Political Science, Project on International Affairs (PIA), the Laboratory on International Law and Regulations (ILAR), European Studies, and the Life Long Learning Program of the EU,

present

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"Public Opposition to Foreign Acquisitions of Domestic Companies: Evidence from the United States and China"

The flow of capital across borders is one of the core subjects of International Political Economy research, but there has been little research into the determinants of support for and opposition to inward foreign direct investment (FDI) flows. Cross border investments are a growing area of international economic activity. Unlike trade, they are not governed by an international organization and hence countries have to bargain directly with one another, as the US and China are trying to do in their bilateral investment treaty (BIT). In order to study this topic, we embedded a conjoint experiment in a survey that we fielded in the United States and China. Our experiment asked respondents to evaluate hypothetical acquisitions of domestic companies by foreign firms, and produced several important results. First, reciprocity matters; respondents were consistently more likely to oppose foreign acquisitions when the foreign firm's home country does not provide reciprocal market access. Second, Chinese respondents were less opposed to foreign acquisitions of domestic firms than American respondents. Third, in both countries, economic factors had a smaller influence on the levels of opposition to foreign acquisitions than non-economic factors.

Tuesday, January 12th, 2016
SSB 107 at 12:00 p.m.
Lunch provided