.019)	(0.021)	(0.027)	(0.027)
Lost job one year ago	-0.011	-0.019	-0.011	0.004	-0.044	-0.020
	(0.025)	(0.023)	(0.025)	(0.039)	(0.042)	(0.042)
Lost job two years ago	-0.007	0.020	0.018	0.010	0.053	0.044
	(0.020)	(0.031)	(0.030)	(0.038)	(0.041)	(0.039)
Lost job three or more years ago	0.009	0.007	0.009	0.005	0.004	0.028
	(0.017)	(0.017)	(0.017)	(0.027)	(0.034)	(0.027)
P-value job loss in and after t jointly sign.	0.1735	0.164	0.083	0.067	0.491	0.498
Observations	54353	54353	54353	43510	43510	43510

Coefficients, standard errors adjusted for clustering on the individual level in parentheses. */**/*** denote statistical significance on the 10%, 5% and 1% level respectively. All estimates include individual and year fixed effects.

Table 8: Effects of involuntary job loss by education level

	Low-skilled	Medium-skilled	High-skilled
	Men		
	Employed (1 = yes)		
Will lose job in one year	0.091***	0.043***	0.063**
	(0.013)	(0.010)	(0.025)
Lost job due to company closure in t	-0.410***	-0.257***	-0.226***
	(0.043)	(0.031)	(0.066)
Lost job one year ago	-0.052	-0.088***	-0.027
	(0.041)	(0.027)	(0.046)
Lost job two years ago	-0.076**	-0.066***	-0.066
	(0.036)	(0.026)	(0.049)
Lost job three or more years ago	-0.074**	-0.028	-0.028
	(0.031)	(0.021)	(0.045)
P-value job loss in and after t jointly sign.	0.000	0.000	0.007
Observations	15435	28257	10661
	Ln(monthly wage)		
Will lose job in one year	-0.047**	-0.042*	0.023
	(0.023)	(0.024)	(0.035)
Lost job due to company closure in t	-0.110***	-0.059	-0.029
	(0.033)	(0.036)	(0.046)
Lost job one year ago	-0.133***	-0.031	-0.064
	(0.037)	(0.031)	(0.087)
Lost job two years ago	-0.100***	-0.054*	-0.013
	(0.030)	(0.033)	(0.074)
Lost job three or more years ago	-0.216***	-0.093**	-0.017
	(0.051)	(0.047)	(0.091)
P-value job loss in and after t jointly sign.	0.000	0.303	0.876
Observations	15435	28257	10661
	Women		
	Employed (1 = yes)		
Will lose job in one year	0.110***	0.080***	0.079***
	(0.023)	(0.014)	(0.028)
Lost job due to company closure in t	-0.478***	-0.283***	-0.194***
	(0.047)	(0.035)	(0.065)
Lost job one year ago	-0.127**	-0.014	0.057*
	(0.055)	(0.020)	(0.030)
Lost job two years ago	-0.117**	-0.054*	-0.086
	(0.053)	(0.028)	(0.059)
Lost job three or more years ago	-0.066	-0.022	-0.011
	(0.043)	(0.023)	(0.049)
P-value job loss in and after t jointly sign.	0.000	0.000	0.013
Observations	11773	25792	5945
	Ln(monthly wage)		
Will lose job in one year	-0.130**	-0.010	0.039
	(0.058)	(0.041)	(0.101)
Lost job due to company closure in t	-0.203	-0.144**	0.049
	(0.137)	(0.069)	(0.095)
Lost job one year ago	-0.120	-0.076	0.090
	(0.088)	(0.059)	(0.082)
Lost job two years ago	-0.128	-0.065	0.089
	(0.113)	(0.062)	(0.162)
Lost job three or more years ago	-0.096	-0.037	0.118
	(0.101)	(0.070)	(0.103)
P-value job loss in and after t jointly sign.	0.600	0.2195	0.667
Observations	10874	24380	5614

Coefficients, standard errors adjusted for clustering on the individual level in parentheses. */**/*** denote statistical significance on the 10%, 5% and 1% level respectively. All estimates include individual and year fixed effects.

Table 9: Effect of involuntary job loss on political preferences by skill-level, Men

	Low-skilled	Medium-skilled	High-skilled
Strong political interest (1= yes)			
Will lose job in one year	0.011	-0.008	0.146***
	(0.035)	(0.025)	(0.051)
Lost job due to company closure in t	0.052*	-0.014	0.053
	(0.028)	(0.024)	(0.054)
Lost job one year ago	-0.048	0.033	0.009
	(0.036)	(0.029)	(0.063)
Lost job two years ago	0.010	-0.001	0.039
	(0.031)	(0.032)	(0.051)
Lost job three or more years ago	-0.028	-0.027	0.040
	(0.039)	(0.026)	(0.049)
P-value job loss in and after t jointly sign.	0.146	0.256	0.867
Identifies with a political party (1 = yes)			
Will lose job in one year	-0.032	-0.019	0.226***
	(0.034)	(0.027)	(0.077)
Lost job due to company closure in t	-0.062**	-0.069**	0.033
	(0.029)	(0.030)	(0.061)
Lost job one year ago	-0.030	-0.000	0.126*
	(0.046)	(0.035)	(0.069)
Lost job two years ago	-0.058	-0.045	0.124*
	(0.040)	(0.042)	(0.069)
Lost job three or more years ago	-0.091**	-0.055	0.139*
	(0.038)	(0.038)	(0.073)
P-value job loss in and after t jointly sign.	0.103	0.120	0.254
Identifies with a mainstream party (1 =yes)			
Will lose job in one year	-0.041	-0.020	0.210***
	(0.034)	(0.027)	(0.080)
Lost job due to company closure in t	-0.098***	-0.062**	0.013
	(0.029)	(0.030)	(0.064)
Lost job one year ago	-0.053	0.015	0.112*
	(0.050)	(0.036)	(0.067)
Lost job two years ago	-0.073*	-0.041	0.122*
	(0.040)	(0.040)	(0.072)
Lost job three or more years ago	-0.096***	-0.071**	0.071
	(0.037)	(0.036)	(0.077)
P-value job loss in and after t jointly sign.	0.009	0.034	0.270
Observations	15435	28257	10661

Coefficients, standard errors adjusted for clustering on the individual level in parentheses. */**/*** denote statistical significance on the 10%, 5% and 1% level respectively. All estimates include individual and year fixed effects.

Table 10: Effect of involuntary job loss on political preferences by skill level, Women

	Low-skilled	Medium-skilled	High-skilled
Strong political interest (1= yes)			
Will lose job in one year	-0.037	-0.013	0.123
	(0.029)	(0.027)	(0.084)
Lost job due to company closure in t	-0.014	-0.001	0.030
	(0.027)	(0.025)	(0.065)
Lost job one year ago	0.000	-0.005	0.018
	(0.041)	(0.035)	(0.075)
Lost job two years ago	-0.041	-0.074**	0.041
	(0.038)	(0.036)	(0.090)
Lost job three or more years ago	-0.043	-0.045	-0.046
	(0.029)	(0.033)	(0.070)
P-value job loss in and after t jointly sign.	0.587	0.194	0.618
Identifies with a political party (1 = yes)			
Will lose job in one year	-0.025	0.036	-0.123*
	(0.038)	(0.031)	(0.068)
Lost job due to company closure in t	0.001	0.039	-0.118**
	(0.038)	(0.033)	(0.056)
Lost job one year ago	0.041	-0.024	-0.166
	(0.073)	(0.043)	(0.103)
Lost job two years ago	0.005	0.017	-0.147
	(0.055)	(0.041)	(0.098)
Lost job three or more years ago	0.010	-0.008	-0.159**
	(0.046)	(0.042)	(0.065)
P-value job loss in and after t jointly sign.	0.988	0.521	0.135
Identifies with a mainstream party (1 =yes)			
Will lose job in one year	-0.027	0.035	-0.132*
	(0.035)	(0.031)	(0.068)
Lost job due to company closure in t	0.008	0.029	-0.101
	(0.037)	(0.033)	(0.062)
Lost job one year ago	0.054	-0.019	-0.174*
	(0.073)	(0.040)	(0.101)
Lost job two years ago	0.013	0.011	-0.198**
	(0.055)	(0.041)	(0.090)
Lost job three or more years ago	0.013	-0.006	-0.162**
	(0.046)	(0.040)	(0.078)
P-value job loss in and after t jointly sign.	0.966	0.720	0.116
Observations	15435	28257	10661

Coefficients, standard errors adjusted for clustering on the individual level in parentheses. */**/*** denote statistical significance on the 10%, 5% and 1% level respectively. All estimates include individual and year fixed effects.