Overseas Investment as Soft Power? Chinese and US FDI in Africa

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Abstract:

Scholars increasingly interpret overseas investment as a form of economic soft power. Conceptualizing soft power as a function of both influence and affinity, this study examines how citizens react when firms from major foreign powers – and from their prominent rival – invest locally. Using a unique dataset of over 750 geolocated Chinese and US FDI projects in 23 countries in Africa and connecting those projects to geolocated survey responses, we demonstrate that citizens assign greater influence to major powers whose firms invest locally and reduce the influence they extend to the major power's rival. Importantly, however, proximity to Chinese and US foreign direct investment (FDI) projects decreases rather than increases citizens' preferences for the respective country's development approach, even as it increases their perceived influence. The findings suggest that investing powers are viewed more as heavy-handed bosses than supportive partners, and that FDI thus may not enhance soft power.

Does foreign direct investment (FDI) bolster the soft power of investing countries? The question has become increasingly important in the study of international relations as well as in policy circles, but our current understanding of the relationship is limited. First, observers commonly assume that influence accrues to countries whose firms invest abroad (Baldwin 2020; Mastanduno 1999; Stone et al. 2022), but the analyses often stop there, overlooking the importance of the "attractiveness" of those powers. Moreover, analyses of the impact of overseas investment frequently neglect the integral role of local public opinion, a critical aspect of soft power. Finally, firms from foreign powers do not operate in a vacuum; they often invest in locations where firms from other countries also invest. In this context, we ask: how do local citizens react to FDI from a foreign power? Does it enhance that country's soft power? Does it do so at the expense of a rival foreign power?

Power represents the capacity of Country A to affect the behavior of Country B (Dahl 1984, Nye 1990). As Nye (1990) conceptualizes it, soft power hinges on achieving those favorable outcomes through enhanced attraction, rather than having to rely on the hard power mechanisms of coercion or payment. Thus, cultural affinities, shared values, and common priorities – typically conveyed via public diplomacy – form the conventional foundation of major powers' soft power tactics. More recently, scholars have added to that foundation the tools of economic engagement, suggesting that foreign aid or investment can similarly encourage behavior change among other countries by enhancing the major power's relevance and attractiveness (Blair, Marty, and Roessler 2022; Dietrich et al 2018; Liang 2012; Morgan 2019). Importantly, as Nye and others note, Country A's activities must resonate with citizens in Country B; otherwise, with no domestic resonance, Country B would have little incentive to change (Eichenberg 2016; Nye 2004). This study thus explores not just what firms from Country A do as possible contributions to soft power, but also how people in Country B react.

We develop a theory to explain how FDI from a foreign power affects its soft power and that of other powers. First, we build on and extend literature suggesting that soft power is shaped at least in part by the views of people routinely exposed to a foreign power's activities (Fijalkowski 2011; Leeds and Mattes 2022; Repnikova 2022). We argue that the visibility of nearby projects prompts citizens to associate those projects with the country of origin and to evaluate that country accordingly. Next, because a foreign power's overseas economic activities do not occur in a vacuum but rather amidst projects from other countries, we argue that substitution effects shape citizens' relative views of competing powers. We thus expect that citizens assign influence based not solely on the FDI originating from that country, but also on the FDI to which citizens are exposed from other powers. Finally, and most importantly, we argue that soft power hinges not just on the perceived scale of a foreign power's influence, but also on whether its approach is viewed with affinity or skepticism.

To test these claims, we compare the effects of FDI projects from Chinese and US firms in Africa. We have multiple motives for focusing on investments from these two foreign powers in this particular region. Primarily, China and the United States represent the leading global economic powers, and both the expansion of China's economic activities abroad (Reilly 2021; Stone et al 2022; Broz et al 2020; Strüver 2016) and the increasing competition between the two powers (Mearsheimer 2019; Zhao 2019) have become the source of extensive recent study (see also, Allison 2017; Tellis et al. 2020). Furthermore, competition between China and the United

States has become particularly acute in Africa: China recently surpassed the United States in terms of capital inflows to the region (CARI 2020), and both foreign powers have expanded their courting of African governments, only thinly veiling the competitive rationale behind those efforts (Blair et al. 2022; Blair and Roessler 2021; Eno and Eno 2014). Third, the availability of rich, geocoded data provides an opportune data environment in which to test the theory. Finally, while numerous studies evaluate the effects of investment from a single foreign power (e.g., Chilton 2016; Eichenauer et al. 2021), a comparative study of investment projects from multiple countries in the same political context offers an opportunity for improved theoretical and empirical understanding of the effects of FDI on soft power.

We conduct our analyses by assembling a unique dataset of Chinese and US FDI projects in Africa and connecting those data to African citizens' perceptions of Chinese and US soft power. Specifically, we geolocate over 750 FDI projects from Chinese and US firms and then determine how African citizens living in proximity to those projects rate the influence and affinity of China and the US. By comparing the views of those living in proximity to actual, functioning projects to the views of respondents who live in locations that will eventually have FDI projects from China and the US but that do not at the time of their survey response, we are able to determine the effects of proximity to foreign investments while accounting for the time-invariant factors that may have influenced project location. We also leverage the co-location of Chinese and US FDI projects to examine the substitution effects of multiple investing countries.

The results indicate that the influence citizens in Africa assign to a foreign power increases as its firms invest locally and decreases where that power's prominent rival invests. First, proximity to US FDI projects increases perceptions that the US is the most influential country, a determination that comes at the expense of Chinese influence. Next, respondents who live near Chinese investment projects – most of which are co-located with US FDI projects – report ambiguous relative influence for the two countries, since the co-location of Chinese and US projects offset one another.

Most strikingly, however, while proximity to foreign investments generally increases the FDI-sending country's influence while undermining that of its counterparts, the influence does not convey political economic affinity. In fact, respondents who live close to Chinese (US) FDI projects are *less* likely to view the China (US) model as the best approach for development in their country and *more* likely to view the US (China) approach as such. Previous research has shown that proximity to Chinese FDI weakens support for the China model (McCauley, Pearson, and Wang 2022). Our results show that it is not just Chinese FDI that weakens affinities despite bolstering citizen-assigned influence. Rather, investment from outside may trigger a general "liability of foreignness" that undermines the affinity of both foreign powers even as it increases their perceived influence. Community members recognize a big player when they see one, but their skepticism only increases with more investment.

The study makes several important contributions. First, we expand the theoretical conception of external influence to include the views of citizens on the ground. This approach reinforces the role of public opinion in soft power formation (Nye 2004) but contrasts with many analyses of foreign power influence, which focus on whether state elites are subject to the influence pedaling of foreign powers or feel beholden to them in exchange for economic expenditures (Eisenman

and Heginbotham 2018; Reilly 2021). Instead, we view citizen perspectives as relevant to both domestic and foreign political leaders and thus to the calculus of state relationships (see Leeds and Mattes 2022; Bush and Prather 2020; Goldsmith et al. 2014; Dietrich et al. 2018).

Second, we consider not just the importance that citizens extend to foreign investing powers, but also the direction of their affinities. Building on studies that integrate economic activities as a tool of soft power (Blair et al. 2022; Morgan 2019), we explore both theoretically and empirically how investment activity can shape the attractiveness with which citizens see foreign powers, in ways that perhaps run counter to the effects of investment activity on influence. This approach offers a more nuanced understanding of soft power via overseas investment.

Third, this study represents, to our knowledge, the first that directly and empirically compares citizens' reactions to Chinese and US FDI. When studies evaluate the effects of Chinese or US investment alone, it is not possible to say whether citizens are reacting to the foreign power as a distinct identity, or simply to its nature as a major foreign power. Moreover, while other studies compare the effects of Chinese and US foreign aid, either directly or relative to multilateral aid (Blair et al. 2022; Findley et al. 2017; Isaakson and Kotsadam 2018), fewer engage in the comparative study of FDI. Finally, and relatedly, by including analyses of both Chinese and US investment projects, we are able to assess the substitutive effects of foreign powers' local economic engagement in ways that previous studies could not.

Related Literatures

For decades, scholars have recognized the cultivation of influence as a central objective of "great powers" (Holsti 2004), including through economic activities in lower-income or "peripheral" countries. Coercive exercises of economic power, characterized as tools of economic statecraft (Baldwin 2020) or imperialism (Chase-Dunn 1975), are viewed as exercises of hard power. A separate literature, however, has treated trade, aid, and investment coming from major powers as a form of soft power. The concept of soft power underscores the capacity of major powers to achieve favorable outcomes in bilateral relationships via the attractiveness of their models (Gallarotti 2011; Kroenig et al. 2010; Nye 1990). As Nye (2004) describes it, major powers can increase their appeal among potential partner states via the transmission of shared political values, signaling like-mindedness in objectives and mutually beneficial engagement.

While Nye's original (1990) conceptualization of soft power emphasized shared culture and values, he (Nye 2009) and others (Morgan 2019) increasingly recognize the soft power potential of economic engagement, arguing that economic engagement provides the soft power advantage of enhancing local public goods and development. Following this logic, numerous studies have treated foreign aid as a means to cultivate soft power (Blair et al. 2022; Dietrich et al. 2018; Morgan 2019; Stallings 2016). Similarly, scholars often posit foreign direct investment as a tool to advance the interests of home governments (Baldwin 2020; Krasner 1978; Lien et al. 2012). With specific reference to China, Liang (2012: 667) concludes that "economic relations are at the core of China's soft power."

Studies of soft power are often situated in a broader research agenda on the consequences of major power expansion into low-income countries (Fung et al. 2022; Kastner and Pearson 2021; Mattingly et al. 2022). Yet, the political consequences, and the extent to which economic activity successfully contributes to soft power for foreign actors, are only beginning to be explored. One strand of scholarship examines whether foreign aid and investment serve as an effective tool of statecraft. Those studies suggest that major powers use carrots or sticks to align recipient countries with their own goals, such as votes in the United Nations General Assembly (Flores-Macias and Kreps 2013; Strüver 2016), allegiance in grand strategy dialogues and international forums (Broz et al. 2020), or more general forms of expressed support (Kastner 2016).

More recently, scholars have begun to link economic activities to influence via the impact of those activities on public opinion in recipient countries. In this vein, studies explore the potential soft power effects of foreign aid and FDI in Africa and other low-income regions (Blair et al. 2022; Baldwin & Winters 2020; McCauley, Pearson and Wang 2022; Winters et al. 2017). These studies build on scholars' recognition that public opinion in recipient countries is a vital source of states' foreign policy stances, pivoting off the expansive literature on public opinion and foreign policy (e.g., Holsti 1992; Mansfield and Mutz 2009). Numerous studies directly underscore the importance of local public opinion in the cultivation of soft power (Dietrich et al. 2018; Goldsmith and Horiuchi 2012; Mattingly et al 2022). More recently, Leeds and Mattes (2022) argue that the views of people routinely exposed to foreign powers' activities must account for a portion of the political influence assigned to those powers. Regarding the provenance of those views, Kertzer and Zeitzoff (2017) argue that citizens form opinions about foreign powers not simply from elite cues, but also through their own experiences and interactions with others in their communities.

Studies that draw conclusions regarding the impact of economic activities on soft power come to mixed results, particularly with respect to China; some see positive outcomes (Xu and Zhang 2020), some negative (Blair et al. 2022; McCauley et al 2022), and some mixed (Morgan 2019). Moreover, although a small number of studies compare aid from multiple countries or from multilateral lenders (Blair et al 2022; Dreher et al 2022; Findley et al. 2017; Isaakson and Kotsadam 2018), studies on the effects of FDI more typically focus on a sole source of external support. Yet, an international business management literature underscores that firms investing abroad confront liabilities of foreignness (LOF) that add additional costs relative to indigenous competitors when operating in open markets, irrespective of the nationalities of those foreign investments (see Denk et al. 2012; Zaheer 2002). This view underscores the importance of comparative studies of soft power via local citizens' experiences with FDI.

FDI and Soft Power

The theory we advance to explain the relationship between FDI and soft power builds on those literatures, particularly studies underscoring the importance of local public opinion and of attractiveness in the formulation of soft power. The underlying question remains the extent to which investment from foreign powers' firms can change the behavior of recipient countries (Dahl 1984; Nye 1990). We argue that the views of local citizens are relevant to that process, shaping the extent to which foreign powers establish both influence and attractiveness.

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Citizen Contributions to Soft Power

The first of our theoretical claims is that local citizens contribute meaningfully to the soft power that foreign powers accrue when their firms invest abroad. In keeping with recent findings from other studies (Kertzer and Zeitzoff 2017; Wang et al. 2022), we argue that citizens adjust their perceptions of foreign powers based on the everyday services, technologies, and opportunities that firms from those countries provide locally. In this light, foreign investment may sometimes bolster the perceptions of investing countries, or – in cases where, for example, resource extraction or the crowding out of local firms become commonplace – may adversely affect views of the associated foreign power. In either case, the FDI-sending country would gain a measure of local relevance.

Local citizens' perceptions matter in the accumulation of soft power for two reasons. First, domestic political leaders – especially but not exclusively in democratic contexts – are incentivized to weigh the preferences of citizens as they formulate either accommodative or restrictive policies toward foreign actors (see Owen 2019; Wang et al. 2022). Popular opprobrium over engagements with a foreign power could thus restrict the bilateral political relationship and reduce the likelihood that Country A can affect the behavior of Country B through enhanced attraction. Conversely, popular support for leaders' engagement with a foreign power may open avenues for Country A to gain leverage with Country B. Second, citizens make spending and other choices that affect the standing of foreign firms relative to local domestic firms. Strange (2022) describes "influence externalities" that arise as host actors form opinions about the economic activities around them. We add that local patronage of foreign businesses can indirectly serve the soft power goals of those firms' home countries by entrenching their models of development and enterprise.

We thus argue that the relevance local citizens assign to a foreign power constitutes a core component of soft power. While some studies conceptualize influence in terms of recipient state elites (Broz et al. 2020) or coalition-building in international organizations (Flores-Macias and Kreps 2013; Strüver 2016), the scope of local citizens' awareness of foreign engagement contributes to what Nye (2004) sees as the foreign power's ability to obtain desired outcomes.

The Degree of Influence

One element of soft power is the degree of perceived influence that citizens extend to foreign powers whose firms invest locally. We expect that citizens who live in proximity to FDI projects assign greater influence to the investing firm's home country. Primarily, this is a function of greater visibility and awareness: foreign investments in technology centers, resource mills, and store fronts all signal a foreign power's robust international economic engagement to the communities hosting those projects. Irrespective of the ultimate benefits or costs to those communities (Christensen 2019; Owen 2019), the presence of foreign firms conveys relevance to their home countries and should enhance perceived influence.

Importantly, in the context of investing firms from multiple major powers, we note that the influence that accrues to FDI-sending countries should be subject to substitution effects.

Building on Blair et al.'s (2022) work on foreign aid and soft power, we argue that citizens tend to be keenly aware of broader narratives of competition among foreign powers. For example, in the US context, manufacturing layoffs can signal national weakness to voters (Baccini and Weymouth 2021), and areas in the US under pressure from Chinese manufacturing competition are more inclined to view the US as losing a global competition (Autor et al. 2020). Insofar as narratives of global preeminence are relative (Autor et al. 2020), we thus expect that FDI projects from one foreign power's firms reinforce the narrative that that particular foreign power is ascendent or dominant and undercut perceptions that other prominent foreign powers are keeping pace in a global political economic competition.

The implication of these claims is that the influence citizens assign to a foreign power is shaped not just by FDI from that country's firms, but also – adversely – by FDI from another foreign power's firms. We refrain from describing the relationship as zero-sum given the persistent presence and role of former colonial powers in African states (Mamdani 2001), and we recognize other relative newcomers in the competition for political-economic opportunities and influence in the region, such as Turkey and Russia (Kalika 2019). Nevertheless, citizens in Africa are increasingly attuned to the competition between China and the US that plays out in their own communities (Sautman and Yan 2009). In this context, we argue that one foreign power's gains in influence come at the expense of the other's.

The Direction of Affinity

Central to our claims is that a foreign power's perceived influence constitutes a necessary but not sufficient component of soft power via local public opinion. In addition, citizens must also express a degree of affinity for the investing power, solidifying the "appeal" and "attractiveness" via public opinion that Nye (2004) cites as critical to a foreign power's ability to obtain desired outcomes.

FDI can enhance local affinity toward the investment-sending country in numerous ways. Primarily, FDI may mean job opportunities for local community members (Pandya 2016), eliciting goodwill for the firm's home country. Waldkirch et al. (2009), for example, demonstrate that FDI contributes to employment in Mexico's manufacturing sector among both blue and white collar workers. Furthermore, Aiken et al. (1996) show that an increase in foreign investment is associated with an uptick in wages, which may exert upward pressure on wages even among locally owned firms (Owen 2019). FDI may also contribute to improved local public goods provision through enhanced tax revenues (Farole and Winkler 2014). All of these benefits are likely to enhance to attractiveness of FDI projects to local citizens, and in turn elevate citizens' affinity for the investing power's approach to economic development.

FDI may also undermine affinity for the investment-sending country. Investment from foreign firms can crowd out local firms (Owen 2019; Robertson and Teitelbaum 2011) and introduce volatility to the local labor market (Scheve and Slaughter 2006). Studies suggest that foreign investment can also introduce environmental costs Acharyya 2009) and exacerbate local corruption (Owen 2019; Zhu 2017). Beyond the tangible risks that accompany foreign investment (Jensen 2008), scholars argue that FDI in Africa can create perceptions of colonial-like bilateral relationships that favor the major investing power at the expense of local

advancement (Okolo and Akwu 2016; Rich and Recker 2013). The risk of entrenched inequalities rises where investments entail local land acquisition by foreign firms (Robertson and Pinstrup-Anderson 2010).

We remain agnostic about the empirical direction of FDI's effect on local affinity for the investing power, and we suspect that it turns on the nature of the investment project.[1] We also note that affinity may be subject to substitution effects in the same manner that we expect influence to be, though the potential pattern is likely more complex since the direction of affinity is theoretically more ambiguous. The contribution of this study is to underscore the importance of affinity, alongside perceived influence, in the cultivation of soft power via foreign investment.

Several observable implications follow from these claims. First, we expect that proximity to FDI projects from Chinese or US firms will increase the influence that citizens in Africa assign to the investing country. We also expect that such investment will reduce the influence that citizens assign to the other country. Finally, we note that greater influence may be accompanied by either admiration or skepticism, and we evaluate the direction of affinity in proximity to FDI projects in our empirical analyses.

Data and Model Specifications

Data Sources

The data for our key independent variables, Chinese and US FDI projects in Africa, are drawn from the Financial Times' *fDi Markets* database. The database includes over 30,000 crossborder investment projects around the world and has been used in numerous recent studies (Owen 2019; Wang et al. 2022). We drew from the database those projects financed by Chinese or US firms in Africa for the period 2010-2019, which is the extent of the data available for Chinese firms. We then dropped from the analysis those projects for which we were unable to determine a precise geolocation using a precision coding scheme modeled on the AidData approach. The resultant dataset includes 208 Chinese FDI projects and 550 US FDI projects; see Figure A.1 in the appendix. As Figure A.2 illustrates, the projects for which we could not identify a precise location are similar to the precisely located projects on a number of observable covariates, assuaging concerns that they may differ systematically.

Data for the outcomes of interest are drawn from the Afrobarometer, a public opinion survey conducted every two to three years in up to 38 African countries. We use data from Round 6 of the survey, which at the time of writing is the only round that has released geocoded data on perceptions of China and US influence. Round 6 was conducted in 2014-2015 in 23 countries and includes responses from 37,150 respondents.[2] The timing of the survey data fortuitously leaves us with FDI projects that were operational at the time of the survey as well as projects that did not yet exist but that would enter the dataset in subsequent years, creating a set of "eventual" project locations. This is critical to the identification strategy we describe below.

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[1] We include analyses by sector in the appendix, referenced in greater detail in the empirical section.
[2] Round 6 was conducted in 2014-2015 in 36 countries and includes responses from 53,935 respondents. We include only those countries with Chinese or US FDI.

Our first dependent variable addresses the influence component of soft power. The question asks, "Which of the following do you think has the most influence on [respondent's country], or haven't you heard enough to say?" Response options include the United States, China, other countries (e.g., former colonial power, India, South Africa), and alternative answers (e.g., none of these). In the analyses, we use three dummy variables indicating the choice of China, the US, or the former colonial countries. In addition, we exploit data from a question that asks respondents about their perception of China's influence on their own country's economy: "How much influence do you think China's economic activities in [respondent's country] have on our economy, or haven't you heard enough to say?" The variable is coded on a four-point scale from "none" to "a lot;" we use a dichotomous version of the variable coded one for respondents who answered "a lot." Next, we include a dependent variable to address the affinity component of soft power. To measure this outcome, we rely on a question that asks respondents which country they believe offers the best model of development for their own country. Response options include China, the US, Other countries (former colonial powers, Russia, etc.), and their own country's model.

Connecting FDI Projects to Individual Respondents

To the best of our knowledge, this study represents the first to spatially connect Chinese and US FDI to the influence of those foreign powers in domestic settings. To do so, we first locate the FDI projects in time and space. The date of project implementation is provided in the fDi Markets database and is critical for determining whether the project was active or not yet implemented at the time of the survey. To determine the geolocation of the FDI projects, we searched English, French, and Chinese news sources for address information on the projects and used Google Maps to obtain GPS point coordinates for each. Projects were coded using a precision coding scheme whereby projects with a precise location, those "in the area" of or within 25km of a precise location, and those residing within a precisely located industrial zone (even if the project itself was not precisely located) were included in the analyses. See Table A.1 in the appendix for additional details on the coding scheme.

The Afrobarometer respondents are also located in time and space, using the date of the survey response and the GPS coordinate of the enumeration area for the respondent, typically a small village or a neighborhood in larger towns. We treat respondents as living near a Chinese or US FDI project if one or more projects lies within a 25km circular buffer of the centroid coordinate of their enumeration cluster. In keeping with studies using a similar research design (Knutsen et al. 2017; Wang et al. 2022), we theorize that 25km is a reasonable distance over which to see the effects of FDI from various sources and sectors, and we additionally report results at variable spatial distances.

The data indicate that 2,955 respondents, or 8.5% of the dataset, live within 25km of a Chinese FDI project, and 6,104 respondents (16.4%) live near a US FDI project. Overall, 34% of respondents who live near an active US project are proximate to both US and Chinese FDI projects, whereas 69% of those near Chinese FDI live near co-located US and Chinese projects, a fact that we exploit in subsequent analyses to evaluate our theoretical claims. See Table A.2 for additional descriptive statistics.

Empirical Strategy

Our objective is to test the effects of proximity to Chinese and US FDI projects on the influence that citizens in Africa assign to each of those foreign powers. Conceptually, then, we need to compare the views of individuals living near Chinese and US investments to responses from those who do not live near such projects. A critical point to consider, however, is that the locations of Chinese and US FDI projects are not randomly distributed in Africa: firms choose investment locations for particular reasons having to do with profitability, politics, or other factors, and the same determinants that drive project location decisions may also correlate with the types of individuals who live in those areas, thus introducing the risk of bias to our analyses.

To overcome this potential threat to inference, we adopt an identification strategy that is increasingly commonplace in studies of location-based phenomena. Given that some Chinese and US FDI projects were operational in the period leading up to the collection of survey data in 2014-2015, while other FDI projects did not enter the dataset until after the collection of survey data, we are able to exploit the timing of the investment projects and the survey to address the potential bias. We code individuals as living in proximity to an *active* Chinese or US project; an *eventual* project location, where no project yet exists but where Chinese or US investment will occur and enter the dataset at some point after the survey; or *not close* to any Chinese or US investment at any stage (that is, more than 25km away). Those living not close to any project serve as the baseline category, and we then compare the effects of living near active projects versus the effect of living near eventual projects. The intuition is that respondents living near active projects and eventual project locations are very similar in expectation, given that each of these two location categories ultimately meets the standards for Chinese or US investment.[3] Table A.3 in the Appendix reports the number of respondents by category and country.

We estimate the effects of proximity to FDI projects using OLS models to facilitate the interpretation of differences in the coefficients. The baseline regression model is

$$Y_{iv} = \beta_1 \cdot active + \beta_2 \cdot eventual + \lambda \cdot X_i + \alpha_c + \varepsilon_{iv}$$

where *Y* represents the response of individual *I* living in enumeration area v. *Active* denotes responses from individuals living within 25km of an operational Chinese or US FDI project, and *eventual* signifies residence in a location that does not yet have a Chinese or US investment project but that will in the near future. X_i is a vector of individual-level characteristics, including a dummy for urban vs. rural residence, age, age squared, gender, and education (coded on a 10-point scale). We include subnational fixed effects at the ADM-1 level (α_c). Standard errors are clustered at the enumeration area level.

The parameter of interest is the difference in the effects of living near an active project and an eventual project; that is, ($\beta_1 - \beta_2$). Positive outcomes indicate that citizens living near an FDI project assign greater influence to the foreign power in question, whereas negative outcomes indicate that citizen-assigned influence declines for the foreign power in question among

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[3] Respondents interviewed in the same year in which a project is implemented are coded as living in a location with an eventual FDI project.

individuals living near FDI projects. As a robustness test, we also present the results of models in which we drop respondents not close to any project location and use those near eventual projects as the baseline against which to measure the effects of proximity to active projects.

The baseline models consider whether a project from the particular foreign power in question exists in that location, irrespective of FDI projects from the other foreign power. We also present results for proximity to only Chinese or US FDI, with no investment present in that location from the other power.

Main Results

The average respondent is 37 years of age and completed primary school education (again, see Table A.2). The sample is balanced on gender as a function of Afrobarometer stratification procedures. As Figure A.3 indicates, little difference exists in the samples close to active and eventual FDI projects.

This study poses two central questions: how does US and Chinese FDI affect the perceived influence of these two countries, and how does it affect their appeal? We begin by presenting the effects of proximity to each country's FDI projects on the influence that citizens assign to those countries. We then evaluate the effects of US and Chinese FDI on the affinity that respondents express for those countries' development models.

The Effects of US FDI on Perceived Influence

Table 1 presents the effects of US FDI on the influence that citizens in Africa assign to the US, China, and Others. The first three columns include respondents living within 25km of a US investment project irrespective of the presence of Chinese FDI, while Columns 4-6 present the results for respondents who live close to only US FDI, with no nearby Chinese investments.

In Column 2, the (actual – eventual) difference in respondents' views that the US is the most influential country is positive and has a p-value of 0.042, indicating that living in proximity to US FDI projects increases the influence that citizens assign to the US. Meanwhile, the results for Chinese influence in Column 1 are negative, suggesting that proximity to US FDI projects undermines the influence that citizens assign to China (though the result falls slightly short of conventional statistical significance; p=0.079). Restricting the analyses to respondents who live in proximity to only US FDI, with no nearby Chinese FDI, tells a similar story: in Column 4, the (active – eventual) difference for Chinese influence is negative (p=0.033), whereas the effect on US influence in Column 5 is again positive (p=0.066).[4]

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[4] Analyses disaggregated by sector suggest that the results are largely driven by service sector projects, especially for Chinese FDI. Table A.5 shows the categories of sectors from the *fDi Markets* database. Figure A.4 plots the disaggregated effects by sector for both Chinese and US FDI. Figure A.5 shows the different compositions of service sector for Chinese and US FDI.

Table 1.

	US FDI			US FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.008	0.019	0.003	-0.018	0.020	0.008
	(-0.567)	(1.340)	(0.268)	(-1.140)	(1.249)	(0.576)
Eventual	0.025	-0.016	0.001	0.026	-0.015	0.002
	(1.700)	(-1.130)	(0.118)	(1.743)	(-1.050)	(0.135)
Active-Eventual	-0.033	0.035	0.001	-0.044	0.036	0.006
F test: Active-Eventual=0	3.095	4.127	0.008	4.537	3.416	0.134
p-value	0.079	0.042	0.929	0.033	0.065	0.714
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	23	23	23	23	23	23
Number of subnational regions	345	345	345	344	344	344
Number of enumeration areas	4924	4924	4924	4584	4584	4584
Number of observations	36789	36789	36789	34755	34755	34755
Adjusted R squared	0.181	0.178	0.375	0.187	0.189	0.385

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

The Effects of Chinese FDI on Perceived Influence

Next, in Table 2, we turn to the effects of Chinese FDI on citizen-assigned influence in Africa. Importantly, we reiterate that over twice as many US FDI projects populate the dataset compared to Chinese FDI projects. Moreover, whereas 34% of respondents living close to US FDI projects are co-located with Chinese investments, over two-thirds (69%) of the respondents living close to Chinese FDI co-locate with US investments. If the theoretical claims are valid, we should expect to see a different pattern in the results for Chinese FDI, as much of the Chinese investment in Africa is offset by respondents who also live close to US investments. This is indeed the case.

Table 2.

	Chinese FDI			Chinese FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	0.006	0.032	-0.010	0.036	0.064	-0.034
	(0.339)	(1.623)	(-0.916)	(1.000)	(1.905)	(-1.448)
Eventual	-0.015	0.033	-0.005	-0.021	0.035	-0.001
	(-1.278)	(2.457)	(-0.471)	(-1.767)	(2.508)	(-0.131)
Active-Eventual	0.022	-0.001	-0.005	0.058	0.030	-0.033
F test: Active-Eventual=0	1.059	0.003	0.118	2.293	0.690	1.626
p-value	0.304	0.957	0.731	0.130	0.406	0.202
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	20	20	20	20	20	20
Number of subnational regions	293	293	293	292	292	292
Number of enumeration areas	4623	4623	4623	4283	4283	4283
Number of observations	34378	34378	34378	32344	32344	32344
Adjusted R squared	0.192	0.166	0.392	0.199	0.178	0.405

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

As Column 1 shows, living within 25km of a Chinese investment project does result in a positive-signed (active – eventual) outcome, suggesting that respondents living near Chinese FDI projects are more prone to see China as the most influential country. However, the magnitude of the coefficient is somewhat smaller (0.022), and the result is not statistically significant (p=0.304). Moving to Column 2, the coefficient on the (active – eventual) difference for US influence is negative but substantively negligible and statistically not significant. Chinese FDI also does not affect the influence that citizens assign to the former colonial countries (Column 3).

The effects of proximity to Chinese FDI reported in Columns 1-3 are largely offset by co-located US FDI. In Columns 4-6, the results are restricted to respondents who live near only Chinese FDI, with no nearby US investment. As anticipated, the (active-eventual) difference for Chinese influence (Column 4) is positive and substantively strong, though it falls short of conventional

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statistical significance (p=0.130). The influence that citizens assign to the US in proximity to only Chinese FDI is not statistically significant.

These results are generally consistent with expectations. Chinese FDI seems to increase the influence that local citizens assign to China. However, most of that investment occurs in locations where citizens are also exposed to US investments, which, conversely, have the effect of increasing US influence. The influence of Chinese FDI projects is thus offset to a large degree by US FDI projects, whereas US investments (reported above) are less subject to co-located Chinese ones. While respondents living close to Chinese FDI only are expected to assign increased influence to China and decreased influence to the US, the number of respondents living close to Chinese FDI is small (69% of respondents living close to Chinese FDI co-locate with US projects), which might lead to the ambiguous results.

The Substitutive Nature of US and Chinese Influence

The analyses of proximity to US FDI – in which US influence increases and Chinese influence decreases – and proximity to Chinese FDI, where Chinese influence is largely offset by nearby US investments, accords with the notion of substitution effects in respondents' assignment of influence to these two major foreign powers. However, we note that the compositional nature of the key survey question on the most influential country means that as one major power's influence increases, the perceived influence of the other necessarily declines. We thus present additional analyses to test the substitution effect of US and Chinese influence.

First, in Table 3, we present the results of analyses using a secondary outcome measure, from the question asking respondents how much influence they think China's economic activities have on their own country's economy. If the influence that citizens assign to the US and China is substitutive, we should expect that proximity to Chinese FDI projects increases the extent to which citizens see China having a bigger influence on their domestic economy, and proximity to US FDI projects decreases the perceived influence of China's economic activities on their domestic economy. Unfortunately, the Afrobarometer survey does not include a similar question to gauge how citizens see US economic activities influencing their country's economy.

Table 3.

	Chinese FDI	Chinese FDI only	US FDI	US FDI only
	China's economic influence		China's economic influence	
	(1)	(2)	(3)	(4)
Active	0.055	0.082	0.002	-0.020
	(2.502)	(1.797)	(0.104)	(-1.141)
Eventual	-0.011	-0.010	0.018	0.021
	(-0.761)	(-0.693)	(1.113)	(1.288)
Active-Eventual	0.066	0.092	-0.017	-0.042
F test: Active-Eventual=0	7.096	3.740	0.669	3.398
p-value	0.008	0.053	0.413	0.065
Individual Controls	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes
Number of countries	20	20	23	23
Number of subnational regions	293	292	345	344
Number of enumeration areas	4623	4283	4924	4584
Number of observations	34379	32343	36789	34753
Adjusted R squared	0.082	0.082	0.083	0.083

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Column 1 in Table 3 reports the results for proximity to Chinese FDI, irrespective of the presence of US FDI. The (actual – eventual) difference is positive, substantively strong, and statistically significant (p=0.008). Column 2 restricts the sample to respondents living near only Chinese FDI, and the outcome is substantively even stronger (p=0.053). Living near Chinese FDI projects makes respondents more likely to state that Chinese economic activities have an important influence on the domestic economy, accounting for the potential nonrandom location of those investments.

Columns 3 and 4 report the extent to which respondents see China's activities as having an influence on the domestic economy when they live in proximity to US investments. In both models, the (actual – eventual) difference is negative. When the sample is restricted to respondents living near only US FDI projects, the coefficient is substantively strong and approaches conventional statistical significance (p=0.065).

Next, we exploit the co-location of Chinese and US FDI projects. Table A.4 reports the results using only those respondents who live in locations with co-located Chinese and US FDI. Here, we should expect to see near complete offsetting of Chinese and US investments on the extent to which citizens assign influence to either country. Indeed, as the results in Table A.4 show, living proximate to co-located Chinese and US FDI projects produces null results in terms of citizens viewing China or the US as most influential, as the investments from each country likely bolster that country's influence and undermine the other's.

The Effects of FDI on Affinity

Next, we consider how nearby FDI affects the attractiveness of Chinese and US development efforts to local respondents. In outlining the theoretical expectations, we stressed that influence is not to be equated with affinity; like a heavy-handed boss, an investing country may be perceived poorly in local contexts even as its influence is widely acknowledged. How does nearby FDI affect citizens' affinity for Chinese and US approaches to development?

We rely on the question that asks respondents which country they believe offers the best model of development for their own country, and the results are striking. In proximity to Chinese FDI (the top row in Figure 1), citizens are significantly less likely to view the China model as the best for their country and significantly more likely to view the US model as most appropriate. Meanwhile, the converse holds true in proximity to US FDI: nearby citizens are less likely to indicate that the US model is the best for their country and more likely to favor the China model. Proximity to Chinese and US FDI has no bearing on preferences for their former colonial countries' development model. See Tables A.6-7 in the Appendix for additional details.
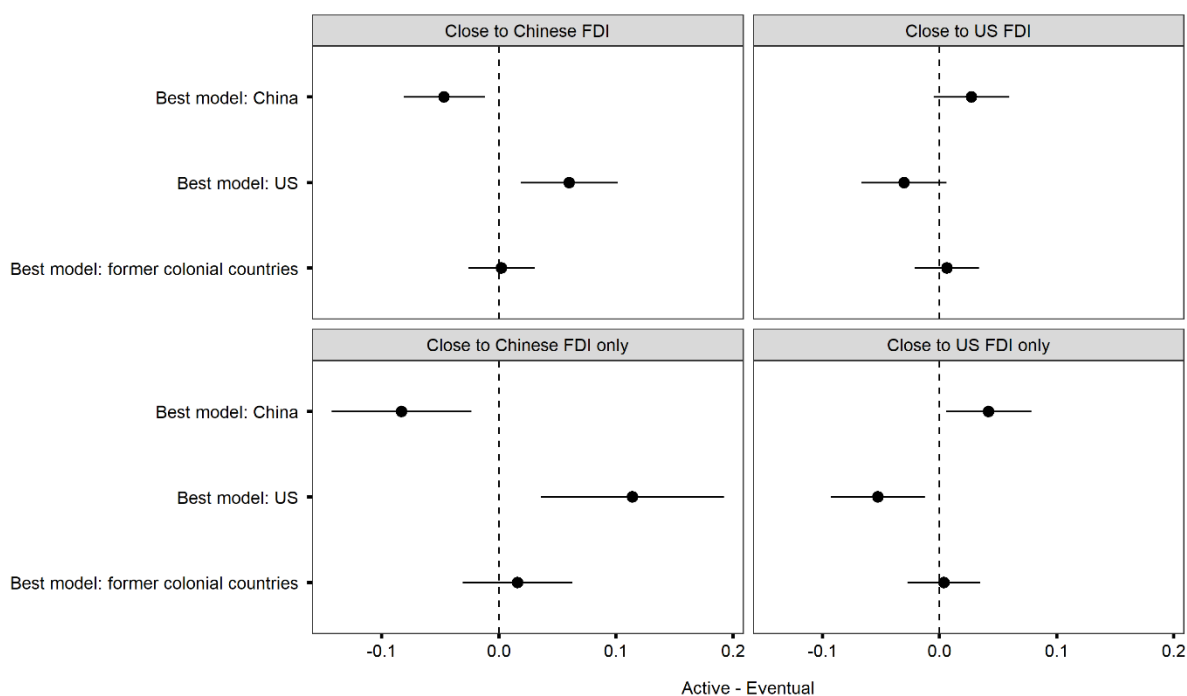
Figure 1.

Much has been made in the literature of the insalubrious effects of Chinese aid and FDI in Africa (Christensen 2019; Isaksson and Kotsadam 2018). The results we present here suggest that skepticism of foreign powers' nearby investments is not unique to China; rather, US FDI also seems to work at cross purposes to affinity for the US model. This we view as a general liability of foreignness associated with major foreign powers, in which their economic activities in local communities in Africa create backlash against the approach of the foreign power in question even as its influence increases. We demonstrated that FDI projects have important bearing on the influence that citizens assign to the firms' home country, but we also recognize potential downsides associated with the pushing out of local firms (Pandya 2016), inflated expectations around job opportunities (Wang et al. 2022), and costs associated with corruption and environmental damage (Owen 2019), not to mention the consequences of extractive manufacturing and resource projects. Furthermore, to return to the discussion above, there indeed seems to be a substitution effect for affinity as there is for influence; we speculate that respondents are turning their backs on foreign investors with some degree of spite.

We next test the effects over variable distances. As Figure 2 illustrates, living in proximity to Chinese FDI projects only decreases the affinity that respondents express for the China model of development, and that skepticism persists up to approximately 75 kilometers before attenuating to zero. Meanwhile, those respondents living in proximity to Chinese FDI only are consistently more inclined to indicate that the US model of development is the best model for their country, a pattern that remains statistically significant up to 100km away. The bottom panels reveal a similar trend in proximity to US FDI projects only: respondents are modestly more likely to indicate that the China model is the best model for development within 25-50km and modestly less likely to favor the US model over that same range.

Figure 2.

Robustness Tests

An alternative means of accounting for the potential nonrandom location of Chinese and US FDI projects is to drop from the analyses all individual respondents not close to a Chinese or US project at any stage; this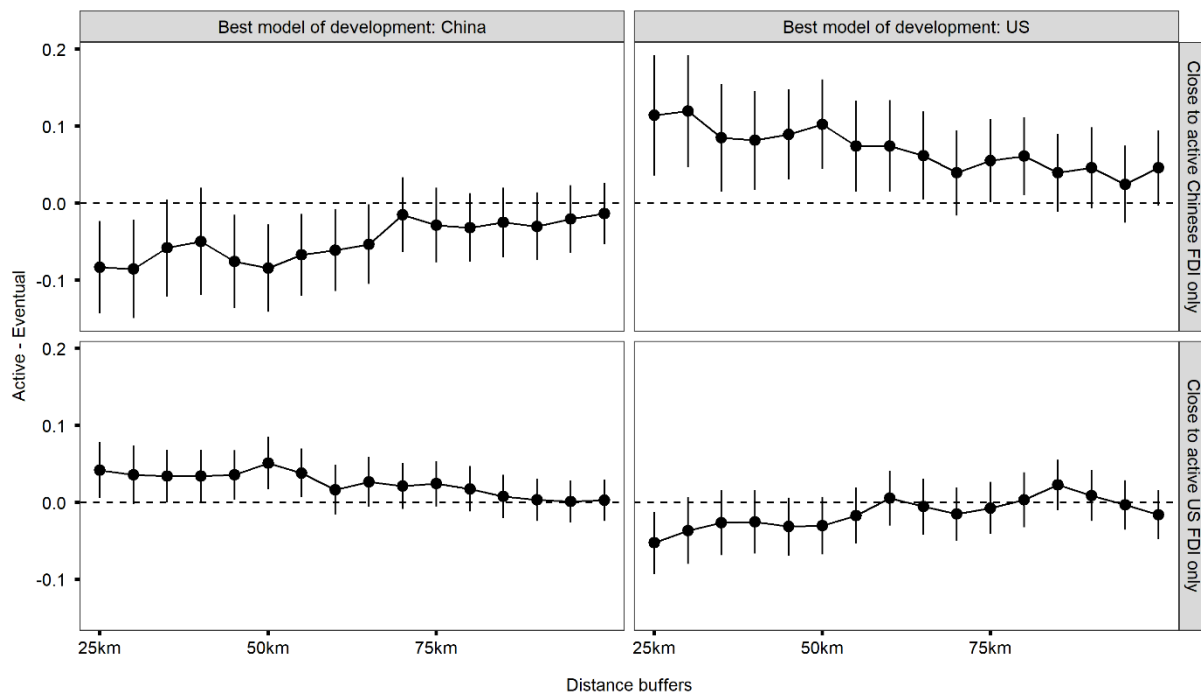 is, we remove those living more than 25km from either an active or an eventual Chinese or US investment location. The baseline category then becomes those respondents living near eventual project locations, where no project yet exists (for the country under analysis), and the coefficient directly reveals the effect of living in proximity to an active FDI project. We report the results using this approach in Appendix Tables A.8-A.11, first for influence in proximity to US and Chinese FDI projects and then for affinity. The results are consistent with the main findings, if somewhat weaker. We use sub-national region fixed effects in these models. As we restrict the observations to active and eventual, we only rely on the subnational regions where such variation exists. We thus lose many observations, which might explain the somewhat weaker results.

Next, unobserved contextual factors could explain the effects of FDI projects if conditions changed notably in the study environment from the time projects enter the dataset as eventual and the point at which they are operational. We thus run the analyses with restricted time windows of one, two, and three years for eventual projects, dropping those whose existence is further in the future at the time of each survey response. The results, reported in Tables A.12-A.23, generally remain consistent with expectations, though weaker on some outcome variables.

An additional source of bias may come in the comparison of outcomes for US and Chinese FDI projects across different country contexts. To address this concern, we restrict the dataset to the 18 countries that have both US and Chinese FDI projects. The results hold: proximity to US FDI increases perceived US influence and undermines Chinese influence; proximity to Chinese FDI produces ambiguous results on perceived influence due to the scope of offsetting US projects (see Tables A.24-25); and affinity for each country falls in proximity to its firms' FDI projects (see Tables A.26-27).

Finally, we use a placebo test to further gauge the strength of the findings. Maintaining the same ratio as the original dataset, we randomize respondents' proximity to either an active FDI project or an eventual one. This allows us to generate counterfactuals in which the timing of survey responses and the implementation of FDI projects differs, placing respondents randomly near either an active project or an eventual project, with some probability. We then recalculate the Active – Eventual differences, repeat the process 5,000 times, and compare the observed effect to these placebo effects. If the effects we observe in the original analyses occurred solely by chance, those observed effects should lie within the distribution of randomized placebo effects. As Figure 3 illustrates, however, the observed effects lie consistently outside of the distribution and reinforce the patterns we find regarding both influence and affinity.
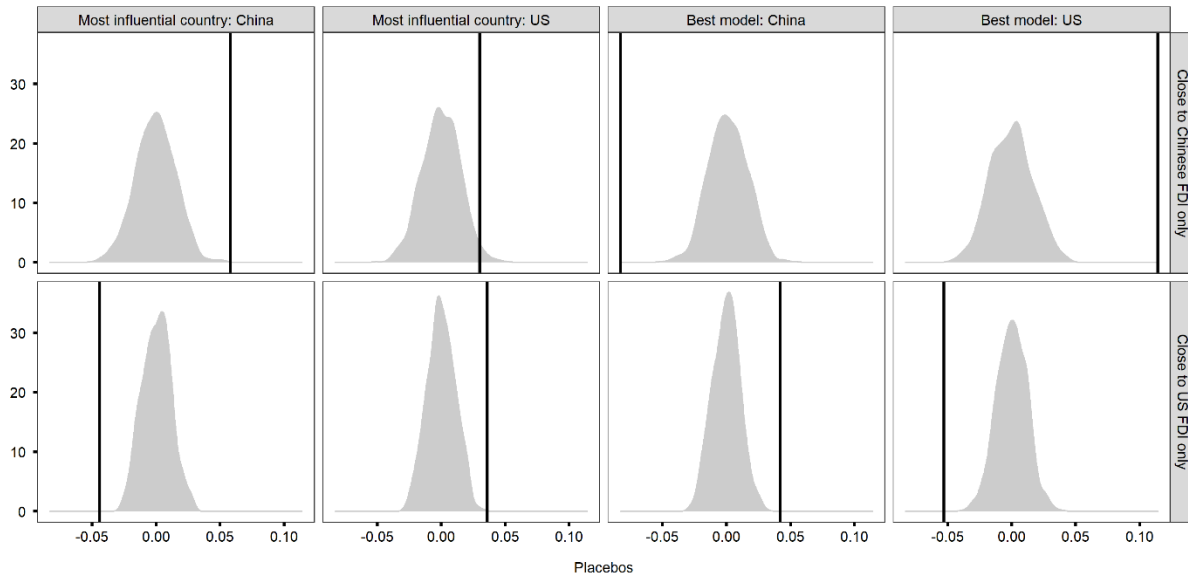
Figure 3.

Conclusion

Scholars, and indeed governments, typically assume that overseas investment enhances the soft power of the FDI-sending country. Often overlooked, however, are the views of local citizens, as well as the extent to which they find appeal along with influence in such investments. This study aimed to add theoretical and empirical nuance to the study of FDI and soft power by addressing these shortcomings. It asked: does FDI from a foreign power increase its influence among local populations? And how does it affect the affinity that nearby residents assign to the investing country's model of development?

The results suggest that, in the ongoing competition between China and the US in Africa, investment from one foreign power's firms does increase the influence that citizens assign to that country. Furthermore, it tends to undermine the influence that citizens assign to the competing major power. We showed that citizens are more likely to call the US the most influential country when they live near a US investment project, an effect that persists out to nearly 75km, and they are less likely to call China the most influential country in those circumstances. We also showed that respondents who live near Chinese investment projects, most of whom also live near US FDI projects, do not assign significantly more influence to either country, since the effects of Chinese and US projects offset one another. However, we find that the local influence that FDI-sending countries derive from their firms' overseas investments in Africa does not translate to greater affinity. Contrary to assumptions underpinning conventional views of FDI, proximity to Chinese and US FDI projects decreases rather than increases preferences for the respective country's development model.

The study has important practical as well as theoretical implications. From a theoretical standpoint, the study adds to the collective understanding of economic sources of foreign power influence. We by no means suggest that citizens' experiences constitute the only or the central

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channel through which foreign powers like China and the US accumulate soft power. We note, however, that citizens' views are often overlooked in soft power analyses. This study builds on existing work that recognizes at least some role for domestic citizens, and in doing so, it expands the theoretical set of channels through which scholars might examine soft power, especially in the context of FDI.

From a practical perspective, the findings should be meaningful to practitioners and scholars interested in great power competition through economic engagement. The lessons are fairly clear: FDI can strengthen the status of foreign countries as preeminent powers abroad, a potentially worthwhile investment so long as generating goodwill is not also an objective. Furthermore, FDI can undercut the power of competing powers, so the investments may pay multiple dividends in strategic political terms. Yet, if states seek to encourage changes in other states through enhanced attraction – the nucleus of soft power – FDI represents a counterproductive strategy. Rather than signaling helpful partnerships, FDI projects appear to evoke the skepticism reserved for heavy-handed, unwelcome intruders.

This research may serve as a foundation for numerous subsequent studies. Importantly, with more refined data, scholars might test the effects of investment from multiple other FDI sending countries and in other parts of the world, especially from a receiving country's former colonial power. Studies could also be designed to more rigorously test the mechanisms that drive perceived influence and affinity, using experimental manipulations at the individual or community levels. Finally, we see an opportunity for scholars to delve into the relative place that citizens' views occupy among the numerous sources of soft power that foreign powers seek cultivate in their engagements with low-income countries.

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Appendix

Figure A.1. Map of Chinese and US FDI Projects from *fDi Markets*.
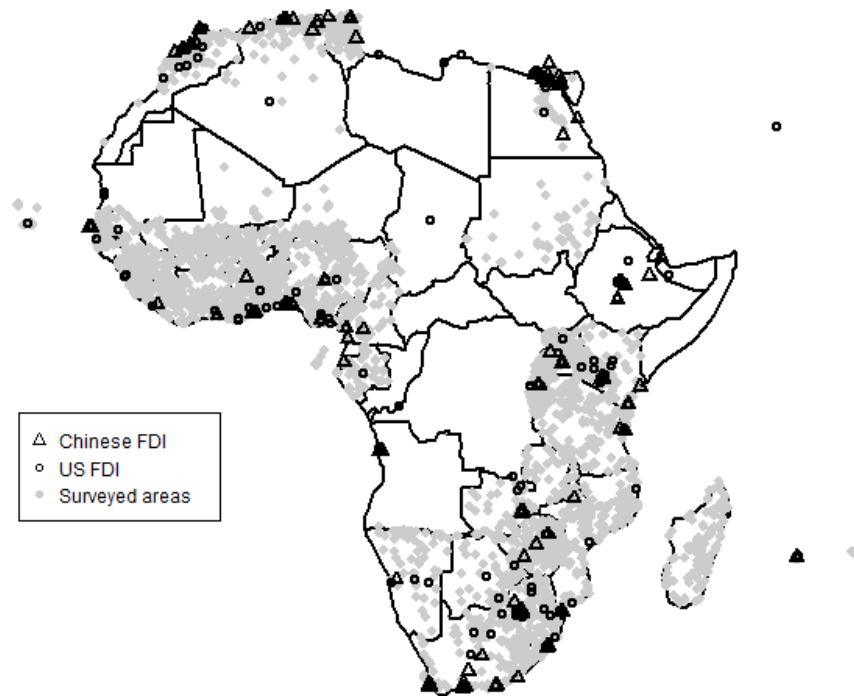
Figure A.2. Balance across Precisely and Imprecisely Located FDI Projects

a) US FDI Projects

(a) Sector

(b) Investment amount (US$m)

(c) Year

b) Chinese FDI Projects

(a) Sector

(b) Investment amount (US$m)

(c) Year

(d) Ownership
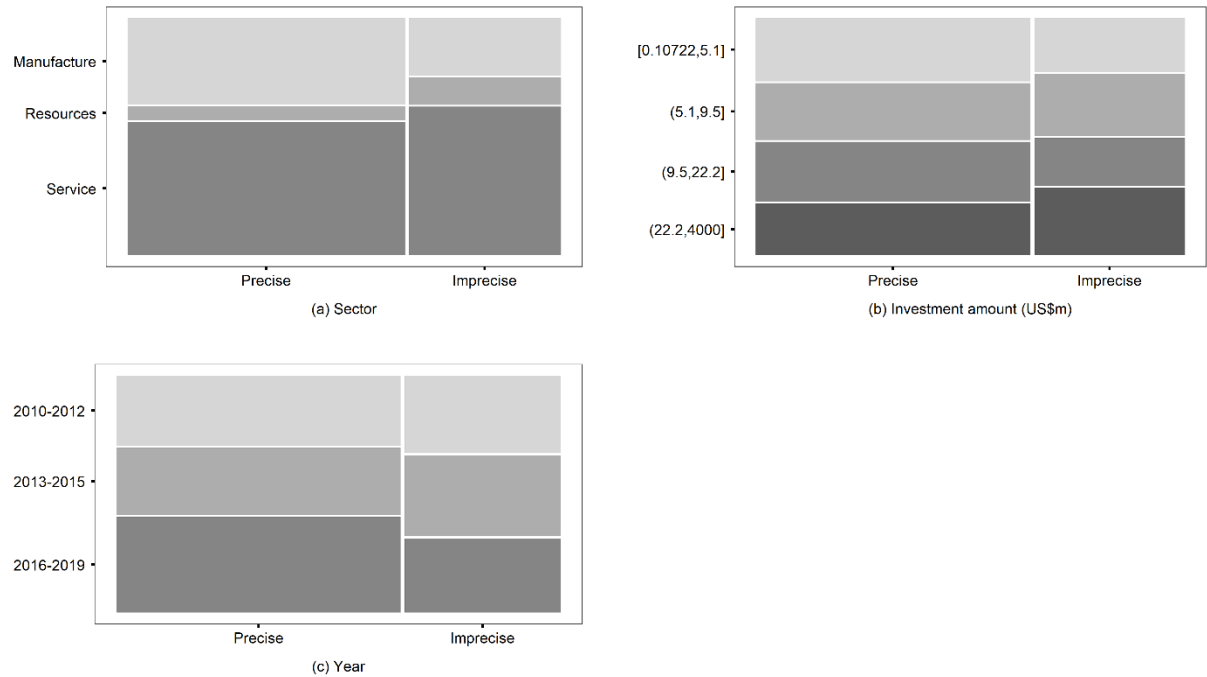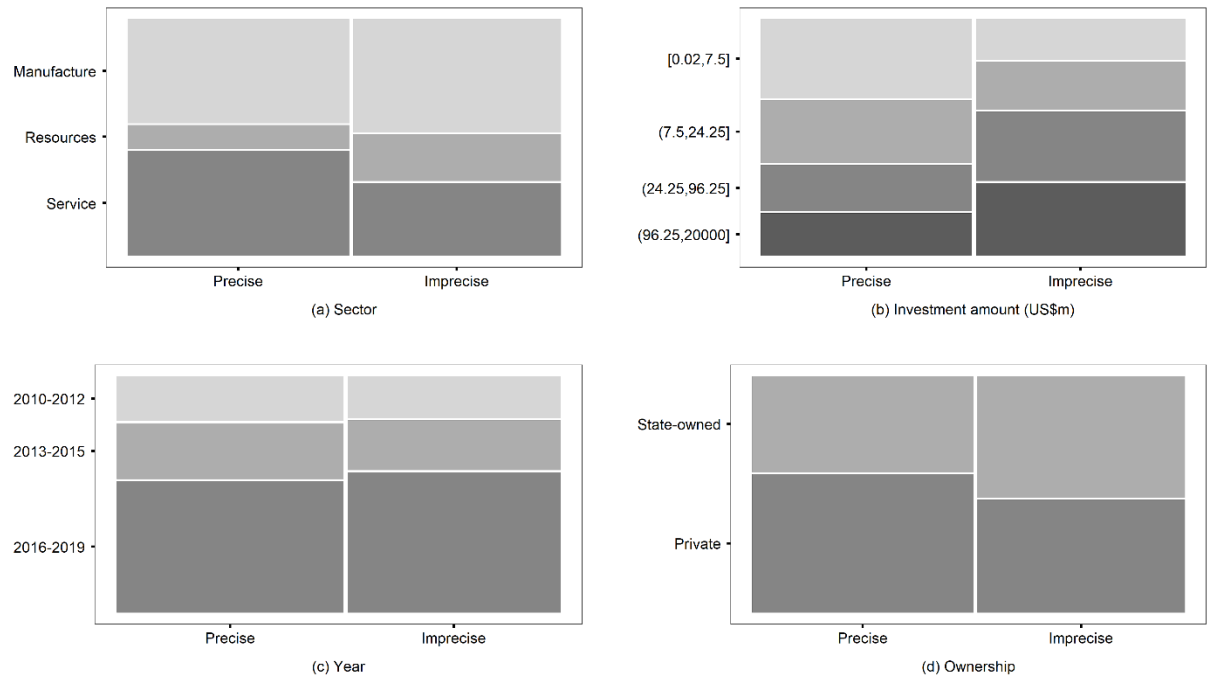
Table A.1. Precision Coding Scheme for FDI Projects.

Code	Corresponding Precision
1	The coordinates correspond to an exact location, such as a populated place or a physical structure such as a school or health center. This code may also used for locations that join other locations to create a line such as a road, power transmission line or railroad.
2	The location is mentioned in the source as being "near", in the "area" of, or up to 25 km away from an exact location. The coordinates refer to that adjacent location.
3	The location is, or is analogous to, a second-order administrative division (ADM2), such as a district, municipality or commune.
4	The location is, or is analogous to, a first-order administrative division (ADM1), such as a province, state or governorate.
5	The location can only be related to estimated coordinates (e.g. between populated places; along rivers, roads and borders; or more than 25 km away from a specific location). Also used large topographical features (greater than ADM1) such as National Parks which spans across several administrative boundaries.
6	The location can only be related to an independent political entity, but is expected to be disbursed locally. This includes aid that is intended for country-wide projects as well as larger areas that cannot be geo-referenced at a more precise level.
7	The location is unclear. The country coordinates are entered to reflect that subnational information is unavailable.
8	The location can only be related to an independent political entity, but the central government will be the only direct beneficiary (e.g. capacity building, budget support, technical assistance).
9	The location of the project can be related to an industrial zone with an exact location.

Note: This coding scheme is adapted from the AidData coding scheme, available at http://docs.aiddata.org/ad4/files/geocoding-methodology-updated-2017-06.pdf. The only difference is that we add a precision code for location within a precisely located industrial zone.

Table A.2. Descriptive Statistics.

Chinese FDI sample: 20 countries							
Variables	N	Mean	St.Dev	Min	Pctl_25	Pctl_75	Max
Close to active Chinese FDI (25km)	34,748	0.085	0.279	0.000	0.000	0.000	1.000
Close to active Chinese FDI only (25km)	34,748	0.026	0.159	0.000	0.000	0.000	1.000
Close to eventual Chinese FDI (25km)	34,748	0.133	0.340	0.000	0.000	0.000	1.000
Most influential country: China	34,732	0.277	0.448	0.000	0.000	1.000	1.000
Most influential country: US	34,732	0.276	0.447	0.000	0.000	1.000	1.000
China's influence in economy: A lot	34,733	0.387	0.487	0.000	0.000	1.000	1.000
Urban (0, 1, 2)	34,748	0.891	0.993	0.000	0.000	2.000	2.000
Age	34,498	36.679	14.086	18.000	26.000	45.000	105.000
Gender	34,748	0.504	0.500	0.000	0.000	1.000	1.000
Education (0-9)	34,639	3.733	2.124	0.000	2.000	5.000	9.000
US FDI sample: 23 countries							
Variables	N	Mean	St.Dev	Min	Pctl_25	Pctl_75	Max
Close to active US FDI (25km)	37,150	0.164	0.371	0.000	0.000	0.000	1.000
Close to active US FDI only (25km)	37,150	0.109	0.312	0.000	0.000	0.000	1.000
Close to eventual US FDI (25km)	37,150	0.068	0.251	0.000	0.000	0.000	1.000
Most influential country: China	37,134	0.279	0.449	0.000	0.000	1.000	1.000
Most influential country: US	37,134	0.256	0.437	0.000	0.000	1.000	1.000
China's influence in economy: A lot	37,134	0.395	0.489	0.000	0.000	1.000	1.000
Urban (0, 1, 2)	37,150	0.900	0.988	0.000	0.000	2.000	2.000
Age	36,913	37.065	14.318	18.000	26.000	45.000	105.000
Gender	37,150	0.504	0.500	0.000	0.000	1.000	1.000
Education (0-9)	37,036	3.683	2.187	0.000	2.000	5.000	9.000

Table A.3. Respondents Proximate to US and Chinese FDI Projects at Different Stages.

	Chinese FDI: 25 km			US FDI: 25 km		
	Active	Eventual	Not close	Active	Eventual	Not close
Algeria	0	248	952	152	32	1016
Benin				0	216	976
Botswana				272	16	912
Cameroon	264	8	910	0	128	1054
Cote d'Ivoire	0	248	951	248	24	927
Egypt	152	24	1022	200	8	990
Gabon	0	502	696			
Ghana	464	40	1896	504	64	1832
Guinea				152	72	976
Kenya	320	152	1925	368	232	1797
Liberia	0	80	1119	360	0	839
Malawi	0	432	1968			
Mauritius	0	872	328	936	136	128
Morocco	208	96	896	320	144	736
Mozambique	0	248	2152	72	288	2040
Namibia				224	40	936
Nigeria	136	96	2168	192	136	2072
Senegal	0	344	856	320	0	880
South Africa	755	156	1479	831	112	1447
Tanzania	0	281	2105	257	8	2121
Togo				0	304	904
Tunisia	0	352	848	288	8	904
Uganda	32	240	2128	248	16	2136
Zambia	160	32	1007	160	88	951
Zimbabwe	464	168	1768	0	440	1960

Figure A.3. Balance of Respondents in Proximity to FDI Projects at Different Stages.

a) US FDI

(a) Urban

(b) Education

(c) Gender

(d) Age

b) Chinese FDI

(a) Urban

(b) Education

(c) Gender

(d) Age
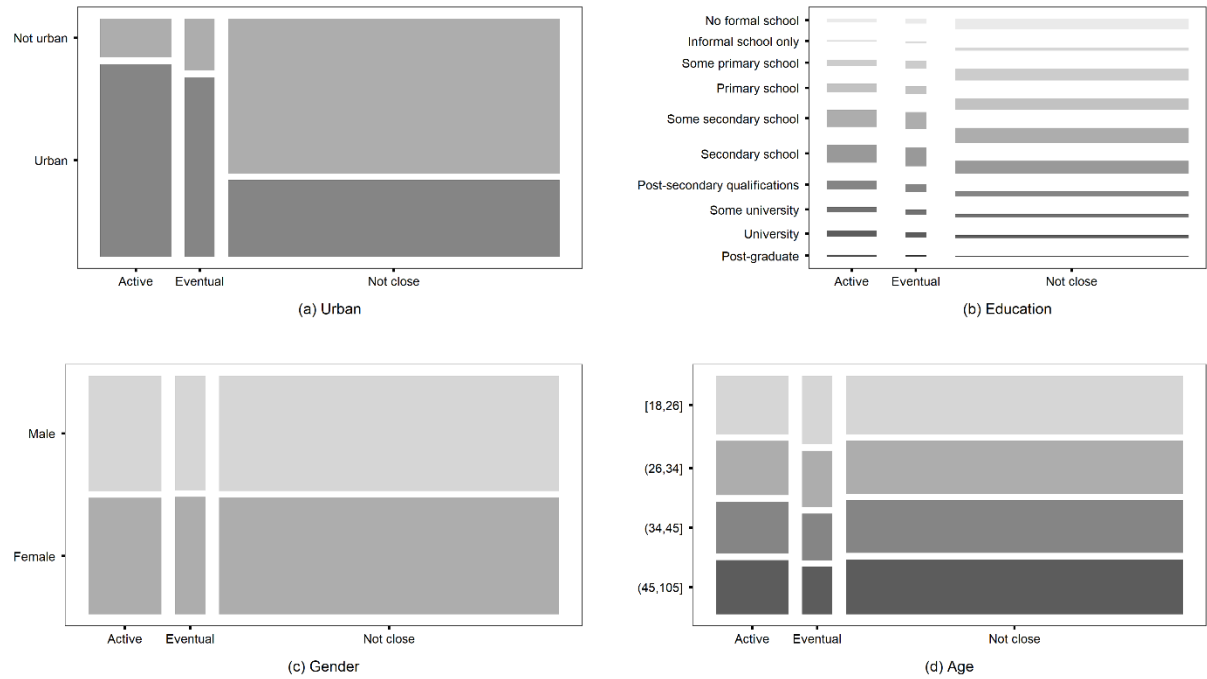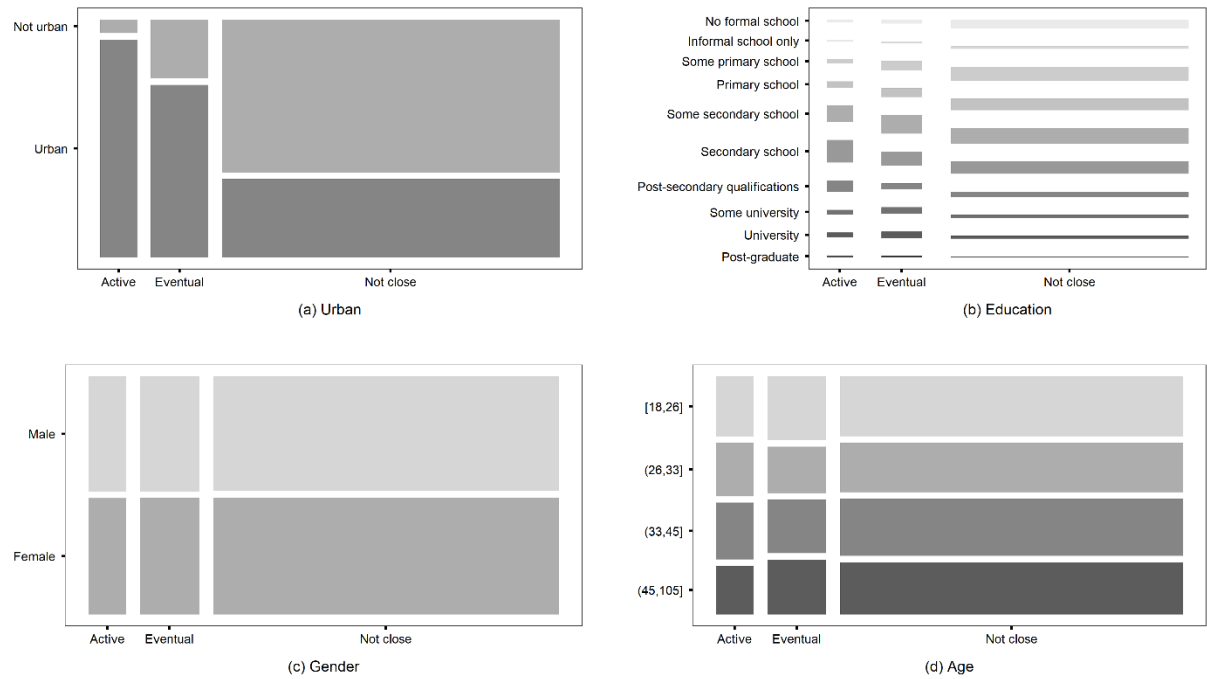
Table A.4. Effects of FDI on Citizen-Assigned Influence Using Co-located Chinese and US FDI.

| | China's economic influence | Most influential country | | |
| | | China | US | Colonial |
	(1)	(2)	(3)	(4)
Active	0.043	0.006	0.013	-0.007
	(1.627)	(0.238)	(0.533)	(-0.594)
Eventual	0.062	0.015	0.029	-0.021
	(1.560)	(0.419)	(0.871)	(-1.103)
Active-Eventual	-0.019	-0.009	-0.016	0.014
F test: Active-Eventual=0	0.178	0.054	0.184	0.438
p-value	0.673	0.816	0.668	0.508
Individual controls	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes
Number of countries	8	8	8	8
Number of subnational regions	122	122	122	122
Number of enumeration areas	2006	2006	2006	2006
Number of observations	13921	13922	13922	13922
Adjusted R squared	0.104	0.154	0.117	0.071

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.5. Categories of Sectors from the fDi Markets Database.

Sector Type	Sectors in fDi Markets
Manufacturing	"Beverages", "Paper, printing & packaging", "Building materials", "Industrial equipment", "Consumer electronics", "Non-automotive transport OEM", "Automotive OEM", \Ceramics & glass", "Chemicals", "Medical devices", "Engines & turbines", "Automotive components", "Food & tobacco", "Electronic components", "Textiles", "Consumer products" and "Pharmaceuticals".
Resource	"Coal, oil & gas", "Metals", "Renewable energy"
Service	"Communications", "Aerospace", "Real estate", "Healthcare", "Financial service", "Business services", "Transportation", "Software & IT services"

Figure A.4. Effects of FDI on Citizen-Assigned Influence by Sector.
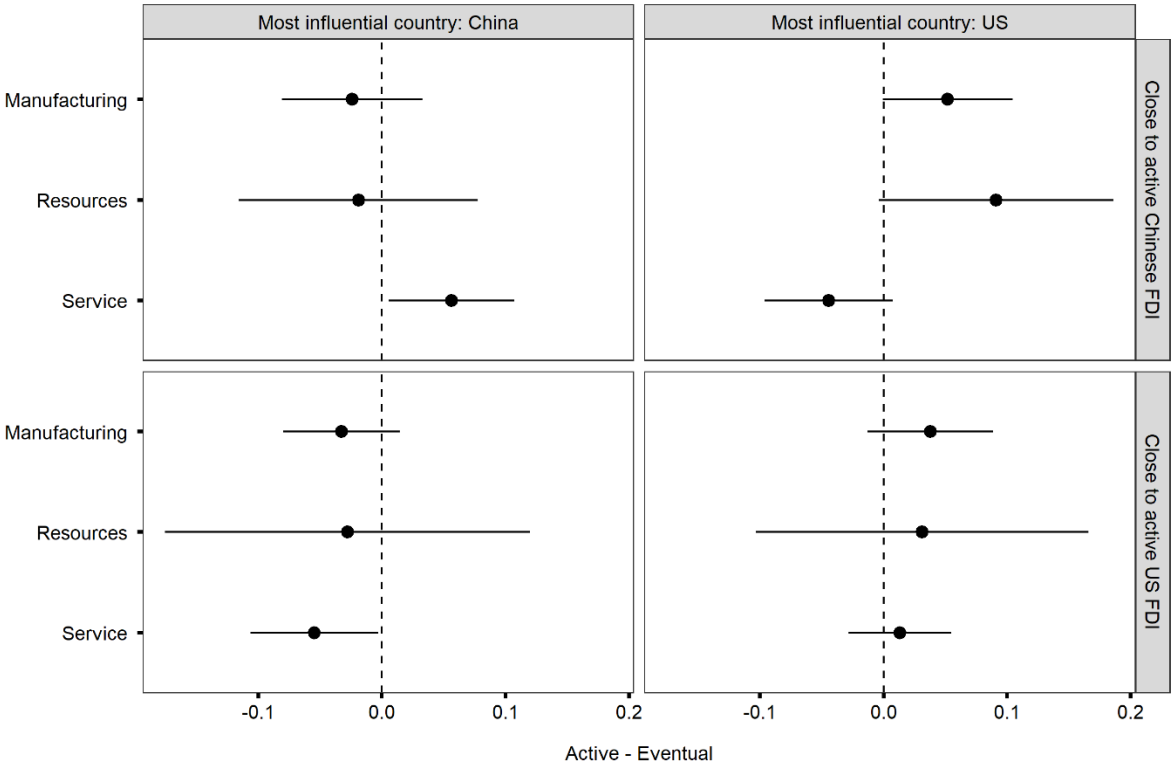
Figure A.5. US and Chinese FDI Projects by Sector.
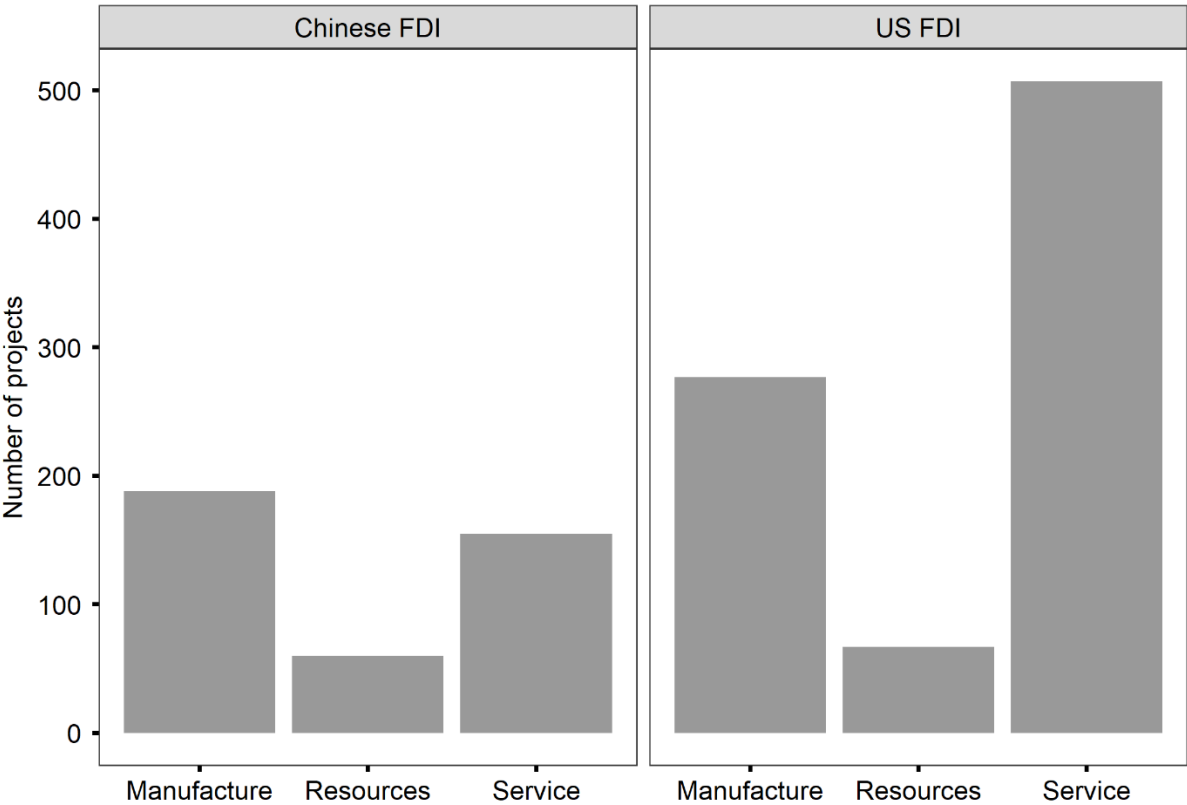
Table A.6. Effects of US FDI on Best Model of Development.

	US FDI			US FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	0.014	0.006	0.002	0.029	-0.014	-0.001
	(1.171)	(0.420)	(0.240)	(1.983)	(-0.880)	(-0.061)
Eventual	-0.014	0.036	-0.004	-0.013	0.038	-0.004
	(-0.986)	(2.350)	(-0.349)	(-0.947)	(2.451)	(-0.393)
Active-Eventual	0.027	-0.030	0.006	0.042	-0.053	0.004
F test: Active-Eventual=0	2.755	2.681	0.209	5.103	6.567	0.054
p-value	0.097	0.102	0.648	0.024	0.010	0.816
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	23	23	23	23	23	23
Number of subnational regions	345	345	345	344	344	344
Number of enumeration areas	4924	4924	4924	4584	4584	4584
Number of observations	36789	36789	36789	34753	34753	34753
Adjusted R squared	0.091	0.101	0.064	0.095	0.104	0.068

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.7. Effects of Chinese FDI on Best Model of Development.

	Chinese FDI			Chinese FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.022	0.062	-0.003	-0.058	0.117	0.007
	(-1.483)	(3.343)	(-0.273)	(-2.059)	(3.133)	(0.314)
Eventual	0.024	0.001	-0.006	0.025	0.003	-0.009
	(1.965)	(0.100)	(-0.597)	(1.953)	(0.228)	(-0.973)
Active-Eventual	-0.047	0.060	0.002	-0.083	0.114	0.016
F test: Active-Eventual=0	6.995	8.129	0.027	7.418	8.215	0.461
p-value	0.008	0.004	0.870	0.006	0.004	0.497
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	20	20	20	20	20	20
Number of subnational regions	293	293	293	292	292	292
Number of enumeration areas	4623	4623	4623	4283	4283	4283
Number of observations	34381	34381	34381	32345	32345	32345
Adjusted R squared	0.096	0.101	0.058	0.100	0.105	0.061

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.8. Effects of US FDI on Citizen-Assigned Influence, Dropping Respondents Not Close to Projects at Any Stage.

	US FDI			US FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.002	0.021	0.013	-0.017	0.036	0.021
	(-0.057)	(0.923)	(0.661)	(-0.467)	(1.355)	(0.760)
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	17	17	17	16	16	16
Number of subnational regions	79	79	79	74	74	74
Number of enumeration areas	974	974	974	624	624	624
Number of observations	6801	6801	6801	4680	4680	4680
Adjusted R squared	0.117	0.076	0.290	0.116	0.105	0.341

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.9. Effects of Chinese FDI on Citizen-Assigned Influence, Dropping Respondents Not Close to Projects at Any Stage.

	Chinese FDI			Chinese FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	0.033	0.018	-0.001	0.262	-0.075	-0.078
	(0.980)	(0.631)	(-0.049)	(3.696)	(-1.574)	(-2.155)
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	10	10	10	5	5	5
Number of subnational regions	41	41	41	22	22	22
Number of enumeration areas	610	610	610	221	221	221
Number of observations	3944	3944	3944	1510	1510	1510
Adjusted R squared	0.130	0.090	0.218	0.164	0.129	0.388

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.10. Effects of US FDI on Best Model of Development, Dropping Respondents Not Close to Projects at Any Stage.

	US FDI			US FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	0.078	-0.014	-0.023	0.080	-0.008	-0.011
	(3.187)	(-0.547)	(-1.103)	(2.607)	(-0.251)	(-0.417)
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	17	17	17	16	16	16
Number of subnational regions	79	79	79	74	74	74
Number of enumeration areas	974	974	974	624	624	624
Number of observations	6802	6802	6802	4679	4679	4679
Adjusted R squared	0.055	0.067	0.047	0.067	0.075	0.056

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.11. Effects of Chinese FDI on Best Model of Development, Dropping Respondents Not Close to Projects at Any Stage.

	Chinese FDI			Chinese FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.010	0.049	-0.024	0.000	0.045	-0.019
	(-0.381)	(1.356)	(-0.943)	(-0.001)	(0.457)	(-0.298)
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	10	10	10	5	5	5
Number of subnational regions	41	41	41	22	22	22
Number of enumeration areas	610	610	610	221	221	221
Number of observations	3946	3946	3946	1510	1510	1510
Adjusted R squared	0.059	0.074	0.020	0.100	0.078	0.020

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.12. Effects of US FDI on Citizen-Assigned Influence with 3-year Windows.

	US FDI			US FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.021	0.022	-0.003	-0.039	0.020	0.002
	(-1.334)	(1.343)	(-0.306)	(-1.987)	(0.997)	(0.118)
Eventual	0.035	0.011	0.006	0.040	0.015	0.004
	(1.461)	(0.432)	(0.312)	(1.651)	(0.540)	(0.197)
Active-Eventual	-0.056	0.010	-0.009	-0.079	0.005	-0.002
F test: Active-Eventual=0	4.471	0.137	0.201	7.014	0.029	0.006
p-value	0.034	0.712	0.654	0.008	0.865	0.938
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	19	19	19	19	19	19
Number of subnational regions	300	300	300	299	299	299
Number of enumeration areas	4033	4033	4033	3695	3695	3695
Number of observations	29766	29766	29766	27744	27744	27744
Adjusted R squared	0.161	0.115	0.367	0.167	0.124	0.381

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.13. Effects of US FDI on Citizen-Assigned Influence with 2-year Windows.

	US FDI			US FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.021	0.024	-0.008	-0.031	0.015	-0.010
	(-1.310)	(1.420)	(-0.733)	(-1.509)	(0.666)	(-0.595)
Eventual	0.048	0.019	0.002	0.051	0.024	0.002
	(1.855)	(0.665)	(0.094)	(1.940)	(0.810)	(0.101)
Active-Eventual	-0.069	0.005	-0.010	-0.082	-0.009	-0.012
F test: Active-Eventual=0	6.153	0.029	0.194	6.515	0.061	0.198
p-value	0.013	0.864	0.660	0.011	0.805	0.656
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	17	17	17	17	17	17
Number of subnational regions	278	278	278	277	277	277
Number of enumeration areas	3697	3697	3697	3366	3366	3366
Number of observations	27181	27181	27181	25189	25189	25189
Adjusted R squared	0.162	0.121	0.381	0.168	0.131	0.399

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.14. Effects of US FDI on Citizen-Assigned Influence with 1-year Windows.

	US FDI			US FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.012	0.031	-0.019	-0.010	0.020	-0.030
	(-0.670)	(1.644)	(-1.612)	(-0.403)	(0.754)	(-1.487)
Eventual	0.066	0.036	-0.053	0.070	0.039	-0.052
	(2.016)	(1.083)	(-3.067)	(2.078)	(1.153)	(-2.887)
Active-Eventual	-0.078	-0.005	0.034	-0.080	-0.020	0.022
F test: Active-Eventual=0	5.340	0.021	3.517	3.934	0.221	0.707
p-value	0.021	0.884	0.061	0.047	0.638	0.400
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	14	14	14	14	14	14
Number of subnational regions	209	209	209	208	208	208
Number of enumeration areas	3016	3016	3016	2723	2723	2723
Number of observations	21917	21917	21917	20116	20116	20116
Adjusted R squared	0.153	0.118	0.231	0.158	0.129	0.248

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.15. Effects of Chinese FDI on Citizen-Assigned Influence with 3-year Windows.

	Chinese FDI			Chinese FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	0.007	0.034	-0.011	0.033	0.067	-0.034
	(0.365)	(1.691)	(-1.000)	(0.921)	(1.987)	(-1.439)
Eventual	-0.023	0.051	-0.008	-0.030	0.050	-0.002
	(-1.239)	(2.658)	(-0.492)	(-1.559)	(2.508)	(-0.125)
Active-Eventual	0.030	-0.016	-0.003	0.063	0.017	-0.032
F test: Active-Eventual=0	1.566	0.469	0.030	2.456	0.201	1.275
p-value	0.211	0.493	0.861	0.117	0.654	0.259
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	17	17	17	16	16	16
Number of subnational regions	266	266	266	255	255	255
Number of enumeration areas	3974	3974	3974	3530	3530	3530
Number of observations	29251	29251	29251	26241	26241	26241
Adjusted R squared	0.183	0.115	0.364	0.193	0.126	0.381

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.16. Effects of Chinese FDI on Citizen-Assigned Influence with 2-year Windows.

	Chinese FDI			Chinese FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	0.004	0.057	-0.011	0.027	0.082	-0.028
	(0.206)	(2.769)	(-0.891)	(0.719)	(2.370)	(-1.147)
Eventual	-0.019	0.045	-0.002	-0.026	0.042	0.005
	(-0.966)	(2.276)	(-0.107)	(-1.273)	(1.997)	(0.307)
Active-Eventual	0.023	0.012	-0.009	0.053	0.041	-0.033
F test: Active-Eventual=0	0.799	0.226	0.239	1.600	1.067	1.302
p-value	0.371	0.635	0.625	0.206	0.302	0.254
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	17	17	17	15	15	15
Number of subnational regions	265	265	265	247	247	247
Number of enumeration areas	3899	3899	3899	3256	3256	3256
Number of observations	28760	28760	28760	24091	24091	24091
Adjusted R squared	0.180	0.114	0.365	0.195	0.123	0.388

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.17. Effects of Chinese FDI on Citizen-Assigned Influence with 1-year Windows.

	Chinese FDI			Chinese FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.034	0.066	-0.014	-0.013	0.102	-0.024
	(-1.365)	(2.553)	(-0.898)	(-0.315)	(2.387)	(-0.803)
Eventual	-0.032	0.051	-0.039	-0.039	0.046	-0.037
	(-1.118)	(1.578)	(-1.714)	(-1.275)	(1.336)	(-1.549)
Active-Eventual	-0.002	0.014	0.026	0.025	0.056	0.012
F test: Active-Eventual=0	0.003	0.159	1.039	0.253	1.137	0.115
p-value	0.958	0.690	0.308	0.615	0.286	0.735
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	10	10	10	8	8	8
Number of subnational regions	131	131	131	113	113	113
Number of enumeration areas	2445	2445	2445	1904	1904	1904
Number of observations	17483	17483	17483	13494	13494	13494
Adjusted R squared	0.161	0.083	0.280	0.174	0.087	0.313

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.18. Effects of US FDI on Best Model of Development with 3-year Windows.

	US FDI			US FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.013	0.021	-0.002	-0.006	-0.005	-0.005
	(-1.028)	(1.297)	(-0.164)	(-0.389)	(-0.251)	(-0.344)
Eventual	-0.021	0.075	0.014	-0.023	0.084	0.011
	(-0.956)	(2.788)	(0.862)	(-1.045)	(3.055)	(0.724)
Active-Eventual	0.008	-0.054	-0.015	0.017	-0.089	-0.017
F test: Active-Eventual=0	0.119	3.281	0.730	0.408	6.967	0.619
p-value	0.730	0.070	0.393	0.523	0.008	0.432
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	19	19	19	19	19	19
Number of subnational regions	300	300	300	299	299	299
Number of enumeration areas	4033	4033	4033	3695	3695	3695
Number of observations	29766	29766	29766	27742	27742	27742
Adjusted R squared	0.096	0.085	0.057	0.101	0.088	0.061

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.19. Effects of US FDI on Best Model of Development with 2-year Windows.

	US FDI			US FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.010	0.029	-0.006	0.006	-0.004	-0.019
	(-0.762)	(1.727)	(-0.486)	(0.318)	(-0.158)	(-1.120)
Eventual	-0.012	0.097	0.026	-0.017	0.110	0.026
	(-0.498)	(3.291)	(1.475)	(-0.711)	(3.644)	(1.460)
Active-Eventual	0.001	-0.068	-0.032	0.023	-0.113	-0.045
F test: Active-Eventual=0	0.003	4.508	2.612	0.624	9.439	3.627
p-value	0.956	0.034	0.106	0.430	0.002	0.057
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	17	17	17	17	17	17
Number of subnational regions	278	278	278	277	277	277
Number of enumeration areas	3697	3697	3697	3366	3366	3366
Number of observations	27181	27181	27181	25187	25187	25187
Adjusted R squared	0.099	0.089	0.057	0.105	0.093	0.061

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.20. Effects of US FDI on Best Model of Development with 1-year Windows.

	US FDI			US FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.011	0.029	-0.010	0.030	-0.004	-0.005
	(-0.737)	(1.614)	(-0.763)	(1.860)	(-0.257)	(-0.405)
Eventual	-0.012	0.102	0.016	-0.036	0.033	0.018
	(-0.378)	(2.873)	(0.728)	(-2.236)	(1.743)	(1.342)
Active-Eventual	0.001	-0.072	-0.026	0.066	-0.038	-0.024
F test: Active-Eventual=0	0.000	3.697	1.193	9.418	2.538	1.657
p-value	0.986	0.055	0.275	0.002	0.111	0.198
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	14	14	14	18	18	18
Number of subnational regions	209	209	209	280	280	280
Number of enumeration areas	3016	3016	3016	3834	3834	3834
Number of observations	21918	21918	21918	28774	28774	28774
Adjusted R squared	0.098	0.098	0.057	0.104	0.112	0.068

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.21. Effects of Chinese FDI on Best Model of Development with 3-year Windows.

	Chinese FDI			Chinese FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.021	0.064	-0.005	-0.056	0.115	0.006
	(-1.364)	(3.400)	(-0.399)	(-1.984)	(3.082)	(0.286)
Eventual	0.020	0.006	0.000	0.023	0.007	-0.008
	(1.204)	(0.277)	(0.035)	(1.332)	(0.319)	(-0.594)
Active-Eventual	-0.041	0.058	-0.005	-0.079	0.108	0.015
F test: Active-Eventual=0	4.135	5.419	0.097	6.029	6.488	0.321
p-value	0.042	0.020	0.756	0.014	0.011	0.571
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	17	17	17	16	16	16
Number of subnational regions	266	266	266	255	255	255
Number of enumeration areas	3974	3974	3974	3530	3530	3530
Number of observations	29251	29251	29251	26239	26239	26239
Adjusted R squared	0.097	0.087	0.059	0.104	0.092	0.064

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.22. Effects of Chinese FDI on Best Model of Development with 2-year Windows.

	Chinese FDI			Chinese FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.036	0.092	0.000	-0.080	0.137	0.014
	(-2.229)	(4.627)	(0.030)	(-3.186)	(3.637)	(0.631)
Eventual	0.023	0.005	0.006	0.027	0.002	-0.002
	(1.284)	(0.216)	(0.376)	(1.450)	(0.091)	(-0.153)
Active-Eventual	-0.059	0.088	-0.005	-0.107	0.135	0.017
F test: Active-Eventual=0	7.331	10.821	0.073	12.394	9.763	0.374
p-value	0.007	0.001	0.787	0.000	0.002	0.541
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	17	17	17	15	15	15
Number of subnational regions	265	265	265	247	247	247
Number of enumeration areas	3899	3899	3899	3256	3256	3256
Number of observations	28760	28760	28760	24092	24092	24092
Adjusted R squared	0.098	0.087	0.060	0.103	0.081	0.067

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.23. Effects of Chinese FDI on Best Model of Development with 1-year Windows.

	Chinese FDI			Chinese FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.043	0.078	-0.007	-0.053	0.106	-0.020
	(-2.312)	(3.284)	(-0.413)	(-1.821)	(2.537)	(-0.898)
Eventual	0.020	-0.001	0.013	0.025	-0.005	0.004
	(0.752)	(-0.027)	(0.552)	(0.882)	(-0.153)	(0.176)
Active-Eventual	-0.063	0.079	-0.020	-0.078	0.111	-0.024
F test: Active-Eventual=0	4.707	4.349	0.536	4.040	4.285	0.548
p-value	0.030	0.037	0.464	0.044	0.038	0.459
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	10	10	10	8	8	8
Number of subnational regions	131	131	131	113	113	113
Number of enumeration areas	2445	2445	2445	1904	1904	1904
Number of observations	17479	17479	17479	13493	13493	13493
Adjusted R squared	0.109	0.076	0.057	0.116	0.064	0.067

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.24. Effects of US FDI on Citizen-Assigned Influence in Countries with Both US and Chinese FDI Projects.

	US FDI			US FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.007	0.019	0.004	-0.018	0.022	0.009
	(-0.473)	(1.245)	(0.377)	(-1.028)	(1.213)	(0.645)
Eventual	0.023	-0.031	0.014	0.024	-0.030	0.014
	(1.214)	(-1.639)	(1.028)	(1.271)	(-1.565)	(1.046)
Active-Eventual	-0.030	0.050	-0.010	-0.042	0.051	-0.004
F test: Active-Eventual=0	1.777	5.791	0.400	2.862	5.004	0.055
p-value	0.183	0.016	0.527	0.091	0.025	0.815
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	18	18	18	18	18	18
Number of subnational regions	281	281	281	280	280	280
Number of enumeration areas	4174	4174	4174	3834	3834	3834
Number of observations	30807	30807	30807	28773	28773	28773
Adjusted R squared	0.189	0.174	0.368	0.196	0.187	0.384

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.25. Effects of Chinese FDI on Citizen-Assigned Influence in Countries with Both US and Chinese FDI Projects.

	Chinese FDI			Chinese FDI only		
	Most influential country			Most influential country		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	0.007	0.033	-0.011	0.035	0.066	-0.034
	(0.343)	(1.680)	(-1.000)	(0.970)	(1.949)	(-1.435)
Eventual	-0.010	0.030	-0.011	-0.018	0.032	-0.006
	(-0.679)	(1.963)	(-0.819)	(-1.205)	(2.023)	(-0.443)
Active-Eventual	0.017	0.003	0.000	0.053	0.034	-0.028
F test: Active-Eventual=0	0.559	0.020	0.000	1.882	0.858	1.110
p-value	0.455	0.888	0.985	0.170	0.354	0.292
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	18	18	18	18	18	18
Number of subnational regions	281	281	281	280	280	280
Number of enumeration areas	4174	4174	4174	3834	3834	3834
Number of observations	30807	30807	30807	28773	28773	28773
Adjusted R squared	0.189	0.174	0.368	0.196	0.187	0.384

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.26. Effects of US FDI on Best Model of Development in Countries with Both US and Chinese FDI Projects.

	US FDI			US FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	0.013	0.014	0.000	0.030	-0.004	-0.005
	(0.996)	(0.966)	(-0.009)	(1.860)	(-0.257)	(-0.405)
Eventual	-0.036	0.030	0.019	-0.036	0.033	0.018
	(-2.235)	(1.600)	(1.384)	(-2.236)	(1.743)	(1.342)
Active-Eventual	0.049	-0.016	-0.019	0.066	-0.038	-0.024
F test: Active-Eventual=0	6.663	0.567	1.385	9.418	2.538	1.657
p-value	0.010	0.451	0.239	0.002	0.111	0.198
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	18	18	18	18	18	18
Number of subnational regions	281	281	281	280	280	280
Number of enumeration areas	4174	4174	4174	3834	3834	3834
Number of observations	30810	30810	30810	28774	28774	28774
Adjusted R squared	0.099	0.107	0.064	0.104	0.112	0.068

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.

Table A.27. Effects of Chinese FDI on Best Model of Development in Countries with Both US and Chinese FDI Projects.

	Chinese FDI			Chinese FDI only		
	Best model of development			Best model of development		
	China	US	Colonial	China	US	Colonial
	(1)	(2)	(3)	(4)	(5)	(6)
Active	-0.022	0.063	-0.004	-0.056	0.117	0.006
	(-1.473)	(3.382)	(-0.342)	(-2.008)	(3.129)	(0.275)
Eventual	0.015	0.010	-0.006	0.015	0.013	-0.011
	(1.113)	(0.626)	(-0.514)	(1.080)	(0.787)	(-0.967)
Active-Eventual	-0.037	0.053	0.002	-0.072	0.104	0.017
F test: Active-Eventual=0	4.229	5.491	0.011	5.396	6.456	0.478
p-value	0.040	0.019	0.916	0.020	0.011	0.490
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Subnational region fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	18	18	18	18	18	18
Number of subnational regions	281	281	281	280	280	280
Number of enumeration areas	4174	4174	4174	3834	3834	3834
Number of observations	30810	30810	30810	28774	28774	28774
Adjusted R squared	0.099	0.108	0.064	0.104	0.113	0.068

Note: All models include individual controls of urban, age, age squared, gender, and education. We report t-statistics in parentheses. Standard errors are clustered at the survey enumeration level.