Abstract: Leaders in the developing world typically value inflows of foreign direct investment, on

the logic that FDI bolsters economic development and signals competence to voters. Yet, the promise of new jobs and other benefits may outstrip the supply, leaving many disappointed. We present a theory of unmet expectations and political blame, which we test by connecting 223 georeferenced Chinese FDI projects to the political-economic perceptions of 179,278 respondents in Africa. We show that the announcement of Chinese FDI projects inspires economic optimism and bolsters perceptions of political leaders’ competence for about one year. Once projects are operational, however, individuals living near those projects view the economy as worse than it would have been in the absence of FDI, and perceptions of political leaders similarly decline. This pattern of unmet expectations and political blame does not appear in the context of Chinese foreign aid.