**Reciprocity and Public Opposition to Foreign Direct Investment**

**Supplementary Materials**

These Supplementary Materials provide eight pieces of information. Part 1 provides additional information on the recruitment of subjects for our experiments. Part 2 provides the demographic characteristics of the respondents to whom we fielded our experiments. Part 3 provides the wording of the primary experiment that we fielded to respondents in the United States and China. Part 4 provides the wording of the secondary experiment on the effect of foreign governments changing their policies that we fielded to respondents in the United States and China. Part 5 provides the wording of the follow-up experiment on positive and negative reciprocity that we fielded to respondents recruited through Amazon’s Mechanical Turk service. Part 6 provides results tables presenting the results from the figures in the paper. Part 7 provides the results for the conjoint experiments while just using the first profile that respondents were asked to evaluate. Part 8 provides the results of our Follow-Up experiment while breaking out respondents based on whether they passed a quiz to test their competence.

1. **Subject Recruitment**

Our Primary and Secondary Experiments were fielded online in February 2015 to subjects recruited by Survey Sampling International (SSI). SSI is a company based in Shelton, CT that recruits respondents in over 90 countries for survey research conducted by businesses and researchers. SSI employs opt-in recruitment methods to construct its panels of potential respondents. SSI then sends survey invitations to respondents based on the criteria selected by the business or researchers. More information on SSI’s sampling procedures is available at: https://www.surveysampling.com/site/assets/files/

1069/esomar-28-questions.pdf (last visited January 13, 2017).

SSI has been used to recruit samples for survey research by academics in a number of fields. For examples of recent political science research using samples recruited by SSI, see Adida, Davenport, & McClendon (2016); Chilton & Versteeg (2016); Kertzer and Brutger (2016); Ryan (2016); Sen (2016); Iyengar & Westwood (2015); Berinsky, Margolis, & Sances (2014); Duch, Przepiorka, & Stevenson (2014); Malhotra, Margalit, & Mo (2013); Malhotra & Margalit (2010); Kam (2012); Popp & Rudolph (2011); Healy, Malhotra, & Mo (2010); Barker, Hurwitz, & Nelson (2008).

We engaged SSI to distribute the U.S. version of our experiments to a sample of respondents in the United States that was nationally representative based on gender, age, ethnicity, and census region. We also engaged SSI to distribute the Chinese version of our experiments to a sample of respondents that was stratified to reflect Chinese populations’ gender, age, and region. SSI specifically recruited 2,010 adults in the United States and 1,659 adults in China to take our experiments.

Our Follow-Up Experiment was fielded online in June 2015 to subjects recruited through Amazon’s Mechanical Turk platform (mTurk). mTurk is an online platform where “requesters” (like academic researchers) can recruit “workers” to complete various tasks. Researchers interested in fielding surveys through mTurk post on this online platform a link to their survey, how long it will take, and how much the workers will be compensated for completing it. More information on mTurk is available at: https://www.mturk.com/mturk/welcome (last visited January 13, 2017).

mTurk has also been used to recruit samples for survey research by academics in a number of fields, and research suggests that the workers recruited through the platform perform well compared to respondents recruited through traditional methods (Huff & Tingely 2015; Berinsky, Huber, & Lenz 2012; Germine et al. 2012; Mason & Suri 2012; Paolacci, Chandler & Ipeirotis 2010). For examples of recent political science research using samples recruited by mturk, see Rho & Tomz (2016); Chilton (2015); Hainmueller & Hopkins (2015); Chaudoin (2014); Hainmueller, Hopkins, & Yamamoto (2014), Tomz & Tingley (2014); Tomz & Weeks (2013); Arceneaux (2012); Huber, Hill, & Lenz. (2012).

We used mTurk to recruit 838 adults in the United States to complete our follow up experiment. Summary statistics of the demographic characteristics of our samples recruited by SSI and through mTurk are provided in the next section.

1. **Demographic Characteristics of Our Samples**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **U.S. Sample** | | **Chinese Sample** | | **mTurk Sample** | |
|  | N | % | N | % | N | % |
| **Gender** |  |  |  |  |  |  |
| Female | 1,100 | 54.86 | 708 | 43.52 | 398 | 47.49 |
| Male | 905 | 45.14 | 919 | 56.48 | 440 | 52.51 |
|  |  |  |  |  |  |  |
| **Age** |  |  |  |  |  |  |
| 18-24 | 174 | 8.68 | 251 | 15.43 | 85 | 10.14 |
| 25-34 | 373 | 18.60 | 399 | 24.52 | 369 | 44.03 |
| 35-44 | 361 | 18.00 | 483 | 29.69 | 201 | 23.99 |
| 45-54 | 379 | 18.90 | 324 | 19.91 | 102 | 12.17 |
| 55-64 | 349 | 17.41 | 142 | 8.73 | 61 | 7.28 |
| 65-74 | 298 | 14.86 | 22 | 1.35 | 18 | 2.15 |
| 75+ | 71 | 3.54 | 6 | 0.37 | 2 | 0.24 |
|  |  |  |  |  |  |  |
| **Education** |  |  |  |  |  |  |
| Less than high school | 20 | 1.00 | 37 | 2.28 | 3 | 0.36 |
| High school graduate | 342 | 17.06 | 97 | 5.97 | 92 | 10.98 |
| Vocational Training | 90 | 4.49 | 418 | 25.71 | 25 | 2.98 |
| Some College | 589 | 29.38 | 108 | 6.64 | 271 | 32.34 |
| College Degree | 679 | 33.87 | 835 | 51.35 | 345 | 41.17 |
| Graduate Degree | 285 | 14.21 | 131 | 8.06 | 102 | 12.17 |
|  |  |  |  |  |  |  |

**3. Primary Experiment**

**3.1. U.S. Version**

**3.1.1. Intro**

In the screens that follow we will be asking for your opinion about how the US government should respond to the actions of different companies. In each we will describe both the company and what that company is doing. It is important that for each set of questions you read through all the details, and give a response to each situation. Please read each situation carefully and give us your honest response. Each of the situations is hypothetical, but may reflect something that has or could happen.

**3.1.2. Description**

A foreign company is considering acquiring an American owned company that is based in the United States. Please carefully read the following description of the foreign company and the proposed transaction. After you have finished reading, please answer the questions at the bottom of the page.

**3.1.3. Question**

Company A is a [**Ownership Treatment**] company based in [**Country Treatment**]. Company A is currently attempting to acquire an American company in an industry that is considered to pose a [**National Security Treatment**] risk to national security. The American company is a [**Firm Size Treatment**]. The American company is in an industry that is experiencing [**Economic Distress Treatment**] than the American economy overall. The country that Company A is based in currently has [**Reciprocity Treatment**] in the same industry. In your opinion, should the United States government prevent the proposed transaction?

• Yes

• No

**3.1.4. Treatment Options**

|  |  |
| --- | --- |
| **Treatment** | **Options** |
| **Ownership** | * privately owned * government owned |
| **Country** | * a foreign country * a country that is a security threat to the United States * a country that is an economic competitor and security threat to the United States * a country that is an economic competitor to the United States * a democratic country * a non-democratic country * China * Japan * Saudi Arabia |
| **National Security** | * low * high |
| **Firm Size** | * small company based in your area * national Fortune 500 company |
| **Economic Distress** | * lower rates of unemployment * higher rates of unemployment |
| **Reciprocity** | * no restrictions on American companies acquiring corporations * a number of restrictions on American companies acquiring corporations * an absolute prohibition on American companies acquiring corporations * signed a treaty that allows American companies to acquire corporations |

**3.2. Chinese Version**

**3.2.1. Intro**

In the screens that follow we will be asking for your opinion about how the Chinese government should respond to the actions of different companies. In each we will describe both the company and what that company is doing.

In the screens that follow we will be asking for your opinion about how the Chinese government should respond to the actions of different companies. In each we will describe both the company and what that company is doing.

**3.2.2. Description**

A foreign company is considering acquiring a Chinese owned company that is based in China. Please carefully read the following description of the foreign company and the proposed transaction. After you have finished reading, please answer the questions at the bottom of the page.

**3.2.3. Question**

Company A is a [**Ownership Treatment**] company based in a foreign country. The Chinese company is a [**Firm Size Treatment**]. The Chinese company is in an industry that is experiencing [**Economic Distress Treatment**] than the Chinese economy overall. The country that Company A is based in currently has [**Reciprocity Treatment**] in the same industry. In your opinion, should the Chinese government prevent the proposed transaction?

• Yes

• No

**3.2.4. Treatment Options**

|  |  |
| --- | --- |
| **Treatment** | **Options** |
| **Ownership** | * privately owned * government owned |
| **Firm Size** | * small company based in your area * national Fortune 500 company |
| **Economic Distress** | * lower rates of unemployment * higher rates of unemployment |
| **Reciprocity** | * no restrictions on American companies acquiring corporations * a number of restrictions on American companies acquiring corporations * an absolute prohibition on American companies acquiring corporations * signed a treaty that allows American companies to acquire corporations |

**4. Secondary Experiment: Changes in Foreign Governments’ Policies**

**4.1. U.S. Version**

**4.1.1. Question**

The US is considering changing its policies on the purchase of US companies by foreign companies. Another country has [**Present Treatment**] for US companies to buy companies in their country. Should the US make it easier or harder for companies from this country to buy US companies? The US should:

• make it much harder

• make it somewhat harder

• make no change

• make it somewhat easier

• make it much easier

**4.1.2. Treatments Options**

* recently made it much harder
* recently made it somewhat harder
* made no changes in its process
* recently made it somewhat easier
* recently made it much easier

**4.2 Chinese Version**

**4.2.1. Question**

China is considering changing its policies on the purchase of Chinese companies by foreign companies. Another country has [**Treatments**] for Chinese companies to buy companies in their country. Should China make it easier or harder for companies from this country to buy Chinese companies? The China should:

• make it much harder

• make it somewhat harder

• make no change

• make it somewhat easier

• make it much easier

**4.2.2. Treatment Options**

* recently made it much harder
* recently made it somewhat harder
* made no changes in its process
* recently made it somewhat easier
* recently made it much easier

**5. Follow-Up Experiment: Positive & Negative Reciprocity**

**5.1. Introduction**

Next we are going to ask you about what the US should do in its relationship with other countries. It is important to pay attention to the description of each country prior to making your decision. We will describe each country’s policies about how hard or easy it is for US companies to purchase companies in that country. To simplify things, we will use a scale of 0 to 10, where 0 is no restrictions and 10 is an absolute bans on foreign ownership. As context, the US is currently a 3 on this scale.

[Note that prior to beginning this task, subjects were asked comprehension questions to ensure they understood what the numeric scores meant.]

**5.2. Question**

First consider Country A. On a scale of 0 to 10, where 0 is no restrictions and 10 is an absolute ban on foreign ownership, in the past Country A has had a score of [**Past Treatment [0-10]**] for the ability of US companies to buy companies in Country A. Today this country is now a [**Present Treatment [0-10]**]. As context, the US is currently a 3 on this scale. Should the US make it easier or harder for companies from this country to buy US companies? The US should:

• make it much harder

• make it somewhat harder

• make no change

• make it somewhat easier

• make it much easier

**5.3. Treatment Options**

**Past Treatments**

• 0

• 3

• 6

**Present Treatments**

• 0

• 3

• 6

**6. Results Tables**

**Figure 1: U.S. Conjoint Experimental Results**

|  |  |  |  |
| --- | --- | --- | --- |
| **Treatment** | **Options** | **Estimate** | **Std. Err.** |
| Ownership | Government Owned | 0.013 | 0.009 |
| Country | Security Threat | 0.113 | 0.020\*\*\* |
| Econ. Comp. & Sec. Threat | 0.149 | 0.019\*\*\* |
| Economic Competitor | 0.040 | 0.020\* |
| Democratic Country | -0.078 | 0.020\*\*\* |
| Non-democratic Country | 0.036 | 0.020 |
| China | 0.058 | 0.020\*\* |
| Japan | -0.039 | 0.020 |
| Saudi Arabia | 0.045 | 0.020\* |
| National Security | High Risk | 0.174 | 0.010\*\*\* |
| Firm Size | A National Fortune 500 Company | 0.011 | 0.009 |
| Economic Distress | Higher Rates of Unemployment | -0.015 | 0.009 |
| Reciprocity | A Number of Restrictions | 0.107 | 0.013\*\*\* |
| An Absolute Prohibition | 0.162 | 0.013\*\*\* |
| Signed a Treaty | -0.013 | 0.013 |

**Figure 2: China Conjoint Experimental Results**

|  |  |  |  |
| --- | --- | --- | --- |
| **Treatment** | **Options** | **Estimate** | **Std. Err.** |
| Ownership | Government Owned | 0.004 | 0.011 |
| Firm Size | A National Fortune 500 Company | 0.112 | 0.012\*\*\* |
| Economic Distress | Higher Rates of Unemployment | -0.066 | 0.011\*\*\* |
| Reciprocity | A Number of Restrictions | 0.078 | 0.015\*\*\* |
| An Absolute Prohibition | 0.190 | 0.017\*\*\* |
| Signed a Treaty | -0.051 | 0.015\*\*\* |

**Figure 3: U.S. Respondents**

|  |  |  |
| --- | --- | --- |
| **Treatment** | **Mean** | **Std. Err.** |
| Made Much Harder | 0.767 | 0.008 |
| Made Somewhat Harder | 0.741 | 0.008 |
| No Change | 0.654 | 0.009 |
| Made Somewhat Easier | 0.598 | 0.009 |
| Made Much Easier | 0.596 | 0.010 |

**Figure 3: Chinese Respondents**

|  |  |  |
| --- | --- | --- |
| **Treatment** | **Mean** | **Std. Err.** |
| Made Much Harder | 0.689 | 0.006 |
| Made Somewhat Harder | 0.656 | 0.006 |
| No Change | 0.561 | 0.005 |
| Made Somewhat Easier | 0.496 | 0.006 |
| Made Much Easier | 0.476 | 0.007 |

**Figure 4: Reciprocity Follow Up Experiment**

|  |  |  |  |
| --- | --- | --- | --- |
| **Past** | **Present** | **Mean** | **Std. Err.** |
| 0 | 0 | 0.450 | 0.013 |
| 0 | 3 | 0.521 | 0.009 |
| 0 | 6 | 0.661 | 0.013 |
| 3 | 0 | 0.417 | 0.013 |
| 3 | 3 | 0.493 | 0.007 |
| 3 | 6 | 0.641 | 0.011 |
| 6 | 0 | 0.395 | 0.013 |
| 6 | 3 | 0.496 | 0.010 |
| 6 | 6 | 0.579 | 0.011 |

**Figure 5: Positive or Negative Reciprocity?**

|  |  |  |  |
| --- | --- | --- | --- |
| **Positive Change** | **Negative Change** | **Mean** | **Std. Err.** |
| 3-3 to 0-0 | 3-3 to 6-6 | -0.042 | 0.023 |
| 3-3 to 6-0 | 3-3 to 0-6 | -0.070 | 0.024 |
| 3-3 to 3-0 | 3-3 to 3-6 | -0.071 | 0.023 |
| 3-3 to 6-3 | 3-3 to 0-3 | -0.004 | 0.021 |

**7. Conjoint Results While Only Using First Evaluations**

For our conjoint experiments, the respondents were asked to evaluate five vignettes. The figures below recreate figures 1 and 2 while only using the first evaluations from each respondent.

**Figure 1: First Evaluations Only**

****

* **Figure 2: First Evaluations Only**

****

**8. Passed Quiz for the Follow-Up Experiment**

To alleviate the concern that this vignette may confuse respondents, we administered a comprehension quiz about the meaning of the scores to the respondents before they completed the experiment. Eighty-five percent answered correctly. We then provided an additional explanation anyone that answered incorrectly. The Figure recreates Figure 4 from the paper while breaking out for the respondents that did and did not answer the quiz correctly.

**Figure 4: Responses Broken Out by if Respondent Passed Quiz**

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