

Globalization with Whom:
Context-Dependent Foreign Direct Investment Preferences

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Abstract:

Despite decades of investment liberalization, public opinion in many countries to be sharply divided on the issue of *inward* foreign investment. Existing research on foreign direct investment (FDI) preferences has focused on economic explanations to explain public divisions on foreign investment. Yet, while the predictions of economic models have been based on the assumption that individual market participants are knowledgeable about the distributional consequences of FDI, there is ample evidence that even economic experts find it difficult to assess the economic impact of FDI. This suggests that individuals are likely to rely on heuristics to form preferences on foreign investment. Drawing on original survey experiments conducted in the United States and the United Kingdom, we demonstrate that individuals rely on non-economic contextual heuristics when forming FDI preferences, paying close attention to whom the foreign investors are.

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1. Introduction

The politics of globalization, and foreign direct investment (FDI) in particular, presents something of a paradox. While countries have increasingly liberalized laws towards FDI, public opinion towards all aspects of economic globalization (trade, immigration, and FDI) remains tepid at best and openly hostile at worst in many countries.¹ Adding to the paradox is the fact that the negative public mood towards globalization cannot be straightforwardly accounted for by the distribution of skill levels within countries, despite the prominence given to skill levels in most models of economic preference formation. Finally, there seems to be considerable variation in support for globalization across time and different surveys. In this paper, we argue that the support for globalization in general, and foreign direct investment in particular, is highly dependent on how globalization is framed – the context in which it is presented. Individuals, independent of their skill level, find it generally difficult to assess the personal costs and benefits of globalization. As a consequence, individuals rely on heuristics suggested by the frame of presentation. We empirically show, using US and UK public opinion data on foreign direct investment, that respondents not only use cognitive shortcuts to assess the economic situation (reciprocity and job creation), but also closely monitor non-economic contextual factors, with particularly strong attention given to whom foreign investors are (country of origin).

Our results are in contrast to much of the existing literature on globalization preferences, which has been dominated by models situated within the Heckscher-Ohlin framework and therefore focus on the influence of individual skill endowments.² At the

¹ See Sauvants (2012) for a review of recent FDI policy changes.

² With respect to FDI, they predict that individuals with high skill levels, measured by educational attainment, tend to be more favorable toward inward FDI (in capital abundant countries) than individuals with low skill levels.

same time, our results are consistent with recent studies showing that public evaluations of the consequences of globalization can no longer be straightforwardly explained exclusively with economic models of preference formation (Hainmueller and Hiscox, 2006, 2010; Mansfield and Mutz, 2009; Margalit, 2012; Lü, Scheve, and Slaughter, 2010). In addition, there is ample evidence that citizens in many countries, including in the United States and the United Kingdom, have grown more concerned in recent years, independent of skill level, about the potential effects of foreign investment on domestic politics and the domestic economy (oftentimes characterized by a baseline of distinct anti-foreign bias).

In this paper, we explain the complex patterns of support and opposition to foreign investment by drawing on original surveys of nationally representative samples of US and UK residents that were fielded in 2009, 2010, 2012, and 2013. Our surveys, which include experimental as well as non-experimental questions, provide consistently strong evidence that respondents use the question of “globalization with whom” as a cognitive shortcut in the process of economic preference formation, and they are ready to reevaluate their economic interests if their perceptions of foreign investors (countries and/or companies) are sufficiently negative (positive). In particular, we find that respondents generally have more positive attitudes towards foreign investment when 1) they have a favorable opinion of the foreign investor’s country of origin, 2) there is an expectation that foreign countries will reciprocate with equally favorable investment environments for domestic companies, and 3) foreign investments are associated with domestic job creation. In the absence of these attributes, respondents tend to have, on average and largely independent of skill level, a much less favorable view of foreign investment. Since public opinion in many other

countries reflects similar unease about FDI, we believe that our findings are generalizable beyond the US and the UK.³

In the following sections, we build on recent survey-based research on economic preferences as well as findings from management, marketing and psychology research to explore the role of heuristics in FDI preference formation. The paper proceeds as follows. In Section 2, we document patterns of support and opposition to FDI that are inconsistent with standard economic models of preference formation. In Section 3, we argue that existing patterns of FDI preferences are based on the use of heuristics that are designed to answer the question of “globalization with whom”. In Section 4, we present our research design and results from six original survey experiments conducted in 2009, 2010, 2012, and 2013 in the US and the UK. Section 5 concludes.

2. Foreign Direct Investment Preferences

In this section, we describe some evidence on US and UK FDI preferences based on non-experimental survey questions. Our original survey data comes from four sources. Two US surveys were fielded as part of the Cooperative Congressional Election Study (CCES), an Internet-based survey administered by YouGov. In particular, we included one question on foreign direct investment on the 2009 CCES, and a battery of questions on the 2010 CCES.

³ The US and the UK are generally representative of advanced industrialized countries in overall perceptions of FDI. In 2007, the Pew Center conducted a large, cross-national survey of FDI preferences, asking citizens if they have positive or negative views of foreign companies (Pew Global Attitudes Survey, available at <<http://tinyurl.com/6tp2oka>>). They surveyed a total of 48 countries, including ten advanced industrialized countries. On average, 48.8% of respondents in the advanced industrialized countries viewed foreign firms favorably. The US and the UK were close to the averages with 45% and 48%, respectively. In fact, most of the advanced industrialized countries were clustered around the mean, with only Spain exhibiting substantially less favorable attitudes towards foreign firms (38%).

Our 2009 CCES sample totaled 1,500 respondents, while the 2010 CCES sample included 1,000 respondents for most questions and 2,000 respondents for one of the questions. Our third US survey was fielded to 1,602 respondents as part of the 2012 and 2013 The American Panel Survey (TAPS), which is a five-year panel of 2,000 respondents administered by KnowledgeNetworks. Our final Internet survey, conducted in October 2012 in the UK and administered by YouGov, was fielded to a representative sample of 1,500 UK residents.

We begin our empirical analysis with a brief discussion of the following two questions on preferences about inward and outward investment, respectively, which were fielded – in the following order – as part of the 2010 CCES. Consistent with previous work,⁴ we find that respondents exhibit considerable skepticism towards foreign investment.⁵

FDI1US Do you think foreign countries should remove restrictions on U.S. companies' ability to invest in those foreign countries?
Yes | No | Don't know

FDI2US Do you think the United States should remove restrictions on foreign companies' ability to invest in the United States?
Yes | No | Don't know

In response to FDI1US, only 36.5% of respondents were in favor of other countries liberalizing foreign direct investment policy. The number of respondents that favored US

⁴ See Scheve and Slaughter (2001) for documentation of US views towards inward FDI and a discussion on how both economic factors and concerns over “foreign control” drive these preferences.

⁵ We seek respondents' opinions on foreign countries' FDI policies for a direct comparison of individual preferences with respect to inward and outward investment. We make no claim that public opinion in the US directly affects foreign countries' FDI policies.

liberalization in FDI2US was, at 22.8%, almost 40% lower than the corresponding percentage for FDI1US.⁶

We also find a strong correlation in the individual responses to the two questions. While 15% of respondents want foreign countries to liberalize, but not the US, indicating a protectionist bias, most respondents are generally quite consistent, either supporting or opposing liberalization across the board.⁷ In particular, over 85% of respondents that support US liberalization also support liberalization in other countries.⁸

What explains this resistance towards FDI? We specifically probe the reasons for anti-inward FDI preferences by asking respondents about their beliefs about FDI's impact on job creation:

FDI3US Do you think foreign investment in the United States increases or decreases the number of jobs available to United States workers?
Increases | Decreases | Neither | Don't know

We find mixed results with respect to the impact of FDI, with 41.71% of respondents indicating that FDI increases the number of jobs, 29.29% indicating that it decreases the number of jobs, and 10.85% responding don't know.⁹ These results vary by demographic group, with the number of respondents indicating that FDI increases jobs

⁶ We find a substantial number of don't know responses in our survey. For both questions, roughly a third of the respondents indicated "don't know" (38% and 31%, respectively). In the analysis below, we conduct a number of robustness checks on the inclusion (exclusion) of don't know responses.

⁷ Only 24 respondents support US liberalization, while opposing liberalization by other countries.

⁸ In Section 4.1, where we use the same two questions as part of a question-order experiment, we show that the order in which these two questions are asked has a significant influence on the level of support for investment liberalization at home and abroad.

⁹ 1.14% did not answer the question and 17.01% selected don't know.

being higher for Republicans (47.41%), men (49.02%), and college-educated respondents (56.58%).

We also asked respondents about their views on restricting FDI (FDI4US). Whereas FDI2US asks about removing FDI restrictions (a policy view), FDI4US is a more general question about the encouragement or restriction of FDI.

FDI4US Do you think that the U.S. government should restrict or encourage foreign investment in the United States?
Restrict | Encourage | Neither | Don't know

The aggregate results are similar to those from the job creation question (FDI3US). In particular, 40.72% of respondents were in favor of encouraging FDI and 23.32% in favor of restricting FDI, with the rest of the respondents falling into the neither (17.35%), don't know (17.92%), or did not answer categories (0.7%). Moreover, individual respondents tend to be consistent across questions.

We find similar patterns of support and opposition to FDI in the UK. When asked about FDI policies of foreign countries and the UK, using the same wording as in FDI1US and FDI2US, 51% of respondents were in favor of foreign countries removing restrictions, while 40% were in favor of the UK removing restrictions. UK respondents had a slightly more optimistic view of FDI's effect on jobs than their American counterparts (same question wording as FDI3US), with 51% of respondents indicating that FDI increased jobs and only 14% indicating that FDI decreased jobs.

We also fielded FDI3US and FDI4US on the 2012 TAPS survey and added an additional follow-up question.¹⁰ The final question in this series asked respondents a hypothetical question on FDI and job creation.

FDI5US Would you support restrictions on foreign investment even if foreign investment created jobs for U.S. workers?
Yes, restrict | No, don't restrict | Don't know

The results for this question are quite interesting. In our TAPS survey, 38.21% of respondents supported FDI on FDI4US. When respondents were asked FDI5US, 67.73% of respondents wanted the government to encourage FDI. While much of this increase is due to respondents who originally indicated don't know in FDI4US becoming supportive of FDI in FDI5US, 36.5% of respondents that were in favor of FDI restrictions in FDI4US switched to encouraging FDI in FDI5US. In the UK, we limited this follow-up question to individuals who had previously indicated that they favored restricting FDI. When asked the equivalent of FDI5US, roughly half of the UK respondents who had previously favored restrictions on FDI shifted to either encouraging FDI or the "don't know" category. These data suggest that employment creation can have a major impact on FDI preferences and that voters may, to some extent, view FDI through a sociotropic lens.

At first glance, this last finding may seem to lend support to economic models of FDI preference formation. Yet, we note that when respondents are not primed about the job creation potential of FDI, support for FDI is significantly lower (see above). We conclude that economic impact heuristics are important for FDI preference formation. Absent any reference to economic impact, FDI preferences tend to be more protectionist, whereas

¹⁰ The TAPS data yielded similar results for FDI3US: 30% of respondents indicated FDI decreased jobs, while 41% indicated FDI increased jobs.

support for FDI increases when it is framed in terms of domestic job creation.¹¹

In the next section, we draw on literature in management science, marketing and political science to develop an explanation for within-country and over-time variation in FDI preferences, which economic models have not fully accounted for. The key argument is that, in addition to economic factors, public opinion is influenced by perceptions about the foreign investor and, in particular, the country where the investment originates.

3. Globalization with Whom

While there is a large literature on trade policy preferences, research on FDI preferences has been less prolific and primarily focused on economic explanations. In one of the few published pieces on the topic, Pandya (2010), in a cross-national study using Latin Barometer data, finds evidence that the skill of workers and the type of investment affect public support for foreign investment (see also O'Rourke and Sinnott, 2006; Mayda and Rodrik, 2005; and Scheve and Slaughter, 2001). Other research focuses on the relationship between capital or labor intensity of FDI and partisan preferences towards FDI (Pinto, forthcoming; and Pinto and Pinto, 2008).

Few scholars have examined how non-economic factors affect FDI preferences.¹² Here, we argue that, while economic models provide some very important insights into FDI preferences, the complex nature of FDI leads individuals to rely on heuristics to form FDI

¹¹ Another way of thinking about this effect is that respondents use an availability heuristic (i.e., foreign investment yields foreign influence on the domestic economy and politics) when they cannot assess economic impact (on the concept of availability heuristic, see Tversky and Kahneman, 1973).

¹² In her cross-national study, Pandya (2010) provides a robustness test for the impact of nationalism on FDI preferences, but does not find strong evidence that nationalism influences FDI preferences.

preferences, in particular favorability of source countries, as well as expectations about reciprocity and economic impact. One example of this complexity of the impact of FDI is that, while there is evidence that the presence of foreign firms has a direct positive effect on wages, the broader distributional consequences are less clear (see Moran, 1999). First, FDI can affect the productivity of domestic investment in different ways: oftentimes, it increases productivity of suppliers and customers, but at the same time decreases the productivity of competitors.¹³ Second, while FDI *can* increase the demand for capital and/or labor, this is conditional on the sector of investment (see Pinto, forthcoming; and Pinto and Pinto, 2008). Third, the impact of FDI on domestic society can be indirect. For example, the mobility of foreign firms can affect perceptions of job insecurity. In particular, in communities with high levels of FDI, there tends to be more concern about individual job insecurity (Scheve and Slaughter, 2004). Finally, the net impact of FDI on the host country's economy is often a function of the country's absorptive capacity (or, more generally, the domestic economic, political and institutional context).

Our focus on country-of-origin and economic impact heuristics closely tracks management research on bias against foreign investment (beginning with the seminar work of Hymer, 1960). Similarly, marketing research has documented forms of anti-foreign bias on individual product choice.¹⁴ The extent of this bias depends on a number of factors, including the familiarity with the product as well as the extent of “consumer ethnocentrism” (Shimp and Sharma, 1987). In particular, Shimp and Sharma document a bias against foreign products that is independent of the quality and price of the product. Instead, consumers

¹³ The classic study on the topic is Aitken and Harrison (1999).

¹⁴ See Peterson and Jolibert (1995) for a review and meta-analysis of 69 studies. See Luo et al. (2002) for work on how firms can mitigate the liability of foreignness.

evaluate foreign products based on patriotism and the impact of purchasing foreign products on their country.

Our first hypothesis relates to foreign direct investment liberalization generally and directly builds on the liability of foreignness argument. In particular, we argue that the liability is reduced when respondents are instructed to first consider the opportunities of investment liberalization for domestic companies before contemplating domestic investment liberalization designed to attract foreign investment. Making respondents consider these two related issues in that order is likely to result in a reciprocity effect that is well known from (political) psychology research (Schuman and Presser, 1981; Schuman and Ludwig, 1983; and Ayidiya and McClendon, 1990, 234). With respect to FDI preferences, this means that respondents, when asked about investment liberalization, will tend to be more supportive of domestic investment liberalization when they are asked about foreign investment liberalization first and then about domestic investment liberalization, rather than the other way around (this is also referred to as a “question order effect”). This effect is the result of two interrelated factors: first, on average, respondents tend to be more supportive of foreign than domestic investment liberalization; second, once they expressed support for foreign investment liberalization, respondents tend to feel an obligation to reciprocate.

Hypothesis 1: Support for foreign direct investment liberalization will increase when respondents are instructed to consider foreign investment liberalization prior to domestic investment liberalization.

Next, we address the puzzle of why respondents indicate that they feel more favorable towards outward FDI than inward FDI (see Section 2). Economic research and

debates about outsourcing suggest that respondents should be in favor of inward investment, since it creates jobs and generates tax revenue for local communities, and be opposed to outward investment, which has been linked to outsourcing of domestic jobs. Yet, the opposite seems to be the case: respondents are more favorable towards FDI outflows than FDI inflows.

We argue that this finding is only puzzling from the perspective of pure economic models of preference formation. Once we acknowledge that non-economic factors play a role in the evaluation of foreign investment, in particular in the form of perceptions about foreign countries and fear of foreign influence, the outward-inward paradox disappears. In fact, outward FDI is often framed as “American” investment, while inward FDI tends to be framed as “foreign investment”, thereby increasing the likelihood of activating anti-foreign sentiments. Stated differently, there might be a default frame that is implicitly invoked when respondents are asked about inward and outward investment – an out-group and in-group frame, respectively (similar to the bias against foreign products that we discussed above). We argue that if foreign investment is explicitly framed in terms of its potential benefits for the domestic economy, most prominently domestic job creation, then respondents’ assessment of foreign investment becomes more favorable (assuming that there are no countervailing country-of-origin effects; see below).

Hypothesis 2: Support for inward investment will increase when the investment is explicitly framed in terms of domestic job creation.

Our main and final hypothesis builds on marketing research that has shown that support for foreign products is not only affected by individual-level factors, but also by

country of origin (Baughn and Yaprak, 1993; Verlegh and Steenkamp, 1999; and Balabanis and Diamantopoulos, 2004), which, in turn, has been shown to affect product evaluations (Bilkey and Nes, 1982; and Usunier and Cestre, 2007). Usunier and Cestre (2007, 35) call this “product ethnicity”, which they define as “stereotypical associations between products and countries based on their perceptions of a country’s know-how and reputation relative to the design, manufacturing, or branding of particular generic goods.”¹⁵

We hypothesize that individuals use country of origin as a heuristic for evaluating foreign investments. In particular, FDI from negatively perceived countries will result in more negative evaluations of foreign investment, while FDI from positively perceived countries would trigger more favorable evaluations of foreign investment.

Hypothesis 3: Support for foreign investment will reflect the favorability of the country of origin.

We test these three hypotheses in Section 4 using experimental survey questions and show that individuals use country-of-origin and economic impact heuristics to form preferences on FDI.

4. Research Design and Data

¹⁵ Image theory in political science and psychology comes to similar conclusions about the relationship between perceptions of and preferences about target countries. In particular, image theory relates perceptions of foreign countries to foreign policy attitudes (see Alexander et al., 1999, 2005; and Johns, 2009). For example, Johns finds that a target nation’s regime type and religion have a major impact on citizens’ support for war (Johns and Davis, forthcoming).

We address the “globalization with whom” question by way of several survey experiments. This approach differs from previous work, such as Mansfield and Mutz (2009), who directly ask individuals about their views towards out-groups. Using simple stimuli and randomly assigning individuals to several treatment groups and a control group, we examine if source country attributes and economic impact affect support for foreign direct investment.

Our research design draws on seven survey experiments. We fielded four survey experiments in the US (three as part of the 2010 CCES, one as part of the 2009 CCES and another one as part of the April 2013 TAPS) and two survey experiments in the UK. All of the surveys were conducted online. The TAPS survey was administered by KnowledgeNetworks, while the remaining surveys were administered by YouGov. The sample sizes were 1,500 for the 2009 CCES, 1,000 for the 2010 CCES, 1,500 for the April 2013 TAPS and 1,500 for the 2012 UK Survey.

Our first experiment investigates the stability (instability) of FDI preferences. It shows that varying the order of questions about inward and outward investment influences a respondent’s support for FDI. More importantly, our results speak to how reciprocity affects FDI preferences. We fielded this question both in the US and the UK.

Our second experiment uses images of automobile factories in the United States and in Japan to study the variability of FDI preferences. We hold the industry (automobile), company (Toyota) and question wording constant across treatments, while varying the image. This manipulation allows us to examine how priming respondents to think about the job creation potential of inward investment (images of US workers in a Toyota plant) affects FDI preferences compared to our control condition (images of Japanese workers in a Toyota plant). Despite documented evidence of Americans’ skepticism towards FDI, we argue that

priming individuals with an image of a foreign investment that creates US jobs will increase support for FDI liberalization.

Our final experiment asks respondents about their views on the impact of foreign investment on the domestic economy, randomizing between two different countries of origin. In particular, we conducted three survey experiments in the US and one survey experiment in the UK. In each case, the source country treatments were selected because they reflected actual as well as visible foreign investment activity and differences in the domestic population's perceptions across treatment source countries.

4.1. Reciprocity

In this section, we rely on a classic question-order design, varying the order of questions on foreign and domestic liberalization (see above).¹⁶ In the US case, half of the respondents received the following questions in the order RI1US-RI2US, with the order reversed for the other half of respondents (RI2US-RI1US):

RI1US Do you think foreign countries should remove restrictions on U.S. companies' ability to invest in those foreign countries?
Yes | No | Don't know

RI2US Do you think the United States should remove restrictions on foreign companies' ability to invest in the United States?
Yes | No | Don't know

We first examine responses to RI2US (US liberalization). When respondents were first asked about their views on removing US FDI restrictions (first RI2US and then RI1US),

¹⁶ This question was fielded on a new, nationally representative sample of 1,000 respondents.

the majority of respondents were still opposed (consistent with the results from the same questions in the non-experimental setup). Excluding don't know responses, only 35.9% of respondents supported US investment liberalization. Yet, when respondents were first asked about foreign countries' FDI policies (first RI1US and then RI2US), support for US liberalization was 9.56% higher compared to the group that received the questions in the reverse order.¹⁷ That difference is statistically significant at $p < 0.1$ (see Table A1 in the appendix).

Next, we examine responses to RI1US (foreign country liberalization). As documented earlier, respondents are much more supportive of other countries liberalizing their investment policies. Excluding don't know responses, 54% of respondents supported other countries removing restrictions on foreign investment (see Table A2 in the appendix).

Yet, again the question order had a substantial impact on responses. When respondents were first presented the question on foreign country investment policy (RI1US), over 62% of respondents supported liberalization by other countries. When this question was asked second, after the question about US investment policy (RI2US), support for foreign country liberalization dropped to 47%. This 16% difference is both large and statistically significant ($p < 0.01$).

We obtain similar results for the UK sample. Our questions for the UK reciprocity experiment are as follows:

RI1UK Do you think foreign countries should remove restrictions on British companies' ability to invest in those foreign countries?
Yes | No | Don't know

¹⁷ Including don't know responses yields similar results.

RI2UK Do you think Britain should remove restrictions on foreign companies' ability to invest in Britain?
Yes | No | Don't know

While the overall level of support for both UK and foreign investment liberalization is higher than in the US, we find very similar effects of question order on support for investment liberalization (see Tables A3 and A4 in the appendix). When US respondents were first asked about foreign countries' policies, support for foreign country liberalization increased by 9% and support for US liberalization by 16%. The results for the UK show similar, statistically significant increases in support (see bottom of Tables A3 and A4). We conclude that reciprocity has a similar effect on respondents' support for FDI liberalization across both the US and the UK.

Our interpretation of these results is that respondents' FDI preferences vary based on whether respondents are primed to *first* think about foreign investment in terms of opportunities for domestic companies or an encroachment of the domestic economy by foreign companies. In particular, when thinking about opportunities for domestic companies first, individuals are not only primed to think about economic benefits, but they also tend to realize, when subsequently asked about domestic investment liberalization, that expectations about foreign investment liberalization are only realistic if it is reciprocated with domestic investment liberalization. This finding fits with existing public opinion research on the role of reciprocity and sheds new light on the formulation of FDI preferences (see, for example, Schuman and Presser, 1981; and Schuman and Ludwig, 1983). Overall, our results lend strong support to the relationship posited in Hypothesis 1.¹⁸

¹⁸ We also confirmed that there were no learning effects as a result of the question order. In particular, we looked at don't know responses to the foreign investment liberalization

While, in principle, our experimental approach mitigates the possibility of alternative causal mechanisms, we nonetheless check the robustness of our results against the economic model of preference formation. As noted earlier, most of the existing literature on globalization preferences focuses on skills, measured by level of education, as the main influence on globalization preferences.¹⁹

[Insert Table 1 Here.]

We present the results in Table 1. In particular, we estimate two probit regressions each for the US (Models 1 and 2) and the UK (Models 3 and 4) sample (each time excluding don't know responses). For the US sample, we include gender (1=male), education (1=4 years of college), and seven-point party identification as control variables. For the UK sample, we use the same set of control variables, but replacing the seven-point party identification variable with a dummy variable indicating support for the Conservative party (1=support for the Conservative Party).²⁰ Our results are in line with the evidence presented in the previous tables: the reciprocity effect is still strong. In Models 1 and 3, the dependent variable is a respondent's view on liberalization in the US and UK, respectively. In both samples, respondents were more willing to support domestic investment liberalization when asked about foreign investment liberalization first. We find similar results for Models 2 and

question (RI1US and RI1UK) across the two treatments and found that there was no relationship between the frequency of don't know responses and the treatment group.

¹⁹ Robustness tests (available on request), which replicate Tables A1, A2, A3 and A4, accounting for skill level for each treatment (college education versus no college education), suggest that while more educated individuals are more supportive of both domestic and foreign government liberalization, the substantive impact of reciprocity is similar across individuals with different skill levels. The one exception is that college educated respondents in the UK were equally supportive of foreign country liberalization in both frames.

²⁰ Only 7% of all respondents identified as supporters of the Liberal Democrats. As a result, we confine ourselves to two categories in the analysis – support for and opposition to the Conservative Party.

4, where we examine the impact of question order on respondents' views on investment liberalization in foreign countries.

4.2. Economic Impact

The previous survey results have shown that there is a systematic bias against inward relative to outward investment (Section 2), and that FDI preferences are influenced by reciprocity considerations (Section 4.1). Our second experiment, which uses different pictures as treatments and was fielded in the US only (2010 CCES), is designed to activate different criteria for evaluating foreign direct investment. In particular, we use the pictures to determine whether inward investment that is directly linked to US job creation increases support for foreign investment.

Specifically, the control group is presented with a picture of a Toyota assembly plant in Japan (Picture 1 in Figure 1), while the treatment group is presented with a picture of a Toyota assembly plant in the United States (Picture 2 in Figure 1). Whereas the picture of the US plant is used to get respondents to think about the job creation potential of foreign investment in the US, the picture of the Toyota plant in Japan serves as the control – a Japanese car company producing cars in Japan is neither implying job creation in the US nor the loss of US jobs.

[Insert Figure 1 Here.]

After showing respondents the respective picture, we ask all respondents the same question about FDI liberalization:

JCUS How supportive are you of removing restrictions on foreign and U.S. corporations' investment opportunities in the U.S. and other countries?
Very supportive | Supportive | Unsupportive | Very unsupportive | Don't know

We use a Japanese investment for this experiment for two reasons. First, since Japanese automobile investments in the US are highly visible, the scenario is realistic and therefore strengthens external validity. Moreover, Toyota in particular has a strong presence in the US, with ten major auto production facilities alongside numerous other sales and support operations.²¹ As we note in the next section, despite Americans' historical hostility to Japanese FDI (particularly in the 1980s), in recent years Japanese investment has become increasingly common, both in absolute terms and relative to other countries. Thus, reference to a Japanese company in the experiment is unlikely to trigger a negative baseline response to FDI liberalization. While the experiment of the next section is designed to explore country-of-origin effects, the experiment in this section explores the connection between foreign investment's domestic job creation potential and support for investment liberalization.

Based on our argument about economic impact heuristics, we would expect to see stronger support for FDI liberalization in the treatment group, which is primed to think about the job creation potential of foreign investment in the US. In contrast, the economic model predicts that either a respondent's economic incentives are aligned with FDI liberalization or they are not; they generally do not allow for perceptions of foreign companies and countries to influence preferences. Since respondents are randomly assigned to the treatment and control group, we would not expect a difference between treatment and control group based on the economic model.

Subsequent to the question on FDI liberalization, we asked respondents a series of follow-up questions about the car company shown in the picture and the location of the plant. Our results indicate that the majority of respondents correctly identified the company

²¹ Available at <http://www.toyota.com/about/our_business/operationsmap_usa/>.

and the location of the factory. The one caveat is that respondents were more likely to correctly identify the US-based Toyota plant than the Japanese plant.²² In the regression analysis below (Table 6), we check whether these differences across groups drive our results by estimating one model that only includes individuals that correctly identified the location of the plant.

For presentation purposes, we collapse responses into “supportive” and “unsupportive” and exclude don’t know responses.²³ The results are in contrast to the previous questions on FDI policy: overall, 62% of respondents are supportive of removing restrictions on foreign investment, which we take as additional evidence that respondents generally do not have particularly negative views about Japanese investments.²⁴

At the same time, support is clearly conditional on the treatment (see Table A5 in the appendix). Using a subtle prime based on different pictures, we find much higher levels of support for FDI liberalization among respondents treated with the picture of the US-based Toyota plant (69.46%) than for respondents in the control group (56.7%), which was shown the picture of the Japanese Toyota plant. This 12.77% difference is both large and statistically significant ($p < 0.05$). The result from the picture experiment illustrates how the context provided in questions on FDI matters. When asked about their support for FDI without additional information about the context, the majority of respondents expressed negative views towards FDI (see Section 2). Yet, when they were reminded about the

²² 72.82% of respondents, who were given the US Treatment, correctly identified the location. The number of respondents correctly identifying the location was only 45.35% among those respondents, who were given the Japanese Treatment (with 18.42% selecting “don’t know” and 36.24% selecting “in the United States”).

²³ The breakdown of responses is 8.63% very supportive, 36.41% supportive, 19.76% unsupportive, 7.83% very unsupportive, and 27.38% don’t know.

²⁴ Don’t know responses were excluded.

domestic job creation potential of foreign investment – via the picture of the US-based Toyota plant – support for FDI liberalization was quite strong.

In Table 2, we present the results from a series of probit models, where the dependent variable is coded 1 if respondents stated that they were “supportive” or “very supportive” of FDI liberalization and 0 otherwise. Models 1-3 exclude don’t know responses. Model 1 only includes a dummy variable for exposure to the treatment of the automobile production facility in the US (US Treatment), while Model 2 includes the full set of control variables. Our key control variable, the level of education, is a proxy for individual skills. Economic models of globalization preferences use this measure as the main determinant of FDI preferences (for example, see Scheve and Slaughter, 2001; and Pandya, 2010).²⁵

In Model 3, we take into account respondent errors in identifying the location of the production facility, focusing only on individuals that were given the US Treatment. We thus substitute the US Treatment variable with a variable that is coded 1 if a respondent correctly identified the location of the plant pictured in the US Treatment and 0 otherwise. While a large percentage of respondents exposed to the Japan picture selected don’t know in response to the question about the location of the plant, the majority of individuals exposed to the picture of the US-based plant correctly identified the plant’s location. Model 4 includes don’t know responses coded as 0 (unsupportive of FDI liberalization).

The findings from this simple experiment are quite strong. Respondents exposed to the picture of the Toyota factory in the US were between 8.75% and 15% more likely to

²⁵ An alternative approach would include a measure of sector of employment. Unfortunately, our survey data do not include the necessary fine-grained employment data to test the Ricardo-Viner model.

support foreign investment liberalization than respondents in the control group (Japanese Treatment).

[Insert Table 2 Here.]

These experiments have important implications for our understanding of FDI preferences in particular and globalization preferences in general. Results based on standard questions about Americans' FDI preferences generally show that Americans are supportive of other countries liberalizing and less supportive of US liberalization. Yet, based on this picture experiment, respondents are more likely to be pro-FDI liberalization when treated with pictures of US workers in a foreign-owned automobile plant, suggesting that linking foreign investment to job creation influences support for foreign investment.

4.3. Country of Origin

Our final survey experiment is designed to test the effect that the country in which the foreign investment originates has on FDI preferences. We included the following question for the US as part of the 2010 CCES:

F11US In recent years, [foreign], [German], [Saudi Arabian] companies have invested in the United States. Do you think these investments are good for the US economy?
Yes | No | Don't know

One third of the 1,000 respondents were treated with the control condition, “foreign” companies (the control group), while the remaining two-thirds were treated with “German” and “Saudi Arabian” companies (the two treatment groups), respectively. We chose Germany and Saudi Arabia because of the different perceptions Americans have of

these countries. In a 2010 Gallup poll, 80% of American respondents expressed a favorable opinion of Germany, while only 35% had a favorable opinion of Saudi Arabia.²⁶

The precise origins of these perceptions are beyond the scope of this paper, yet we are confident that, on average, Americans view investments from German companies more positively than investments from Saudi companies. Accordingly, we expect evaluations about the impact on the US economy to be more positive in the case of German investments than in the case of Saudi investments.

We show the results of our 2010 US survey experiment in Table 3 and perform two t-tests, one for each treatment relative to the control group. The findings are quite strong. While on average 64.78% of respondents believed that investments by foreign companies are good for the US economy, support varied substantially across treatments. In particular, 81% of respondents treated with “German” concluded that foreign investment was good for the US, compared to only 46.67% of those treated with “Saudi”. Respondents treated with “Saudi” were also more than twice as likely to conclude that foreign investment was bad for the United States. The differences in support (presented at the bottom of Table 3) between the treatments and the control are, in both cases, large, statistically significant and in the predicted direction.

[Insert Table 3 Here.]

In Table 4, we present probit regression results for FI1US. In Model 1, our dependent variable is coded 1 for respondents indicating FDI is good for the US economy and 0 otherwise. For Model 2, we exclude don’t know responses. We include gender (1=male), education (1=4 years of college), seven-point party identification, and a variable

²⁶ Available at <<http://www.gallup.com/poll/126116/canada-places-first-image-contest-iran-last.aspx>>.

capturing respondents' interest in news as control variables.²⁷ In Models 1 and 2, we include a dummy for "Saudi" investment, and in Model 3 we include dummy variables for both "Saudi" and "German" investment. In Model 4, we code don't know responses as missing.

[Insert Table 4 Here.]

Our results indicate that the country of origin has a strong effect on FDI preferences, which is consistent with hypothesis H3. Respondents exposed to the Saudi Treatment were between 13% and 24% less likely to state that foreign investment was good for the US relative to the other groups, while individuals exposed to the German Treatment were between 13% and 15% more likely to indicate foreign investment was good for the US. While the size of the effects varies by specification, they are extremely robust across models.

We replicate FI1US in the UK, again randomizing between foreign, German, and Saudi Arabian firms:

FI1UK In recent years, [foreign], [German], [Saudi Arabian] companies have invested in Britain. Do you think these investments are good for the British economy?
Yes | No | Don't know

The results for FI1UK are similar to the US findings (see Table 5). While FDI is substantially more popular in the UK than in the US, we find that respondents were 10% more likely to indicate that German investment was good for Britain than was the case for Saudi Arabian investment. When we compare these two treatments relative to the control group, presented at the bottom of Table 5, we find that the group, which received the Saudi Treatment, is statistically significantly different from the control group as well as the group

²⁷ This question asked respondents if they pay attention to the news "most of the time", "some of the time", "only now and then" or "hardly ever". We collapse "some of the time" and "only now and then" into a single category.

that received the German Treatment. At the same time, the group, which received the German Treatment, is different from the control group in the predicted direction, but not statistically significantly so. Overall, these effects are consistent with hypothesis H3, although the magnitudes of the effects are smaller than in our US experiment. We note that these findings are robust to the inclusion of economic and other control variables in probit regressions similar to those presented for the US experiment (available on request).

[Insert Table 5 Here.]

In another experiment on country of origin (FI2US), fielded in the US as part of the 2009 CCES, we change the two treatments of FI1US from “Saudi” and “German” to “Chinese” and “Japanese” (with “foreign” again as the control).

FI2US In recent years, [foreign], [Japanese], [Chinese] companies have invested in the United States. Do you think these investments are good for the US economy?
Yes | No | Don't know

Again, these countries score dramatically differently in terms of US favorability ratings. The Gallup poll cited earlier found that 77% of Americans had a favorable view of Japan in comparison to a 42% favorability rating for China. The results of FI2US, which are even more pronounced than the ones based on FI1US, are presented in Table 6. Support for foreign investment is almost twice as large when respondents are treated with “Japanese” relative to “Chinese” investment. We show the differences in support relative to the control group at the bottom of Table 6. While the group treated with the Japanese investment is not statistically significantly different from the control group, the magnitude of the difference between the control group and the group, which was treated with the Chinese investment, is substantially large and statistically significant ($p < 0.001$). In particular, respondents were 30%

less likely to support Chinese investment compared to foreign investment (the control).

Probit regressions including the same economic and other control variables that were used for Table 4 yield similar results (available on request).

[Insert Table 6 Here.]

One potential concern about the country-of-origin experiments might be that respondents associate the less favorable country (e.g., China in FI2US) with either a certain type of investment (low tech, natural resource extraction, etc.) or acquisitions of US companies by foreign firms. To address this concern, we included two additional questions on a follow-up TAPS survey in April 2013. Our first follow-up question, FI3US, mirrored FI2US, but including a prime on “new high-tech manufacturing plants”.

FI3US In recent years, [foreign], [Japanese], [Chinese] companies have invested in new high-tech manufacturing plants in the United States. Do you think these investments are good for the US economy?
Yes | No | Don’t know

[Insert Table 7 Here.]

In Table 7, we present the results for FI3US. While support for the foreign and Japanese treatments was quite high (89.35% and 83.37%, respectively), support was almost 20% lower for the Chinese treatment.²⁸ This difference is statistically significant ($p < 0.01$).

A second follow-up question, FI4US, added a prime for acquisitions of US companies by foreign companies to FI2US.

FI4US In recent years, [foreign], [Japanese], [Chinese] high-tech manufacturing companies have invested in the United States by purchasing existing US companies. Do you think these investments are good for the US economy?

Yes | No | Don’t know

²⁸ We present the survey-weighted responses excluding don’t know responses.

In Table 8, we present the results for FI4US. Support for FDI drops substantially when respondents are asked specifically about acquisitions. Only 53.51% and 40.47% of respondents indicated that acquisitions by “foreign” or “Japanese” firms were good for the US economy. At the same time, support for Chinese acquisitions was over 20% lower at 32.81% (statistically significant at $p < 0.05$).

[Insert Table 8 Here.]

This follow-up experiment offers an important additional insight into FDI preferences: support for new investment is substantially higher than for acquisitions of US firms. Our main conclusion on the role of heuristics, however, remains unchanged. Public support for Chinese investment in high tech manufacturing or in the form of acquisitions of existing firms is substantially lower than for “foreign” or “Japanese” high tech investment or acquisitions.

The country-of-origin results are remarkable both in terms of the consistency across experiments and countries as well as the size of their effects. They are also consistent with the results from our other survey experiments. Overall, our findings make a strong case against simple economic models of FDI preference formation. At the same time, they highlight the importance of heuristics for assessing the impact of FDI, a task that places strong cognitive demands on respondents.

5. Conclusion

In this paper, we emphasize the importance of heuristics in the formation of FDI preferences by building on (political) psychology, marketing, and management scholarship.

In particular, we argue that FDI preferences are variable and critically hinge on the question of “globalization with whom”. It is important to note that we do not suggest that economic factors are irrelevant to FDI preferences. Economic considerations certainly can strongly influence FDI preferences, for example, when foreign investment is linked to domestic job creation. Rather, the point is that individuals’ views on foreign investment, specifically how the investment impacts their country and local community, are largely based on the context in which the investment is presented and the heuristics that the context “suggests”. Our empirical evidence, based on original survey data from the United States and the United Kingdom, provides strong support for our argument.

As such, our paper contributes to broader debates about the role of heuristics in the formation of globalization preferences. Academic research on the topics of trade, immigration, and foreign direct investment preferences has largely focused on relatively stable, individual-level economic factors. These economic factors, however, cannot fully explain the within-country variation in FDI preferences, or the changes in preferences across contexts and time. We also believe that our findings on FDI preferences are not only useful for understanding public opinion on foreign investment, but for research on trade and immigration preferences.

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TABLE 1. *Regression results on support for investment liberalization (US and UK survey data)*

	US	US	UK	UK
	Model 1	Model 2	Model 3	Model 4
Foreign Frame	0.261*	0.366**	0.335***	0.356***
	(0.15)	(0.14)	(0.08)	(0.09)
Party Affiliation	0.027	0.126***	0.239***	0.302***
	(0.03)	(0.03)	(0.09)	(0.10)
Gender	-0.119	0.137	-0.021	0.205
	(0.15)	(0.15)	(0.08)	(0.09)
College	-0.204	-0.086	0.014	-0.025
	(0.15)	(0.15)	(0.10)	(0.11)
Constant	-0.433**	-0.590***	0.040	0.434***
	(0.21)	(0.23)	(0.08)	(0.09)
Observations	682	615	992	984

Notes: Responses to RI2US (Model 1), RI1US (Model2), RI2UK (Model 3) and RI1UK (Model 4) [US sample from the 2010 CCES; UK sample from the 2012 UK Survey]. Probit models with standard errors in parentheses, in all cases excluding don't know responses. *** p<0.01, ** p<0.05, * p<0.1.

RI2US Do you think the United States should remove restrictions on foreign companies' ability to invest in the United States?
Yes | No | Don't know

RI1US Do you think foreign countries should remove restrictions on US companies' ability to invest in those foreign countries?
Yes | No | Don't know

RI2UK Do you think Britain should remove restrictions on foreign companies' ability to invest in Britain?
Yes | No | Don't know

RI1UK

Do you think foreign countries should remove restrictions on British companies' ability to invest in those foreign countries?
Yes | No | Don't know

FIGURE 1. *Picture experiment – job creation (US survey data)*

PICTURE 1. *Toyota plant in Japan (control group)*



PICTURE 2. *Toyota plant in the US (treatment group)*



Notes: Presented in conjunction with JCUS (2010 CCES).

JCUS How supportive are you of removing restrictions on foreign and US corporations' investment opportunities in the US and other countries?

Very supportive | Supportive | Unsupportive | Very unsupportive | Don't know

TABLE 2. *Regression results on support for investment liberalization (US survey data)*

	Model 1	Model 2	Model 3	Model 4
US Treatment	0.340** (0.16)	0.420*** (0.15)		0.240* (0.13)
Party ID (7 point)		-0.047 (0.04)	-0.044 (0.04)	-0.008 (0.03)
Gender		0.410*** (0.15)	0.360** (0.15)	0.588*** (0.13)
Interest in News		-0.093 (0.11)	-0.106 (0.11)	0.163** (0.08)
HS Grad		-0.508 (0.48)	-0.528 (0.50)	-0.143 (0.46)
Some College		-0.151 (0.48)	-0.185 (0.50)	-0.09 (0.46)
College Grad		-0.095 (0.48)	-0.124 (0.50)	-0.014 (0.45)
US Treatment (Correct)			0.412** (0.16)	
Constant	0.509*** (0.12)	0.986** (0.49)	0.691 (0.50)	-0.617 (0.48)
Observations	727	708	708	966

Notes: Responses to JCUS (2010 CCES). Probit models with standard errors in parentheses.

Models 1-3 exclude don't know responses. Model 4 includes don't know responses. ***

p<0.01, ** p<0.05, * p<0.1.

JC1US How supportive are you of removing restrictions on foreign and US corporations' investment opportunities in the US and other countries?

Very supportive | Supportive | Unsupportive | Very unsupportive | Don't know

TABLE 3. *Country of origin and support for foreign investment (German vs. Saudi investment) [US survey data]*

	German	Saudi	Foreign	Total
Good	.8110 (.0402)	.4667 (.0571)	.6491 (.0535)	.6478 (.0303)
Bad	.1890 (.0402)	.5333 (.0571)	.3509 (.0535)	.3522 (.0303)

Notes: Responses to FI1US (2010 CCES), excluding don't know responses (N=701). Mean and linearized standard errors of column proportions. Design-based $F(1.99, 1395.90)=10.6841$, $P=0.0000$.

FI1US In recent years, [foreign], [German], [Saudi Arabian] companies have invested in the United States. Do you think these investments are good for the US economy?
Yes | No | Don't know

	Coefficient	Standard Error	t	P> t
Difference in Mean Support (German – Foreign)	.1618	.0669	2.42	0.016
Difference in Mean Support (Foreign – Saudi)	.1824	.0782	2.33	0.020

TABLE 4. *Regression results on support for foreign investment (German vs. Saudi investment) [US survey data]*

	Model 1	Model 2	Model 3	Model 4
Saudi Investment	-0.697*** (0.18)	-0.742*** (0.18)	-0.507*** (0.20)	-0.370** (0.18)
German Investment			0.484** (0.20)	0.364** (0.15)
Party ID (7 point)		-0.017 (0.03)	-0.029 (0.03)	0 (0.03)
Gender		0.253 (0.17)	0.214 (0.17)	0.386*** (0.14)
Interest in News		-0.104 (0.11)	-0.086 (0.12)	0.101 (0.08)
HS Grad		0.276 (0.50)	0.225 (0.48)	-0.008 (0.45)
Some College		0.677 (0.48)	0.611 (0.46)	0.382 (0.44)
College Grad		0.990** (0.48)	0.919** (0.46)	0.511 (0.44)
Constant	0.614*** (0.10)	0.265 (0.52)	0.116 (0.51)	-0.843* (0.47)
Observations	701	682	682	966

Notes: Responses to FI1US (2010 CCES). Probit models with standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

FI1US In recent years, [foreign], [German], [Saudi Arabian] companies have invested in the United States. Do you think these investments are good for the US economy?
Yes | No | Don't know

TABLE 5. *Country of origin and support for foreign investment (German vs. Saudi investment) [UK survey data]*

	German	Saudi	Foreign	Total
Good	.9333 (.0128)	.8329 (.0200)	.9081 (.0142)	.8935 (.0091)
Bad	.0667 (.0128)	.1671 (.0200)	.0919 (.0142)	.1065 (.0091)

Notes: Responses to FI1UK (2012), excluding don't know responses (N=1178). Mean and linearized standard errors of column proportions. Design-based $F(2.00, 2353.94)=10.2970$, $P=0.0000$.

FI1UK In recent years, [foreign], [German], [Saudi Arabian] companies have invested in Britain. Do you think these investments are good for the British economy?
Yes | No | Don't know

	Coefficient	Standard Error	t	$P > t $
Difference in Mean Support (German – Foreign)	.0253	.0191	1.32	0.187
Difference in Mean Support (Foreign – Saudi)	.0752	.0246	3.06	0.002

TABLE 6. *Country of origin and support for foreign investment (Japanese vs. Chinese investment) [US survey data]*

	Japanese	Chinese	Foreign	Total
Good	.7888 (.0290)	.4370 (.0334)	.7372 (.0252)	.6493 (.0182)
Bad	.2112 (.0290)	.5630 (.0334)	.2628 (.0252)	.3507 (.0182)

Notes: Responses to FI2US (2009 CCES), excluding don't know responses (N=1161). Mean and linearized standard errors of column proportions. Design-based $F(1.96, 2276.56)=37.8505$, $P=0.0000$.

FI2US In recent years, [foreign], [Japanese], [Chinese] companies have invested in the United States. Do you think these investments are good for the US economy?
Yes | No | Don't know

	Coefficient	Standard Error	t	P> t
Difference in Mean Support (Japanese – Foreign)	.0515	.0384	1.34	0.180
Difference in Mean Support (Foreign – Chinese)	.3003	.0418	7.19	0.000

TABLE 7. *Country of origin and support for high tech foreign investment (Japanese vs. Chinese investment)*

[US survey data]

	Japanese	Chinese	Foreign	Total
Good	.8337 (.0424)	.6869 (.062)	.8935 (.0397)	.7969 (.0229)
Bad	.1663 (.0424)	.3131 (.062)	.1065 (.0397)	.2031 (.0299)

Notes: Responses to FI3US (2013 TAPS), excluding don't know responses (N=485). Mean and linearized standard errors of column proportions. Design-based $F(1.98, 958.50)=4.6859$, $P=0.0000$.

FI3US In recent years, [foreign], [Japanese], [Chinese] companies have invested in new high-tech manufacturing plants in the United States. Do you think these investments are good for the US economy?
Yes | No | Don't know

	Coefficient	Standard Error	T	$P > t $
Difference in Mean Support (Japanese – Foreign)	-.0598	.0581	-1.03	0.304
Difference in Mean Support (Foreign – Chinese)	.2066	.0736	2.81	0.005

TABLE 8. *Country of origin and support for foreign acquisitions (Japanese vs. Chinese investment) [US survey data]*

	Japanese	Chinese	Foreign	Total
Good	.4047 (.0607)	.3281 (.0559)	.5351 (.0667)	.4294 (.0374)
Bad	.5953 (.0607)	.6719 (.0559)	.4649 (.0667)	.5706 (.0374)

Notes: Responses to FI4US (2013 TAPS), excluding don't know responses (N=416). Mean and linearized standard errors of column proportions. Design-based $F(1.97, 817.41) = 2.9795$
 $2276.56 = 37.8505$, $P = 0.0000$.

FI4US In recent years, [foreign], [Japanese], [Chinese] high-tech manufacturing companies have invested in the United States by purchasing existing US companies. Do you think these investments are good for the US economy?
 Yes | No | Don't know

	Coefficient	Standard Error	T	P> t
Difference in Mean Support (Japanese – Foreign)	-.1303	.0902	-1.45	0.149
Difference in Mean Support (Foreign – Chinese)	.2070	.0871	2.38	0.018

Appendix

TABLE A1. *Support for U.S. liberalization (U.S. survey data)*

	Foreign (RI1US first)	U.S. (RI2US first)	Total
Support	.4059 (.0382)	.3103 (.0386)	.3590 (.0273)
Oppose	.5941 (.0382)	.6897 (.0386)	.6410 (.0273)

Notes: Responses to RI2US (2010 CCES), excluding don't know responses (N=683). Mean and linearized standard errors of column proportions. Design-based $F(1, 682)=3.0380$, $P=0.0818$

RI2US Do you think the United States should remove restrictions on foreign companies' ability to invest in the United States?
Yes | No | Don't know

	Coefficient	Standard Error	t	$P > t $
Difference in Mean Support (Foreign Frame – U.S. Frame)	.0956	.0543	1.76	0.079

TABLE A2. *Support for foreign country liberalization (U.S. survey data)*

	Foreign (RI1US first)	U.S. (RI2US first)	Total
Support	.6278 (.0396)	.4671 (.0409)	.5423 (.0298)
Oppose	.3722 (.0396)	.5329 (.0409)	.4577 (.0298)

Notes: Responses to RI1US (2010 CCES), excluding don't know responses (N=616). Mean and linearized standard errors of column proportions. Design-based $F(1, 615)=7.7666$, $P=0.0055$.

RI1US Do you think foreign countries should remove restrictions on U.S. companies' ability to invest in those foreign countries?
Yes | No | Don't know

	Coefficient	Standard Error	t	$P > t $
Difference in Mean Support (Foreign Frame – U.S. Frame)	.1607	.0569	2.82	0.005

TABLE A3. *Support for UK liberalization (UK survey data)*

	Foreign (RI1UK first)	UK (RI2UK first)	Total
Support	.6665 (.0215)	.5421 (.0228)	.6044 (.0158)
Oppose	.3335 (.0215)	.4579 (.0228)	.3956 (.0158)

Notes: Responses to RI2UK (2012), excluding don't know responses (N=992). Mean and linearized standard errors of column proportions. Design-based $F(1, 991)=15.4947$, $P=0.0001$.

RI2UK Do you think Britain should remove restrictions on foreign companies' ability to invest in Britain?
Yes | No | Don't know

	Coefficient	Standard Error	t	$P > t $
Difference in Mean Support (Foreign Frame – UK Frame)	.1244	.0314	3.97	0.000

TABLE A4. *Support for foreign country liberalization (UK survey data)*

	Foreign (RI1UK first)	UK (RI2UK first)	Total
Support	.8329 (.0174)	.7382 (.0199)	.7831 (.0134)
Oppose	.1671 (.0174)	.2618 (.0199)	.2169 (.0134)

Notes: Responses to RI1UK (2012), excluding don't know responses (N=984). Mean and linearized standard errors of column proportions. Design-based $F(1, 983)=12.5351$, $P=0.0004$.

RI1UK Do you think foreign countries should remove restrictions on British companies' ability to invest in those foreign countries?
Yes | No | Don't know

	Coefficient	Standard Error	t	$P > t $
Difference in Mean Support (Foreign Frame – UK Frame)	.0947	.0264	3.58	0.000

TABLE A5. *Support for investment liberalization (U.S. survey data)*

	Japan Frame	U.S. Frame	Total
Support	.5670 (.0416)	.6946 (.0402)	.6279 (.0296)
Oppose	.4330 (.0416)	.3054 (.0402)	.3721 (.0296)

Notes: Responses to JCUS (2010 CCES), excluding don't know responses (N=727). Mean and linearized standard errors of column proportions. Design-based $F(1, 726)=4.7563$, $P=0.0295$.

JCUS How supportive are you of removing restrictions on foreign and U.S. corporations' investment opportunities in the U.S. and other countries?
 Very supportive | Supportive | Unsupportive | Very unsupportive | Don't know

	Coefficient	Standard Error	t	$P > t $
Difference in Mean Support (U.S. Frame – Japan Frame)	.1277	.0579	2.21	0.028