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# Appendix A Survey Questionnaire

## A1. English Translation

Introduction

We are conducting survey research on the opinions of Chinese citizens toward international political economic issues related to China. Your attitudes and opinions will be used for academic research only.

At the end of the survey, we will ask questions regarding your personal information, including age, gender, and education level. This survey is in strict accordance with relevant laws. We strictly adhere to the principle of confidentiality. We guarantee that we will keep your answers and your personal information confidential at all times and under all conditions. This questionnaire provides different types of options for different questions. Please select the option that best represents your choice. Thank you again for your participation and support.

*Questions in Module A-F are not used in this paper.*

Module G: Attitudes toward FDI

Now we turn to questions related to foreign direct investment in China. We will show you four pairs of hypothetical FDI projects. You will see several features of the projects, including home country of the FDI, amount of the investment, wage level, and potential impact on the local job market, etc. Please carefully compare these features of the two projects and then answer the questions. Different people may place different weights on the features, leading to different preferences. Therefore, there is no correct answer to these questions.

Pair One:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Project 1** | **Project 2** |
| Wage level | 10% higher than comparable domestic firms | 10% higher than comparable domestic firms |
| Preferential treatment offered by the local government | No preferential treatment; same treatment as domestic firms | 5-year land and tax benefits |
| Foreign investor | Australia | The Philippines |
| Impact on local employment | May exert negative impact on the local job market | May promote local employment; estimated to create 1,000 jobs |
| Mode of investment | joint venture, with the foreign firm holding the controlling share | joint venture, with the Chinese firm holding the controlling share |
| Industry | High-tech industry (e.g., semiconductors; biotechnology) | Services (e.g. hospitality; logistics) |
| Amount of investment | $ 50 million | $ 30 million |

G1: Of these two projects, which one do you prefer?

* Project 1
* Project 2

G2: Suppose that your city is evaluating the two FDI projects above and is seeking your opinion. Please rate the two projects on a 7-point scale, with 7 equal to “complete support” and 1 equal to “no support at all.”

No support complete support

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

*Respondents are then shown another three pairs of FDI projects with the same questions G3-G8. To minimize primacy and recency effects, the ordering and contents of the attributes in each pair are fully randomized.*

*Questions in Module H-M are not used in this paper.*

Module N: Socio-demographic Questions

N1: How old are you?

1. Less than 20
2. 20-29
3. 30-39
4. 40-49
5. 50-59
6. 60 and above

N2: What’s your nationality?

1. Han Chinese
2. Other Minorities

N3: What’s your gender?

1. Male
2. Female

N4: Which part of the country do you currently live in?

1. East (including Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai)
2. South (including Guangdong, Guangxi, Hainan)
3. Central (including Hubei, Hunan, Henan, Jiangxi)
4. North (including Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia)
5. Northwest (including Ningxia, Xinjiang, Qinghai, Shaanxi, Gansu)
6. Southwest Region (including Sichuan, Yunnan, Guizhou, Tibet, Chongqing)
7. Northeast (including Liaoning, Jilin, Heilongjiang)
8. Hong Kong, Macao, Taiwan or overseas

N5: What is your household registration status?

1. Urban
2. Rural

N6: What’s your highest level of education?

1. No formal education
2. Primary school
3. Junior high school
4. Senior high school
5. Technical or Vocational school
6. Associate degree
7. Bachelor’s degree
8. Master’s degree
9. PhD

N7: What industry does your job belong to?

1. Mining
2. Manufacturing
3. Electricity, gas, water, and public utilities
4. Hotel and restaurants
5. Transportation, logistics and storage
6. Postal and telecommunication
7. Wholesale and retail trade
8. Geological exploration and irrigation management
9. Construction
10. Finance
11. Real estate
12. Health, sports
13. Social welfare
14. Social services
15. Education
16. Radio, Film and Television
17. Scientific research
18. Technical services
19. Government agency, party agency, or social organization
20. Agriculture, forestry, animal husbandry, fishing
21. Not applicable

N8: What is the nature of your work unit?

1. Party or government agency
2. State-owned firm
3. Joint venture, mostly state-owned
4. Joint venture, mostly foreign-invested
5. Foreign-invested enterprise
6. State-owned institutional unit (not-for-profit)
7. Institutional unit (not-for-profit)
8. Self-owned business
9. Collective enterprise (including town- or village-owned enterprise)
10. Privately-owned firm
11. Not applicable

N9: What is your political affiliation?

1. No affiliation
2. Chinese Communist Party member
3. Chinese Youth League member
4. Member of other democratic parties

N10: What was your income last year? (Include crops, cotton, vegetables, and any other agricultural products you grow, secondary income from your labor, as well as salaries, bonuses, pensions, and all kinds of investment from your work outside the field.)

1. Less than 10,000 Yuan
2. 10,001-30,000 Yuan
3. 30,001-60,000 Yuan
4. 60,001-90,000 Yuan
5. 90,001-120,000 Yuan
6. 120,001-200,000 Yuan
7. More than 200,000 Yuan
8. Don’t know
9. Refuse to answer

N11: People can be divided into different social groups based on their economic conditions. In the scale below, 0 represents the poorest group and 10 represents the richest group. Which group do you consider yourself to be in? Please select a number from the scale that best corresponds to your group.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

## A2. Original Chinese

我们正在进行的这项问卷调查活动，是为了了解您本人对和我国相关的国际政治经济问题的观点、意见和看法，收集的数据将用于学术研究。

在问卷的最后，我们会收集您的一些个人基本信息，包括年龄、性别、学历、工作等。我们对问卷的处理将严格遵守保密性原则，绝对不会将您的个人信息和意见透露给任何人，请根据您本人的实际情况填写即可。再次感谢您的参与和支持。

*模块A-F中的问题没有用于本文。*

模块G: 对外商直接投资的看法

下面我们转入跟外商对中国投资有关的问题。我们将向您出示四组每组两个外商投资项目方案，每个项目里的各项条件是可以比较的，比如投资方、资金数目、对员工待遇、对当地就业的影响等。请仔细考察比较一下两个项目各方面的条件，然后回答问题。不同决策者可能对不同条件的重要性有不同的看法，继而对两个项目的偏好不同，因此本题的答案没有对错之分。

第一组:

|  |  |  |
| --- | --- | --- |
|  | 项目1 | 项目2 |
| 项目员工工资待遇 | 比国内同类企业高10％ | 比国内同类企业高10％ |
| 地方配套优惠措施 | 不提供优惠措施，和国内企业一视同仁 | 提供5年的土地和税收减免优惠 |
| 投资方 | 澳大利亚 | 菲律宾 |
| 对当地就业的影响 | 可能会对当地就业市场造成负面影响 | 会拉动当地就业，预计创造1000个工作岗位 |
| 投资方式 | 中外合资(外方控股) | 中外合资(中方控股) |
| 所属行业 | 高新技术产业（如半导体、生物制药） | 服务业（如餐饮、物流） |
| 投资额 | 5000万美元 | 3000万美元 |

G1: 相比而言，您更偏好哪个项目？

* 项目1
* 项目2

G2: 假设您所在城市的招商引资局对以上两个项目进行评估，并就此向您征求意见，请分别为以上两个外商投资项目打分，7＝完全支持，1＝完全不支持。

完全不支持 完全支持

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

*第二-四组的问题同上(G3-G8)。每一组的各项内容和顺序完全随机。*

*模块H-M中的问题没有用于本文。*

模块N: 背景问题

N1: 请问您今年几岁？

1. 20岁以下
2. 20-29岁
3. 30-39岁
4. 40-49岁
5. 50-59岁
6. 60岁以上

N2: 请问您是什么民族？

1. 汉族
2. 其他少数民族

N3: 请问您的性别是？

1. 男性
2. 女性

N4: 请问您现在居住地是在哪？

1. 华东地区（包括山东、江苏、安徽、浙江、福建、上海）
2. 华南地区（包括广东、广西、海南）
3. 华中地区（包括湖北、湖南、河南、江西）
4. 华北地区（包括北京、天津、河北、山西、内蒙古）
5. 西北地区（包括宁夏、新疆、青海、陕西、甘肃）
6. 西南地区（包括四川、云南、贵州、西藏、重庆）
7. 东北地区（包括辽宁、吉林、黑龙江）
8. 港澳台以及海外

N5: 您现在持有的是农业户口，还是非农业户口？

1. 农业户口
2. 非农业户口

N6: 请问您已获得或在读的最高学历是？

1. 没上过学
2. 小学
3. 初中
4. 高中
5. 职高/中专
6. 大专
7. 大学
8. 硕士研究生
9. 博士研究生

N7: 您的工作属于哪一个行业？

1. 采矿业
2. 制造业
3. 水、电、煤气的生产和供应
4. 餐饮业
5. 交通运输仓储业
6. 邮电通信业
7. 批发零售贸易业
8. 地质勘探和水利管理业
9. 建筑业
10. 金融保险业
11. 房地产业
12. 卫生体育业
13. 社会福利保障业
14. 社会服务业
15. 教育业
16. 文艺广播影视业
17. 科学研究业
18. 综合技术服务业
19. 党政机关和社会团体
20. 农林牧渔业
21. 不适用

N8: 您单位性质是什么？

1. 党政机关
2. 国有企业单位
3. 国有为主的合资、合作或股份制企业单位
4. 外资为主的合资、合作或股份制企业单位
5. 外国独资企业
6. 国有事业单位
7. 合资、合作或股份制事业单位
8. 个体工商户
9. 集体企业（包括乡镇企业）
10. 私营企业
11. 不适用

N9: 请问您的政治面貌是？

1. 群众
2. 共产党员
3. 共青团员
4. 民主党派

N10: 去年您本人的收入（包括所有的工资、奖金、第二职业收入、亲友馈赠、各种投资收益、其他所得、收获的粮、棉、蔬菜等实物折合的钱；工副业收入；出外做工挣的工资）大约为多少元（人民币）？

1. 10000元及以下
2. 10001-30000元
3. 30001-60000元
4. 60001-90000元
5. 90001-120000元
6. 120001-200000元
7. 200001元及以上
8. 不知道
9. 拒绝回答

N11: 按照经济条件，可以划分不同的社会群体。您会给自己定位在哪个群体？这里有一个量表，用0 分表示最贫困群体，10 分表示最富有群体。请从量表中选择一个数字表示您的定位。

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

# Appendix B Literature Review and Hypotheses

## B1. Literature Review

Compared to the relatively large body of literature on trade policy preferences (e.g., Baker 2003; Hainmuller and Hiscox 2006; Mansfield and Mutz 2009;Lü, Scheve, and Slaughter 2012; Margalit 2012), research on individual preferences for FDI has been relatively scarce. Economic explanations of FDI policy preferences tend to emphasize the distributional consequences of foreign investment. For example, Pandya (2010) examines public attitudes toward FDI on the basis of Latin Barometer data, finding that support for FDI increases with workers’ skill level. This is because by increasing labor demand, FDI increases wages for labor, especially skilled labor required by multinational corporations (MNCs)’ relatively skill-intensive production processes. Zhu (2011) argues for the need to distinguish between different types of FDI, in particular high-skill intensive and low-skill intensive FDI. He conjectures that skilled workers should be more likely to support high-skill intensive FDI which tends to increase the relative demand and thus real wages for them. Conversely, unskilled workers should favor low-skill intensive FDI which raises their real income. Still other works (e.g., Pinto 2013; Pinto and Pinto 2008) examine the effect of partisan cycles on foreign investment performance, suggesting that foreign investors’ decision to flow into different sectors and the host country’s openness to FDI are influenced by the host government’s partisan alignment (i.e., whether pro-labor or pro-capital).

While economic explanations of FDI preferences highlight foreign investment’s income effect, it has been argued that such effect may not be as straightforward as the existing literature posits and that non-economic factors such as nationalism or heuristics based on country of origin may also need to be taken into account when explaining the complex processes of FDI preference formation. Building on the liability of foreignness argument, Jensen and Lindstädt (2012) suggest that perceptions of foreign investment will depend on favorability of the source country of investment and the degree to which the foreign country is reciprocating with in kind liberalization or associated with job creation.

While the economic and non-economic explanations outlined above help to advance our understanding of the factors that may influence opinion formation about foreign investment, they also leave room for further theoretical and empirical exploration. For example, while there is some evidence that FDI may increase the real income for labor, it is possible that individual preferences may be multifaceted and complex, influenced by not only one’s identity as a productive member of society, but also by his or her identity as consumer. It is also possible that FDI’s income effect on labor or capital may depend on the sector of investment (e.g., manufacturing vs. service or even different kinds of manufacturing industries).[[1]](#footnote-1) Furthermore, arguments emphasizing FDI’s foreign liability often do not take into account the possibility that FDI’s entry mode (e.g., mergers and acquisitions or joint venture) may be received differently by the host public. In addition, while previous studies (e.g., Pandya 2010; Zhu 2011) tend to emphasize how individual characteristics influence attitudes toward FDI, less attention has been directed to how specific features of the foreign investment project affect individual FDI preferences. In this paper we build on existing literature to develop and empirically test a set of additional hypotheses in order to more fully capture the complex processes of FDI preference formation.

## B2. The Complex Processes of FDI Preference Formation

This section develops a set of testable hypotheses about the factors that may affect FDI preference. These hypotheses emphasize both how individual characteristics such as perceptions of FDI’s impact on job security *and* specific FDI project features such as the industry of investment or entry mode may influence an individual’s attitudes toward FDI.

*Individual Skill Level and FDI Preferences*

As mentioned above, explanations focusing on the distributional effects of capital inflows emphasize that multinational firms should increase the demand and therefore the wages of local workers due to their high productivity and more advanced production technologies and processes. In an economy where labor is mobile across industries, FDI’s positive income effect should extend throughout the economy instead of being limited to those employed by foreign firms.[[2]](#footnote-2) Furthermore, as multinational firms seek to protect firm-specific production technologies which tend to be more advanced than those of domestic firms, they should increase the demand for high-skilled labor relative to low-skilled labor.[[3]](#footnote-3)

While FDI may increase the real income of labor relative to that of capital, it has also been argued that different types of FDI may generate different distributional consequences (Zhu 2011). As FDI inflows in a high-skill intensive sector raises capital endowments and thus demand for both skilled and unskilled labor in this sector, they should erode the rate of return to domestic capital owners in both high-skill and low-skill intensive sectors due to heightened competition or increase in the wage rate. The growth in capital endowments in the high-skill intensive sector further increases the marginal productivity of labor in this sector, thus leading more skilled labor in low-skill intensive sectors to flow into this sector. Consequently capital inflows in high-skill intensive sectors should increase the demand and therefore wages for skilled rather than unskilled workers in the host country and vice versa, and this effect should be magnified even further in developing countries abundantly endowed with unskilled labor. The above discussion should lead us to expect that in a developing country with an abundant supply of unskilled labor such as China, *low-skilled individuals should be more likely to favor low-skilled, labor-intensive FDI instead of skill- or technology-intensive FDI (hypothesis 1).*

*Perception of Job Security and Attitudes toward FDI*

In addition to the explanations outlined above, it is possible that FDI preferences may be influenced by the respondent’s perception of job security. Perception of employment risks may affect FDI preferences in two opposite ways. On the one hand, previous studies (e.g., Scheve and Slaughter 2004) suggest that in addition to concerns about the level of their earnings, individuals may be averse to the volatility of their earnings and the risk of unemployment. As FDI may heighten job insecurity by increasing the elasticity of demand and therefore the volatility and employment for labor, individuals who tend to associate global capital flows with enhanced economic insecurity should be more likely to develop hostile attitudes toward FDI.

On the other hand, however, it is also possible that FDI may promote labor market stability both because they tend to be more competitive than host country firms due to their ability to take advantage of ownership, location, and internalization advantages (Dunning 1988; 1993) and because they can more easily access the credit and other resources provided by parent firms that will allow them to successfully weather the storm of economic crisis (Pandya 2010). If FDI can better help to protect employment from adverse economic conditions than domestic firms, as the above line of reasoning suggests, then it may also be viewed positively by the host public. Both mechanisms suggest that *respondents should be more likely to hold favorable attitudes toward foreign investment projects that generate more job opportunities for the host economy (hypothesis 2)*.

*FDI Country of Origin, Entry Mode, and FDI Attitudes*

Previous studies have also identified nationalism as a potentially important source affecting public attitudes toward global economic integration. In terms of trade policy, for example, it has been suggested that those individuals with a greater sense of national pride are more likely to hold protectionist preferences (Mayda and Rodrik 2005, O’Rourke and Sinnott 2001). Mansfield and Mutz (2009) show how different attitudes toward in-groups vs. out-groups may affect support for free trade. Jensen and Lindstädt (2012) draw on management research that emphasizes the barriers against foreign firms operating in host markets such as lack of cultural understanding, limited political connections, and public biases against foreign firms to develop a set of hypotheses regarding the influence of the respondents’ views on foreign countries and foreign influences over the domestic economy on patterns of support for and opposition to FDI. Their research suggests that individuals tend to form their opinion of foreign investment on the basis of the favorability of the country of origin, that is, they tend to offer negative (positive) evaluations of FDI from negatively (positively) perceived countries. Furthermore, even though inward FDI is more likely to elicit anti-foreign sentiments than outward FDI because it is considered as “foreign” investment, such investment is more likely to be viewed favorably by the public if it is perceived to be contributing to domestic job creation or if foreign countries are seen as reciprocating with in kind liberalization.

If individual assessment of foreign investment reflects the favorability of the country of origin, as the above argument suggests, then it is reasonable to expect that in general, *respondents should be more likely to favor capital flows from developed countries of non-Asian origins (e.g., the United States) over those from developed Asian countries (e.g., Japan) or from the developing world (e.g., the Philippines) (hypothesis 3a).* This is because the former is more likely to be associated with more stringent labor and environmental standards that generate positive socioeconomic spillovers for the host country (Dean, Lovely, and Wang 2009).

The above distinction may be further reinforced by the long history of animosity and recent territorial disputes between China and its Asian neighbors. A relatively large body of literature (e.g. He 2009; Reilly 2013; Yang 2002) has documented the historical animosities between China and Japan arising from war memories and the barriers to effective national reconciliation. In contrast, even though there is evidence that Chinese views of the United States are becoming increasingly negative due to concern over economic and trade policies and the potential for the U.S. to curtail China’s power and political influence (Nathan and Scobell 2012; “How Americans and Chinese View Each Other,” 2012), the majority of the Chinese also hold divided opinions on whether they view the U.S. as an ally or a rival and Chinese views of the U.S. are not marred by the same negative sentiment that permeates public attitudes toward Japan (Richburg 2012). If the above argument about the favorability of the country of origin is valid, then we should expectthat *respondents should be less likely to favor FDI from Asian countries than that from other world regions* *(hypothesis 3b)*.

*Additional Control Variables*

In addition to the above main hypotheses, we take into account a couple of other factors that may potentially affect FDI preferences. First, it is reasonable to expect the entry mode of foreign investment to play a role in eliciting respondents’ fear of foreign influence. For example, greenfield FDI which involves a parent company starting a new venture and building production facilities from scratch in a foreign country is often viewed in a more positive light than mergers and acquisitions (M&As) whereby foreign investors acquire existing assets because of its potential to start new businesses that create job opportunities in the host country, less stringent requirement for human capital for the investment to promote local economic growth (Wang and Wong 2009), and ability to boost the host country’s capital stock and therefore productivity (Harms and Méon 2014). Furthermore, compared to greenfield FDI which does not directly threaten the viability of local firms, M&As are more likely to conjure up images of foreign takeover of national firms. This should lead us to expect that respondents should be more likely to favor greenfield FDI over mergers and acquisitions*.*

Second, investment incentives in the forms of tax breaks, grants and preferential loans, infrastructure, market preferences and sometimes even monopoly rights have been considered as important determinants of international investment flows (Easson 2001; Taylor 2000). Individuals may support FDI projects that offer foreign investors with greater policy concessions if they believe that such concessions are needed in order to attract FDI. However, if individuals are concerned about equal treatment and fair competition for local enterprises (Kelly, Rajan, and Goh 2006), then they may also be likely to oppose such projects.

Third, as Pandya (2014) has suggested, workers who anticipate the largest wage increases should be more likely to support for FDI flows. If this is the case, then respondents should be more likely to hold favorable attitudes toward FDI projects that offer greater potential for wage increases. Lastly, we control for the size of the investment project on expectation that larger-scale investments may be more likely to gain the support of host public due to their greater potential for job and wage increases that benefit host citizens.

# Appendix C Summary Statistics

**C1.** **Sample Comparisons**

This section compares the key demographic variables of our sample with those of the Internet active subsample of the China Survey and the China Policy Attitude Survey (CPAS). The China Survey, which was conducted in 2008 by Texas A&M University, yielded a nationally representative sample of 3,989 respondents. The CPAS is an online survey conducted in 2012 by China Online Marketing Research (COMR). Note that we should not expect the two samples to perfectly match ours, as they were drawn two years and six years apart.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Variable** | **(A)**  **China Survey** | **(B)**  **CPAS** | **(C)**  **Our Sample** | **(A) - (C)** | **(B) - (C)** |
| *Age* | 31.73 | 31.85 | 31-40\* |  |  |
| *Male* | 56.55% | 60.21% | 48.24% | 8.31% | 11.97% |
| *Han Chinese* | 93.23% | 96.78% | 97.53% | -4.3% | -0.75% |
| *CCP* | 18.16% | 28.72% | 24.96% | -6.8% | 3.76% |
| *Rural* | 29.54% | 21.61% | 21.02% | 8.52% | 0.59% |
| *Social Status* | 5.09 | N/A | 5.06 | 0.03 |  |
| *Farmer* | 10.52% | 0.49% | 0.72% | 9.8% | -0.23% |
| *N* | 481 | 2,270 | 2,224 |  |  |

*Note*: Age in our survey is measured on a six-point interval. The category 31-40 is the mode.

## C2: Wave 1 (November 2014)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Variable** | **Obs** | **Mean** | **Std. Dev.** | **Min** | **Max** |
| *Age* | 2,224 | 2.68 | 0.83 | 1 | 6 |
| *Han Chinese* | 2,224 | 0.98 | 0.16 | 0 | 1 |
| *Male* | 2,224 | 0.48 | 0.50 | 0 | 1 |
| *Rural Household Registration* | 2,224 | 0.21 | 0.41 | 0 | 1 |
| *Eastern Region* | 2,224 | 0.78 | 0.42 | 0 | 1 |
| *Central Region* | 2,224 | 0.16 | 0.36 | 0 | 1 |
| *College and Above* | 2,224 | 0.79 | 0.41 | 0 | 1 |
| *Chinese Communist Party member* | 2,224 | 0.25 | 0.44 | 0 | 1 |
| *Chinese Youth League member* | 2,224 | 0.26 | 0.44 | 0 | 1 |
| *Perceived Social Status* | 2,224 | 5.06 | 1.90 | 0 | 10 |
| *Income* | 2,136 | 3.68 | 1.59 | 1 | 7 |
| *Job in State Owned Enterprise* | 2,224 | 0.40 | 0.49 | 0 | 1 |
| *Job in Foreign Firms* | 2,224 | 0.09 | 0.28 | 0 | 1 |
| *Job in Private Firms* | 2,224 | 0.43 | 0.50 | 0 | 1 |
| *Job in Manufacturing* | 2,224 | 0.25 | 0.43 | 0 | 1 |

## C3. Wave 2 (October 2015)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Variable** | **Obs** | **Mean** | **Std. Dev.** | **Min** | **Max** |
| *Age* | 622 | 2.79 | 0.91 | 1 | 6 |
| *Han Chinese* | 622 | 0.98 | 0.14 | 0 | 1 |
| *Male* | 622 | 0.54 | 0.50 | 0 | 1 |
| *Rural Household Registration* | 622 | 0.44 | 0.50 | 0 | 1 |
| *Eastern Region* | 622 | 0.76 | 0.42 | 0 | 1 |
| *Central Region* | 622 | 0.17 | 0.37 | 0 | 1 |
| *College and Above* | 622 | 0.11 | 0.31 | 0 | 1 |
| *Chinese Communist Party member* | 622 | 0.10 | 0.30 | 0 | 1 |
| *Chinese Youth League member* | 622 | 0.17 | 0.37 | 0 | 1 |
| *Perceived Social Status* | 622 | 4.59 | 2.13 | 0 | 10 |
| *Income* | 612 | 3.42 | 1.53 | 1 | 7 |
| *Job in State Owned Enterprise* | 622 | 0.26 | 0.44 | 0 | 1 |
| *Job in Foreign Firms* | 622 | 0.07 | 0.25 | 0 | 1 |
| *Job in Private Firms* | 622 | 0.64 | 0.48 | 0 | 1 |
| *Job in Manufacturing* | 622 | 0.32 | 0.47 | 0 | 1 |

## C4. Sample Size for Conjoint Analysis

For conjoint experiments (and discrete choice experiments in general), the rule of thumb in the literature as proposed by Orme (1998) suggests that the sample size (*N*) required to achieve adequate power for the main effects depends on the number of choice tasks (*t*), the number of alternatives (*a*), and the number of analysis cells (*c*) according to the following equation:

*N* > 500*c* / (*t* × *a*)

In our case, the number of tasks is 4 and the number of alternatives is 2 (each respondent is asked to rate 4 pairs of FDI projects). The number of analysis cells is equal to the largest number of levels of any of the attributes, which is 4 in our design (home country, industry, entry mode, and wage level all have 4 levels). Plugging these numbers into the equation above, we conclude that the minimum number of observations for our design is 250. Our sample of 1,030 thus is substantially larger. In fact, our sample size is large enough for us to analyze two-way interactions such as the one in Appendix D2 (interaction between industry and job market impact), which would require a sample size of 750 or more.

# Appendix D Robustness Checks

We conducted a series of robustness checks in order to increase our confidence in the robustness of our results. In Appendix D1, we use the binary measure of FDI choice as our dependent variable and present the marginal effect associated with each attribute on the probability that an individual would choose an FDI project. The results are consistent with those reported for the main model. Most importantly, individuals are indifferent to different types of FDI. They are more likely to favor FDI projects from the U.S. and Australia than those from Japan and the Philippines and are also more likely to prefer projects with positive effects on the local job market.

Appendix D2 analyzes the joint effect of the type of FDI and impact on the job market. As we can see, respondents consistently rank FDI projects that positively affect the job market higher than those with either no or negative impact on the job market. Once again, the type of FDI does not exert any visible effect when it is included as the main variable, but individuals seem to be even less favorable toward labor-intensive and financial services FDI projects when such projects exert negative impact on the local job market.

Appendix D3 presents results when we exclude those under 20 years of age and those without an applicable work unit from the estimation sample. This procedure once again does not change the interpretation of our main empirical findings.

## D1. Results Using Binary Measure for Preference

****

*Note*: This plot presents the AMCE of randomly assigned FDI project features on the probability that a respondent would choose the project (N = 8,240). All estimates in this figure are based on a linear probability regression with the binary choice as the dependent variable and FDI project features as independent variables. The bars denote 95% confidence intervals based on robust standard errors clustered by respondent. Points without bars indicate the reference category for a given feature.

## D2. Interactive Effects of Industry and Job Impact



*Note*: This plot presents the AMCE of randomly assigned FDI project features on the score that a respondent would rate for the project (N = 8,240). All estimates in this figure and in subsequent ones are based on OLS regressions with the seven-point score as the dependent variable and FDI project features as independent variables. The bars denote 95% confidence intervals based on robust standard errors clustered by respondent. Points without bars indicate the reference category for a given feature.

## D3. Results Excluding Young and Jobless Respondents

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*Note*: This plot presents the AMCE of randomly assigned FDI project features on the score that a respondent would

rate for the project (N = 7,472).

# Appendix E Conditional Effects of the FDI Attributes

Appendices E1-E8 present the effects of the main FDI attributes conditional on the respondent’s income level, perceived social status, sector of employment (i.e., manufacturing vs. non-manufacturing industry), gender, Chinese Communist Party (CCP)/Chinese Youth League (CYL) membership, affiliation with the state (i.e., state vs. non-state industries), household registration (i.e., rural vs. urban), and age cohort, respectively. Importantly, regardless of how we split the sample, we do not observe any marked differences among the respondents in the preferred type of FDI. Other results worth noting are that high-income individuals are more likely than low-income ones to support not only FDI from the U.S., but also those from Japan and the Philippines. At the same time, rural respondents have stronger preferences for FDI from Asian countries. We also see that male respondents as well as those with perceived high social status or in manufacturing industries are more likely to support FDI with more positive job creation potentials. Overall, however, these results do not seem significant enough to affect our interpretation of the effect of our main FDI attribute variables.

## E1. Conditional Effects of the FDI Attributes by Income Level



*Note*: This plot presents the average marginal component effects of randomly assigned FDI project features on the probability that a respondent would choose the project for those whose self-reported income is high (N = 1,552) and low (N = 6,688). High-income respondents are those whose reported annual income is greater than 90,000 RMB.

## E2. Conditional Effects of the FDI Attributes by Perceived Social Status



*Note*: This plot presents the AMCE of randomly assigned FDI project features on the score that a respondent would rate for the project for those whose perceived level of social status is high (N = 3,760) and low (N = 4,480). Respondents are classified as having high social status if their self-reported social status score is greater than 4 (on a 11-point scale from zero to ten).

## E3. Conditional Effects of the FDI Attributes by Sector of Employment



*Note*: This plot presents the AMCE of randomly assigned FDI project features on the score that a respondent would rate for the project for those who work in the manufacturing sector (N = 2,392) and those who work in non-manufacturing sectors (N = 5,848).

## E4. Conditional Effects of the FDI Attributes by Gender



*Note*: This plot presents the AMCE of randomly assigned FDI project features on the score that a respondent would rate for the project for males (N = 4,364) and females (N = 3,976).

## E5. Conditional Effects of the FDI Attributes by CCP/CYL Membership



*Note*: This plot presents the AMCE of randomly assigned FDI project features on the score that a respondent would rate for the project for CCP/CYL members (N = 24,512) and non-members (N = 5,728).

## E6. Conditional Effects of the FDI Attributes by State/Non-state Sector



*Note*: This plot presents the AMCE of randomly assigned FDI project features on the score that a respondent would rate for the project for those who work in the state sector (N = 2,088) and those who work in the non-state sector (N = 6,152).

## E7. Conditional Effects of the FDI Attributes by Household Registration



*Note*: This plot presents the AMCE of randomly assigned FDI project features on the score that a respondent would rate for the project for rural (N = 3,192) and urban (N = 5,048) respondents.

## E8. Conditional Effects of the FDI Attributes by Age Cohort



*Note*: This plot presents the AMCE of randomly assigned FDI project features on the score that a respondent would rate for the project for younger (N = 3,592) and older (N = 4,648) respondents.

# Appendix F. References

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1. Pandya (2010), for example, argues that FDI in natural resource extraction industries may generate

   different responses than FDI into technologically advanced, export-oriented manufacturing industries. [↑](#footnote-ref-1)
2. For studies that document FDI’s positive effect on wages, see, for example, Blonigen and Figlio 2000;

   Feenstra and Hanson 1997; Harrison 1996; Aitken, Harrison, and Lipsey 1996. [↑](#footnote-ref-2)
3. A number of studies have lent support to this view. See, for example, Griffith 1999; Feenstra and Hanson

   1997.

   [↑](#footnote-ref-3)