Drivers of Hesitation towards Chinese Investment in Host States: Experimental Evidence from Brazil [*†]

Carolina Moehlecke [‡] Matias Spektor[§] Guilherme Fasolin[¶]

7 July 2023

Abstract

Over the past decade, China's direct investment in Brazil has quadrupled, making it one of the main investors in Latin America's largest economy. This study examines Brazilians' perceptions of this recent phenomenon. Using a conjoint experiment, we find that Brazilians view Chinese investment as less advantageous compared to investments from Europe and the United States. We propose that this hesitancy towards Chinese capital in Brazil arises from negative informational cues and frames around the topic. To test this hypothesis, we conduct a vignette survey experiment with treatments highlighting worrisome outcomes of Chinese investment, such as closer ties with a non-democratic country, excessive economic dependency, threats to sovereignty, association with communism, and the growing influence of Chinese culture in Brazilian society. The results indicate that all treatments except the influence of Chinese culture negatively affect Brazilians' views on Chinese investment. Moreover, we observe significant variation based on political self-identification, with right-leaning individuals more affected by the treatments, particularly those related to economic dependency and non-democracy. In contrast, traditional drivers of preferences toward FDI do not produce significant effects. In summary, this study provides evidence that a top-down process shapes Brazilians' attitudes on Chinese FDI, with narratives negatively framing Chinese capital being more influential among right-leaning individuals. By examining the micro foundations of Brazilians' cautious stance on Chinese FDI – a globalization feature whose benefits usually surpass the costs – we contribute to a growing literature that examines China's ability and limits to influence the developing world amid great-power competition.

Keywords: FDI; China; Brazil
Word Count: 12,946

1 Introduction

One of the most critical questions in contemporary debates of International Relations refers to the consequences of China's efforts to expand its influence across the developing world. Numerous studies have documented China's decisions to foster trade, investment, and aid ties with the Global

[*]We acknowledge funding from the Stanton Foundation and thank Henrique Pontual Coutinho for excellent research assistance.
[†]This project has been approved by the Institutional Review Board at FGV Sep 30th, 2022 (307/2022).
[‡]Assistant Professor, Fundação Getulio Vargas. carolina.moehlecke@fgv.br.
[§]Professor, Fundação Getulio Vargas. matias.spektor@fgv.br
[¶]PhD student, Vanderbilt University. guilherme.fasolin@fgv.br

South, in the context of great power competition with the United States (Kastner 2016; Broz et al. 2020; Weiss and Wallace 2021, e.g). While significant attention has been granted to China's foreign policy toward the Global South employing countries or leaders as units of analysis (Raess 2021, e.g.), studies that delve into the beliefs and preferences of domestic groups about China's ability and willingness to expand its influence in the developing world are much rarer.

In contribution to this yet understudied aspect of China's increasing influence around the world, we explore how Brazilians react to foreign direct investment (FDI) coming from China. In the last decade, China has become one of the main foreign investors in Brazil, a traditional large destination of FDI in the developing world (UNCTAD 2022). Despite the local benefits brought by foreign capital, such as jobs and higher salaries, a conjoint experiment detects hesitation from the general public in Brazil toward Chinese investment, but not to capital flowing from the United States and Europe. These empirical findings beg the question of what explains hesitation to Chinese investment by citizens in one of the largest economies and democracies of the Global South.

To answer this question, we first turn to theoretical foundations about how individuals form beliefs and preferences about different aspects of economic globalization. While one strand of the literature has theorized about individuals' views on trade and FDI based on bottom-up approaches that rest either on material microfoundations (Lake 2009; Pandya 2010) or psychological traits (Guisinger 2017; Mutz 2021b), others have considered the role of top-down processes by which the informational environment surrounding individuals offers cues and frames about complex foreign economic policies (Baker 2009; Hicks et al. 2014). These cues and frames then influence individuals' beliefs and preferences about trade, investment, and other aspects of globalization. We contend that the public's hesitation toward Chinese investment in Brazil is strongly influenced by a top-down process. Moreover, we consider how such a top-down process may rest on different narratives.

To test the potential effects of different narratives on Brazilians' attitudes to Chinese investment, we field a large survey experiment with a representative sample of $N \approx 3,000$ Brazilian adults between December 2022 and January 2023. We randomly assign individuals to one of six experimental groups, being one control and five treatments. We draw from scholarly literature to define the treatments and to form conjectures about their expected effects. While the control condition just informs individuals that their state would receive investments from a large Chinese firm that would generate many well-paying jobs, each of the five treatments contains an additional sentence highlighting a different potential concern associated with increasing Chinese investment in Brazil: (1) closer ties with a non-democratic country; (2) excessive economic dependency; (3) threats to sovereignty; (4) association with communism, and (5) the growing influence of Chinese culture in Brazilian society.

Our results show that the baseline public opinion on Chinese FDI in Brazil is negatively affected by all treatments, except the one about the increasing presence of Chinese culture in Brazilian society. We take this as prima facie evidence that a top-down process shapes Brazilians' views on Chinese investment. Moreover, we do not find relevant heterogeneous effects across typical bottom-up drivers of preferences towards FDI, be them material or non-material. However, we encounter that individuals who self-identify with the political right are much more affected by our treatments than those who self-identify with the political left, especially by the economic dependency and non-democracy treatments. This adds to our claim that Brazilians' hesitation toward Chinese FDI can be explained by the informational environment surrounding individuals, a process in which the political right has been much more effective than the left in conveying their preferred messages. Finally, we also assess the external validity of our findings through an analysis of recent Congressional debates and news articles about the Chinese presence in Brazil.

Our findings have several implications for the current transformations of global politics. Much has been written about how Global South countries will either align with one of the two competing great powers or hedge their way through this rivalry, seeking non-alignment (Spektor 2023; Rao 2023, e.g). What we show is that, regardless of what position middle powers like Brazil take, domestic dynamics must be at the center of the analysis. We find a marked political division in Brazilian society between those who self-identify with right and those who identify with the left. We show evidence that this division is a product of rhetoric employed by elites who have their own interests in the current international politics landscape. Such a rhetoric reverberates across the larger informational environment, affecting individuals' views. All of this means that China's ability to expand its influence in Brazil (and possibly in other Latin American countries) is limited by obstacles mobilized by the domestic political right, whose rhetoric has a strong effect on public opinion, as our survey experiment has shown. What is more: we were able to identify the effectiveness of anti-China rhetoric rooted on concerns about economic dependency and its anti-democratic regime in the context of FDI, a feature of globalization that usually enjoys high levels of approval.

In the following sections, we first present the findings of our conjoint experiment, which uncovers an hesitancy towards Chinese FDI in Brazil. Building upon this puzzle, we situate our argument within the existing scholarly literature that explores the influence of top-down processes in shaping attitudes toward FDI and other facets of globalization, and derive a few expectations and observable implications. Next, we detail the methodology of our vignette survey experiment and provide a comprehensive overview of our results, followed by an analysis of Congressional speeches and news articles in Brazil that substantiate the external validity of our selected instruments. We conclude the article with a discussion of the applied and theoretical implications arising from our findings.

2 How do Brazilians perceive investment from China?

China emerged as a prominent global investor in the early 2000s through its "Going Global Strategy," which introduced a set of policies to regulate and promote outward capital from China (Silva 2011, pp. 14-15). In Brazil, the influx of Chinese investment experienced a rapid surge around 2010. By 2021, Brazil had become the primary recipient of Chinese FDI worldwide, accounting for 13.6% of China's total investment that year (Cariello 2021a, p. 10). According to estimates by the Brazilian Central Bank, there were 239 Chinese firms operating in Brazil as of 2020, with a cumulative capital of USD 61 billion in the country. While the southeastern states of São Paulo, Minas Gerais, Rio de Janeiro, and the northeastern state of Bahia concentrate over 50% of Chinese firm activity in Brazil, Chinese MNCs can be found in 23 out of the 27 states of the Brazilian federation (Cariello 2021b, p. 10). Since 2007, the sectoral distribution of Chinese FDI in Brazil showcases significant investments in the energy, oil and gas extraction, and mining sectors. These sectors garnered the largest proportions of Chinese capital, with respective shares of 48%, 28%, and 7% of the total Chinese investment in the country during that period. Additionally, Chinese firms have invested in manufacturing (6%), infrastructure (5%), agribusiness (3%), and financial services (2%). It is estimated that nearly 35,000 new jobs were created in Brazil through Chinese greenfield projects, while mergers and acquisitions helped sustain over 140,000 existing jobs (Cariello 2021b, p. 11). Although the European Union and the United States continue to be the leading foreign investors in Brazil[1], the rapid growth of Chinese investment in the country, its impact on the economy and the political consequences stemming from it warrant examination.

It is against this backdrop that we fielded a paired-profile conjoint experiment to investigate Brazilians' general attitudes toward FDI. The experiment was administered in June 2022 to a nationally diverse sample of approximately 2,000 Brazilian adults in June 2022 by Netquest, an internet-based polling firm.[2] In the experiment, participants were presented with a hypothetical

[1] For comparison, while the Central Bank estimates 239 firms ultimately controlled by Chinese investors operating in Brazil, it counts 3,662 American, 1,028 Italian, 1,028 German, 997 Spanish and 861 French firms in the country, as of 2020 (Banco Central do Brasil 2023).

[2] See the Appendix for more details on the recruitment and sampling procedures.

scenario in which two firms were considering to invest in their state. Participants assessed the characteristics of these two firms and chose which one they believed would provide the greatest benefits. Each respondent was shown to six sets of fully randomized and independent combinations of eight firm attributes. One key attribute was the firm's country of origin, for which there were five potential values: Brazil, Europe, United States, Latin America (except Brazil), and China.[3]

Figure 1 displays the main results from our conjoint experiment. We report average marginal component effects (AMCEs) estimated from linear regressions based on robust standard errors clustered at the respondent level and with 95% confidence intervals. AMCEs indicate the average change in individuals' preferences associated with a one-unit change in the level of a given attribute, while holding all other attributes constant at their means.[4] Our results indicate that Brazilians see investment coming from Chinese firms as 8.1 [-10.3, -6.06] percentage points less beneficial than investment from American and European firms. To be clear, our category of reference are Brazilian firms, which individuals do not see any differently than firms from Europe and the United States in terms of the benefits they bring. What explains such hesitancy to Chinese investment in Brazil? We begin to explore this question by reviewing the extant literature on the drivers of individual-level preferences toward FDI.

3 What may explain citizens' hesitation to (Chinese) FDI? A literature review

FDI is usually well-regarded by individuals in host countries because of the several benefits it brings to the local economy (Pandya 2016). Yet, a growing number of studies has documented several circumstances in which individuals exhibit negative attitudes to inward foreign capital. When levels of ethnocentrism (Andrews et al. 2018) and nationalism (Feng et al. 2021) are high, FDI may be perceived as a threat by citizens. Similarly, lack of reciprocity has been shown to reduce public support for the foreign acquisition of domestic firms (Chilton et al. 2020).

One consistent finding from this body of literature is that hesitation toward FDI is often a function of the investment's country of origin. Mirroring results from scholarship on individual-level determinants of preferences on trade (Carnegie and Gaikwad 2022), a general finding is that citizens perceive investment coming from allies or like-minded countries as more beneficial than capital coming from rivals or politically distant peers.[5] In such a context, China's recent prominence as a source of outward FDI has spurred a lot of attention, with a wealth of evidence of hesitation toward Chinese investment being found among citizens from the United States (Tingley et al. 2015; Feng et al. 2021; Chilton et al. 2020), Canada (Li et al. 2019), and even Europe (Babić and Dixon 2022) a region that, until recently, had exhibited mostly tempered sentiments about Chinese investment (Meunier 2019)[6]. Negative views on Chinese FDI in developed host states are often explained by the context of geopolitical rivalry between China and the West, which spurs concerns about sovereignty, national security, economic competitiveness, and the safeguarding of core values and cultural norms (Pandya 2016, p. 459). Consistent with these negative attitudes toward Chinese investment, developed states have been ramping up their FDI screening procedures and regulations (Bauerle Danzman and Meunier 2023).

Expectations about how citizens in developing countries may feel about Chinese FDI start from different premises than those in the developed world. Being capital-scarce and facing the perpetual

[3]See the Appendix for more details on the design and implementation of our conjoint experiment.

[4]Our results are robust when using marginal means, as reported in the Appendix.

[5]In fairness, this finding had been anticipated by Kang (1997) in his study about the large inflows of Japanese FDI to the United States in the 1980s.

[6]Though see Raess (2023) for a nuanced account of variation in Swisses' views on Chinese FDI based on union membership.

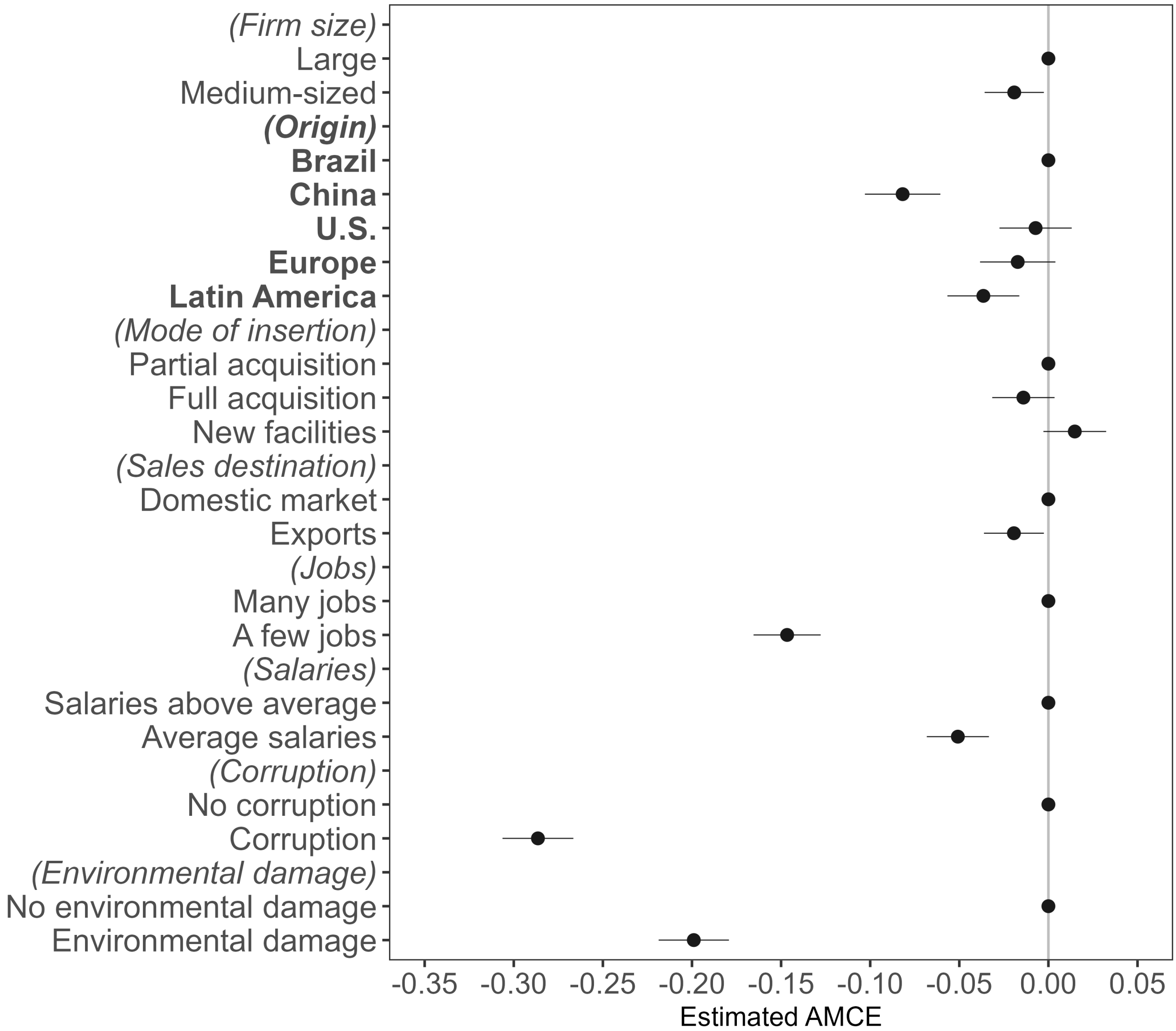

Figure 1: *Estimated AMCEs of randomly assigned firms' characteristics on participants' responses to "Which firm do you believe would be the most beneficial to your state?" (N = 2,008 individuals*6 tasks each = 12,048 observations). Bars are 95% confidence intervals based on robust standard errors clustered by individual. Points over the zero vertical line are the reference categories for each attributes. Attributes appear between parenthesis along the y-axis. Brazilians see investment from China as 8.1 percentage points less beneficial than investment from Brazil, the U.S. and Europe.*

challenge of accelerating growth, the obvious expectation regarding countries in Latin American and in Africa is that they would welcome Chinese FDI without significant restrictions. Some studies support this conjecture, such as Hanusch (2012), who finds that individuals in Africa do not see Chinese investment any differently than Western investment. Still, this general pattern hides extraordinary variation across African countries' views on FDI from China (Larue 2019), whose sources remain to be explained. In Latin America, we identify a paucity of studies about perceptions over Chinese FDI. A notable exception is Oliveira (2018), who assesses how Chinese investment in the agribusiness sector in Brazil has been disproportionately singled out in the public debate by a coalition of domestic politicians and U.S. and European businesses as an attempt to suppress competition from China. Urdinez (2023) finds an association between the location of Chinese investment projects in Brazil and higher vote shares for former president Jair Bolsonaro in the 2018 election, especially in areas that received investment for the exploitation of natural resources. The author argues that Bolsonaro's anti-China rhetoric fueled a negative sentiment toward Chinese investment, which was then manifested in the ballot box. Both studies are important contributions to our understanding of the increasing presence of Chinese FDI in the developing world, but they are limited to the extent they focus on specific economic sectors and do not scrutinize public opinion on Chinese investment at the individual level.

In a nutshell, our knowledge about individual perceptions over Chinese FDI in the developing world is rather limited, especially when contrasted with what we know about the phenomenon in the developed world.[7] Crucially, we do not know what mechanisms explain individuals' views of Chinese FDI in the developing world. While hesitation toward Chinese investment is expected in North America and in Europe to a certain extent, the finding of negative sentiments toward FDI from China in Brazil as we obtain from our research raises an important puzzle of what is behind such a phenomenon.

4 Brazilians' hesitation toward Chinese FDI: a top-down argument

We argue that Brazilians' hesitation toward Chinese investment stems from a top-down process through which the informational environment they are embedded in provides cues and frames that strongly influence their opinions. While most of the research on preferences for trade and foreign investment start from bottom-up premises (Milner 1999; Pandya 2010; Mansfield and Mutz 2013, e.g), top-down processes have also been shown to play an important role (Baker 2009; Hicks et al. 2014).

Bottom-up models posit that individuals' attitudes toward different aspects of globalization are based on how citizens perceive the distributional effects of the cross-border movement of goods, capital, and labor. As international trade, investment, and migration produce domestic dislocations and generate winners and losers, individuals will form their opinions about these phenomena according to whether they (or their communities and countries) stand to gain or to lose from these movements. A first generation of studies employing bottom-up models of preferences tended to focus on the material consequences of trade (Mayda and Rodrik 2005), investment (Pandya 2014b), and migration (Peters 2014); more recently, these approaches have also incorporated psychological traits as bottom-up drivers of attitudes toward globalization (Guisinger 2017; Mutz 2021b). Regardless of whether the source of attitudes is considered to be more material or psychological – or even a complex interaction of both (Ballard-Rosa et al. 2021) – the overarching rationale in bottom-up models is that individuals analyze the consequences of globalization to either themselves, their communities, or their countries and then form their opinions about it.

In contrast, the underlying premise in top-down approaches is that citizens are usually uncertain about the outcomes of complex policies and thus rely on information from various sources to form their preferences about these issues. The microfoundations of top-down processes of preference formation may stem from complex cognitive models (Zaller 1992), social identity dynamics (Mason 2018) or, more simply, from a structural process shaped by the informational environment surrounding individuals, which includes frames and cues communicated by elites they identify with (Raess 2023), the sharing of information among social peers and interpersonal relationships, more broadly (Kertzer 2021).

Foreign direct investment is a complex issue, given its multilayered distributional consequences. While it is well-established that FDI spurs job creation and raises salaries in the host economy (Pandya 2010), it also generates job insecurity (Scheve and Slaughter 2004). Moreover, FDI may hurt domestic firms (Pinto and Pinto 2008), and the gains of productivity associated with multinationals may reduce employment in some sectors (Baker 2009, p.180). That is, even from a purely material

[7] Surely, there are several studies that look into individuals' reactions to Chinese trade shocks in the Global South (Campello and Urdinez 2021, e.g.), but these results cannot be automatically translated to the topic of FDI, given the different distributional and political consequences of these two types of flows.

standpoint, FDI entry generates complex consequences that may not always be easily interpreted by citizens, especially if they have little information or interest in the topic. When we add non-material drivers, such as ethnocentrism (Andrews et al. 2018) and nationalism (Feng et al. 2021), it can become increasingly difficult for individuals to parse out the benefits and the costs of FDI inflows for themselves, their communities, and their country as a whole.

This is not to say that well-informed individuals cannot have strong opinions about FDI stemming from a bottom-up process. Citizens with higher levels of education (Rho and Tomz 2017), informed by indirect pathways (Fordham and Kleinberg 2012) or those who have learned by experience (for instance, who have been employed by a multinational corporation) likely develop preferences for FDI that can be explained by bottom-up approaches rooted in canonical models of trade or in psychological theories. Indeed, a robust result in the literature about individual-level preferences for FDI is that more educated individuals value foreign capital more than less educated ones because the former comprise high-skilled labor that directly benefits from MNCs' operations in a host country (Pandya 2010). Still, the informational environment can sway individuals' opinions about foreign investment, precisely because of the multitude of potential costs and benefits that it simultaneously generates in a host economy. Elites, the media, and other vectors of information can strategically highlight specific aspects of a given issue to try to direct public opinion in a certain way, even if it is about a topic that usually enjoys general high levels of approval, such as FDI (Owen 2019).

Informational frames and cues are particularly powerful in swaying opinions in polarized political environments (Zaller 1992; Guisinger and Saunders 2017), as individuals will take in information according to partisan or ideological identification. As in many other parts of the world, Brazil's political environment has become incredibly polarized. Despite the country's high party fragmentation[8] and low mass partisanship, partisan individuals take cues from their preferred parties (Samuels and Zucco 2014). In particular, sentiments toward the Workers' Party (PT), the largest and most institutionalized party in Brazil, divide the country in pro-PT and anti-PT groups (Samuels and Zucco 2018). Pro-PT individuals tend to align with the political left, while anti-PT groups lean right. This division has grown stronger after Jair Bolsonaro's successful presidential candidacy in 2018, as anti-PT sentiment (and anti-establishment parties, more broadly) was a major driver of votes to the far-right candidate (Hunter and Power 2019). In such a context, positions on foreign affairs have also been polarized across the two groups, including stances on China.

Both during campaign and while in presidency, Bolsonaro has taken an anti-China position (Urdinez 2023). He repeatedly framed the country as a threat and even visited Taiwan, which China disapproved of and interpreted as a departure of Brazil's diplomatic tradition of acknowledging the "One China" policy. During the COVID-19 pandemic, sinophobic stances against China were frequent, including by Bolsonaro's former Minister of Foreign Affairs, Ernesto Araújo. Bolsonaro only moderated his declarations about China at moments when the powerful agribusiness coalition in the country manifested concern about the President's attacks to the Asian giant — after all, in 2022 alone, Brazil exported over USD 90 bi in soy, beef and other commodities to China, which makes up about a fourth of all Brazilian exports to the world. Today, China is Brazil's top trade partner. Contributing to domestic polarization around China, there is the fact that it was under a Workers' Party administration that Brazil-China economic relations deepened. Lula's first mandate in 2003 coincided with China's then incipient presence in Latin America, in the context of its "Going Global Strategy".

Following this discussion, we expect that top-down frames and cues are particularly effective among individuals who self-identify with the political right in Brazil. Studies that look at preference formation through top-down processes argue that not all groups are equally effective in making their preferred messages influential (Baker 2009); the degree of a group's institutionalization, for one thing, is a key factor for compelling cueing and framing (Hicks et al. 2014). In Brazil, the most

[8] At the time of writing, there are 19 parties represented in Brazil's Congress and 15 in the Senate.

institutionalized party is the Workers' Party, but not when it comes to mass communications. Just like the Brexit referendum in the United Kingdom and the election of Donald Trump in the United States in 2016, the 2018 electoral race in Brazil was marked by the intense use of social media in politics, inaugurating the era of "digital elections" in the largest democracy of Latin America (Ruediger and Grassi 2022). The ability of the right to effectively disseminate messages through social media – including an enormous amount of fake news – has been increasingly documented by communications scholars, usually contrasting it with the left's lacking capacity of matching the right's digital force (Evangelista and Bruno 2019; Davis and Straubhaar 2020). Thus, the Brazilian right's remarkable capacity to diffuse its preferred messages to the public and its propensity to negatively frame China should make right-leaning individuals more prone to hesitation toward Chinese investment.[9]

In a nutshell, we identify at least three conditions that make it likely that Brazilians' hesitation toward Chinese FDI is explained by a top-down process. First, FDI is a complex, multilayered aspect of globalization that, despite clear benefits, generates negative consequences that can be — and often are — strategically mobilized by political groups. Second, Brazil's highly polarized domestic environment makes informational cues and frames very effective. Third, stances on China in Brazil follow domestic political divisions, with the right being more prone to communicate negative sentiments toward China. But what narratives in this informational environment are particularly effective in spurring hesitation to foreign capital coming from China through a top-down process? In what follows, we draw insights from literature to provide conjectures about the potential effects of five narratives concerning Chinese FDI. Those five narratives are: (1) the idea of Brazil getting closer to a non-democratic country; (2) Brazil's increasing economic dependency on China; (3) the potential threats to Brazil's national sovereignty; (4) the idea of Brazil getting closer to a country who proclaims itself as communist; (5) the spread of Chinese ideas, habits and culture in the Brazilian society. The discussion suggests that narratives associating China with a non-democratic regime and a driver of excessive economic dependency yields the least ambiguous predictions and should be the most effective frames in triggering negative sentiments toward Chinese FDI.

4.1 Narrative 1: China as non-democratic country

There is a wealth of evidence that a partner's political regime is an important predictor of individual attitudes toward trade. Individuals living in democratic countries are more supportive of trade ties with other democracies (Carnegie and Gaikwad 2022); citizens from democracies are also more supportive of preferential trade agreements with democratic partners (Spilker et al. 2018). This democratic advantage in trade attitudes stems from individuals' expectations that trade relations with a democracy will be more consistent and reliable (Chen et al. 2023). Relative to trade, direct findings showing that individuals in democratic countries prefer FDI from democratic partners are less numerous, with Chilton et al. (2020) as a rare exception. We join such effort based on both the discussed literature and on the body of work that shows a strong, positive relationship between democracy and FDI attraction (Jensen 2003; Li and Resnick 2003; Pandya 2014b; Li et al. 2018). In a nutshell, there is a well-grounded rationale that the domestic political institutions of the countries involved in FDI relations should affect the public's perception on how beneficial FDI is. Another possibility is that individuals in democracies are more hesitant toward FDI coming from a non-democratic country because of ideational reasons. Allan et al. (2018) find that the identities of the masses in several large countries (including in Brazil) converge with democratic values. Similarly, Chu (2021) finds that citizens from liberal democracies have more negative perceptions of China. We do not aim to specify the mechanism by which a frame that highlights China as a

[9] Further endorsing this expectation, Sautman and Hairong (2009) document extensive variation across African countries in their views on China, which they argue is a function of how political elites employ an anti-China narrative or not for domestic political purposes.

non-democratic country negatively affects Brazilians' perceptions over the benefits of Chinese FDI. However, our discussion indicates that, regardless of a more institutional or ideational mechanism, the expectation is that narratives associating China with a non-democratic regime are likely to be effective in depressing the perceived benefits of Chinese capital in Brazil, one of the largest democracies in the world.

4.2 Narrative 2: Economic Dependency on China

Although theories of economic dependency come in various shades (Cardoso and Faletto 1969; Dos Santos 1970; Wallerstein 1974, e.g.), all of them reject the idea that a commodity-exporting model will lead poor countries to develop and eventually catch up with advanced economies. The core rationale of such theories is that, economic foreign engagement based on comparative advantage means vulnerability, as terms of trade, investment and finance are exogenously determined. Dependency theories have become outdated in scholarly and policy circles, but their influence in Latin America has never fully disappeared. As a matter of fact, dependency theories have experimented a revival precisely to describe the economic relations between China and Latin America (Urdinez et al. 2018; Stallings 2020).

Notwithstanding such a revival, it is not immediately obvious why a rationale that is essentially about economic relations with developed countries would translate into hesitation toward foreign investment from China, a country that has often been portrayed as a peer of Brazil and other Latin American countries, as initiatives like the BRICS demonstrated. However, trade and investment relations between Brazil and China are increasingly becoming one that resembles relations between Brazil and the United States and Europe, which make up for the traditional core in dependency theories, while Brazil remains as periphery (Jenkins 2012). Brazil (and Latin America in general) has become a key supplier of commodities to China, especially of soybeans and animal protein, while turning into a top destination of Chinese manufactures. In terms of investment relations, a significant portion of Chinese capital that entered Brazil recently has been destined to advance projects in the oil and gas, utilities and mining sectors (Cariello 2021b, p. 23), which contributes to the notion of Chinese MNCs as key agents of dependency (Moran 1978).

Thus, the characterization of China-Brazil economic relations as one of core-periphery, in the terms of traditional debates of dependency, is not far-fetched. China may not be Global North, but its economic size and overall power are so asymmetric relative to other Global South countries, that it cannot be classified as periphery. Framing Brazil-China economic relations as one of dependency is consistent with the claims by early *dependentistas*. For one thing, dependency theories posit that actors may change positions within the system, as what remains is its structure (Stallings 2020, p. 27). The massive influence of the Chinese economy on Latin American growth and the implication that such dependency has negatively affected industrialization in the region (Stallings 2020) also make this narrative a compelling one to negatively affect Brazilians' opinion on Chinese FDI.

4.3 Narrative 3: Sovereignty threats from China

Host countries have always held reservations about foreign capital entry in strategic sectors (Kang 1997); national security concerns have motivated countries to put up barriers to FDI entry (Pandya 2014a), and been shown to reduce FDI inflows (Li and Vashchilko 2010). While sovereignty issues around FDI apply to many foreign nationalities, such a narrative around China has become particularly salient. Among American citizens, security threats exacerbate opposition to mergers and acquisitions with Chinese firms (Chilton et al. 2020); in OECD countries, political authorities have recently step up screening mechanisms to Chinese FDI (Bauerle Danzman and Meunier 2023).

In Brazil, a specific aspect of Chinese FDI as a threat to sovereignty refers to concerns about potential land grabbing (Oliveira 2018). The conjunction of the Brazilian primary sector's relevance for its economy and recent capital liberalization initiatives spurred a heated debate about the consequences of relaxing the laws that strongly restrict foreign individuals and companies to acquire land in Brazil. While the proposed changes in the legal framework regulating land acquisition referred to any foreign nationality, the elite debate has disproportionately focused on China (Oliveira 2018), despite the limited presence of Chinese investment in the agricultural sector, relative to other sectors. It follows from this rationale that framing Chinese investment in Brazil around sovereignty threats could be effective in triggering aversion to Chinese investment among the public, but not as intensely as in the United States or Europe — two actors that, unlike Brazil, are at the center of the geopolitics of technology and security.

4.4 Narrative 4: China's association with communism

A fourth candidate for the reason behind Brazilians' hesitation toward Chinese investment is a frame that highlights China as a communist country. The idea of a "communist menace" has a long history in Brazil; it has been mobilized to enable two coups d'état that promised to free the country from communism, each inaugurating a period of dictatorial rule, first from 1937 to 1945 and then from 1964 to 1985 (Motta 2002). In spite of Brazil's redemocratization in the late 1980s, anticommunism has not disappeared. More recently, discourses posing communism as a threat to the country have soared by the efforts Jair Bolsonaro and his supporters (Bevins 2020). This political group has often accused the Workers' Party and the political left in general of trying to turn Brazil into a communist country. In so doing, these political actors associate communism with poverty and disorder, most often bringing Venezuela and Cuba as illustrations of what Brazil would become under leftist rulers. Associations of China with communism are less frequent, most likely due to the great importance of China to the Brazilian economy.[10] However, such an association between China and communism appears from time to time in far-right politicians' discourses and social media and find incredible repercussion among their constituencies.

We note how the frame around communism and FDI in Brazil stems from a different logic than in advanced economies. For instance, in the European context, Meunier (2014) explains how the phenomenon of a communist regime investing in market-based, democratic countries spurs concerns because of less transparency about the rules of the game in economic transactions. That is, China's economic model led by the Communist Party turns China into a less reliable partner and fosters the idea that investment relations fulfill not only commercial goals, but also geopolitical ones. As we explained, such discourses around communism in Brazil follow a different rationale, one that associates the regime with poverty and underdevelopment.

To summarize, while narratives posing the threat of communism have been ubiquitous in the Brazilian political environment in the last few years, it is not altogether clear the extent to which such narratives affect Brazilians' views on Chinese investment. However, given the historical, pervasive roots of anticommunism sentiment in Brazil and the fact that other regions in the world also experience frames associating communism and FDI (albeit through a different logic), we consider the possibility that anticommunism is a relevant driver of Brazilians' hesitation toward Chinese FDI.

4.5 Narrative 5: Chinese culture, values and habits

The last frame we consider as a potential trigger of Brazilians' hesitation toward Chinese FDI is one that revolves around concerns that the ideas, habits, and the culture of the Chinese would get more space in Brazilian society. Studies show the political fallout of ethnocentrism and xenophobia in different areas of social life (Hainmueller and Hopkins 2014, e.g), including evidence that high

[10] For instance, the search term "comunismo" in Google Trends in Brazil is most strongly associated with the search term "Venezuela" and less so with "China".

levels of ethnocentric feelings among the population reduce FDI inflows (Andrews et al. 2018). Thus, considering the potential role of sinophobia in driving hesitation toward Chinese FDI in Brazil is warranted.

There is a long-standing debate about xenophobia in Brazil. In general, the consensus in Brazilian social sciences is that whether migrants are welcome or discriminated against is a function of migrants' origin (Faustino and Oliveira 2021). Color is a strong predictor of attitudes toward foreigners, as ethnographic studies document (de Oliveira 2019). While African, Haitian, and Venezuelan migrants suffer enormous prejudice, white Europeans are portrayed as successful cases of integration into Brazilian society. This selective hospitality toward migrants is a legacy of Brazil's past as the largest recipient of slaves during the Trans-Atlantic slavery period, its early migration waves from Europe between the 16th and 19th centuries, and the 20th century's influx of migrants again from Europe, but also from Japan, the Middle East and, more recently, from Latin America.

Studies on how Brazilians perceive migrants from China are scarce, especially because significant Chinese migration in Brazil is a relatively new phenomenon. The Chinese population in Brazil has more than tripled in the last three decades, but its size is still diminished relative to other countries'. Recent estimates indicate that about 31,000 Chinese migrated to Brazil between 2010 and 2019; for comparison, there have been 142,000 Venezuelans registered as permanent migrants within the same period. In this context, the early diagnosis is that there is ambiguity on the perception of Chinese in Brazil (de Oliveira 2019). That being said, there have been sinophobic manifestations recently in Brazil, especially in the context of the COVID-19 pandemic, mirroring a pattern found in the United States and other OECD countries (Silver et al. 2020).

In a nutshell, there may be reasons to consider sinophobia as a potential trigger of Brazilian hesitation toward Chinese investment. However, we lack established knowledge on the topic to allow us to form strong priors about how Brazilians perceive the Chinese people and their culture, values and habits and whether and how such perceptions translate to views on Chinese investment in Brazil.

5 Summary of expectations and observable implications

Based on our overarching argument, we summarize three key expectations and their respective observable implications that we should obtain from data, if our rationale holds.

First, if hesitation toward Chinese investment in Brazil is a result of a top-down process, we should find that Brazilians' attitudes toward Chinese FDI are sensitive to messages that negatively frame it. We should also find that negative messages about Chinese FDI do not produce heterogeneous effects across typical bottom-up drivers of preferences toward FDI, such as education levels, class and nationalism. In contrast, we should expect to find heterogeneous effects across bottom-up factors in the absence of negative frames around Chinese FDI.

Second, if top-down processes are more effective in highly polarized environments and when mobilized by more organized groups, we should find that individuals who self-identify with the political right in Brazil are more affected by negative frames around Chinese FDI, relative to those who self-identify with the left and the center. However, such heterogeneous effects across political self-identification should not be as pronounced in the absence of negative cues and frames about FDI from China.

Third, based on our theoretical discussion of the potential effects of our five selected narratives, we should expect frames that portray China as a non-democracy and as a driver of dependency-like economic relations to be the ones that reduce Brazilians' views on Chinese FDI the most, for these are the rationales less prone to ambiguous predictions.

6 Research design

To test our observable implications, we fielded a vignette survey experiment to a sample of $N \approx 3,000$ Brazilians between December 2022 and January 2023.[11] Informed by our previous discussion, we designed five treatments with the potential to trigger worrisome outcomes of Chinese investment to the host country, and compared the effects of those five treatments against one control. The experimental manipulation of cues and frames allows us to effectively isolate the potential effects of other drivers of preferences towards FDI. While individuals likely already carry pre-conceptions about Chinese FDI, we assume that randomization distributes such pre-conceptions across experimental groups in a balanced way, allowing us to estimate the independent effect of a given narrative relative to a control condition. To be clear, narratives are absent in the control condition, so bottom-up drivers of attitudes should determine attitudes to Chinese FDI then.

After answering to pre-treatment questions,[12] all individuals read a prompt informing that we would like to know their opinion about a situation in which a large foreign firm made an investment in their state, near the area where they lived in. Next, respondents were randomly assigned to one of the six experimental groups.[13] The vignette for the control group was as follows: *"It has been recently announced that your state will receive investments from a large company from China, which will be located near the area you live in. The company will build new facilities, creating many jobs that will pay wages above the state average."* Each of the five experimental groups read the same text as the control group, plus an additional paragraph with the specific treatment. Table 1 brings the vignettes for each treatment group and their associated mechanism. All treatments started with the same sentence (*"This investment occurs in a moment in which the presence of Chinese companies grows a lot in Brazil."*), followed by the specific negative cue.

We deliberately chose the passive voice for conveying the message in a neutral way. Although the idea that the treatments should trigger responses on individuals regardless of who the messenger is seems counter intuitive for a study that claims that a top-down process is at play, such a choice was warranted to avoid results being confounded by the effects of who the messenger was. For instance, the use of "experts" or "a newspaper" as potential messengers could have made some individuals overly discredit or credit the narrative in a non-random way, biasing results. Our intention is to find out whether individuals are sensitive to frames and cues that negatively depict Chinese FDI and whether some of these frames and cues are more effective in doing so than others. Thus, we follow Mutz (2021a)'s guidelines that "the most important characteristic of an experimental treatment is that it induces substantial and observable variation in the independent variable in the directions intended (p. 223)."

After reading their randomly assigned vignette, individuals answered to attention checks questions, which also aimed at reinforcing the treatment application.[14] Then, respondents answered to the following question *"In general, do you believe that the investment from this Chinese firm would benefit or harm Brazil?"* There were five options, ranging from *"It would benefit Brazil a lot"* to *"It would harm Brazil a lot"*. Answers to this question constitute our dependent variable. As a follow-up, individuals responded to an open-ended question that asked them to explain in a few

[11] The sample was representative of the Brazilian population, though more educated. Estimation with sample weights yielded robust results. The survey was applied by Netquest, an online panel survey company that has been widely used by political scientists (Carlin et al. 2022; Hierro and Queralt 2021; Campello and Urdinez 2021, e.g). See the appendix for details about the sample and Netquest's recruitment procedures.

[12] We surveyed individuals about their socioeconomic status, and asked questions that tapped into their levels of nationalism, political self-identification and their views on topics such as democracy and the role of market economies, among others. The order of the pre-treatment questions was randomized across respondents. See the appendix for summary statistics of the pre-treatment variables.

[13] We applied blocked randomization across gender, age groups, income levels, and educational levels. We also sought to make assignment to groups diverse across individuals' regions. Analyses available in the appendix indicate that randomization was successful across these and other pre-treatment variables.

[14] See the appendix for the full text of attention check questions.

Group	Mechanism	Vignette
1	**Non-democracy**	"Therefore, there is a concern that Brazil gets closer and closer to China, a country without free and fair elections and, thus, not a democracy."
2	**Economic dependency**	"Therefore, there is a concern that the Brazilian economy becomes more and more dependent on investment from China"
3	**Sovereignty**	"Therefore, there is a concern that Brazil's national sovereignty gets more and more fragile in face of China's investment in strategic sectors."
4	**Association with communism**	"Therefore, there is a concern that Brazil gets closer and closer to China, a country who proclaims itself as communist."
5	**Culture, habits and values (sinophobia)**	"Therefore, there is a concern that the ideas, the habits, and the culture of the Chinese get more space in the Brazilian society."

Table 1: *Vignettes applied in treatment conditions and their respective mechanisms.*

words how the investment from the Chinese firm could benefit/affect/harm Brazil. The question's specific language was tailored according to each individual's answer to the previous multiple choice question. Responses to the open-ended question were analyzed as a manipulation check.

We note that our vignettes purposely employed language emphasizing the *local* benefits the investment would bring about (jobs and above-the-average wages), while our questions prompted individuals to think about the negative consequences of the investment's entry to *Brazil*. By bringing the investment's benefits closer to individuals' reality while situating the costs at a more abstract level, we make it harder for us to detect negative perceptions associated with the investment's origin. To conclude the experiment, individuals read a disclaimer explaining that the scenarios shown in the survey were strictly hypothetical and should not be interpreted as a criticism to foreigners in general or to Chinese individuals in particular.

7 Results

7.1 Evidence of a top-down process: general effects

We start by providing evidence that supports our expectation that Brazilians' hesitation toward Chinese investment stems from a top-down process driven by narratives that shape the informational environment individuals are embedded in. The first observable implication from this expectation refers to finding a general negative treatment effect on Brazilians' opinions on Chinese FDI, relative to the control group. As Figure 2 shows, we find a negative and statistically significant treatment effect (p-value < 0.001) for all but one treatment group, which is the *Sinophobia* one.[15] That is, in four out of the five narratives we present to individuals around Chinese FDI, we observe a significant drop on the perceived benefits of investment coming from China, relative to the baseline condition. This indicates that individuals are strongly influenced by narratives that negatively frame Chinese FDI, even when salient benefits — numerous jobs and high salaries — are explicitly informed.

[15] In the appendix, we show that our results are robust to the exclusion of respondents who answered "Neither harms, or benefits Brazil".

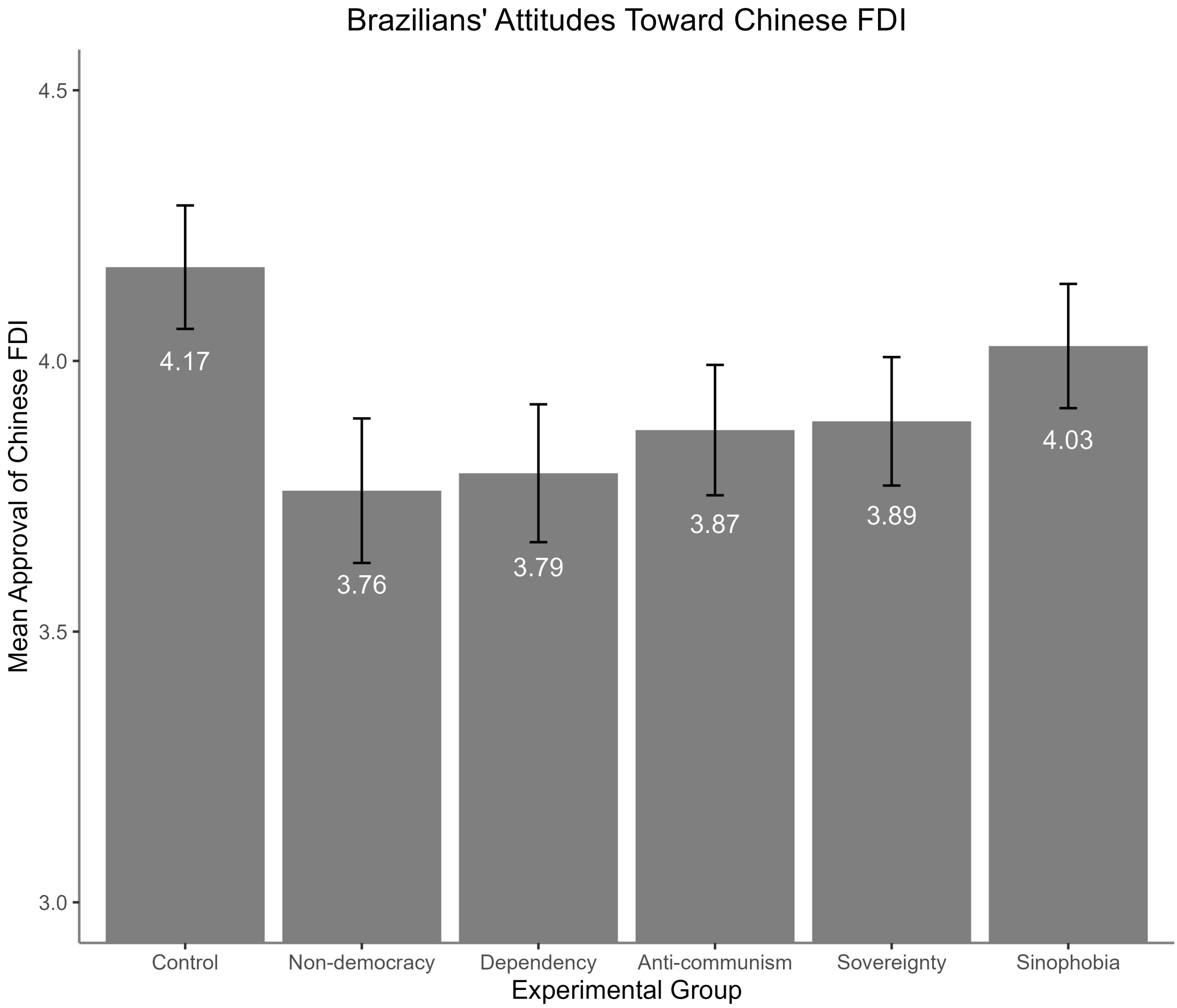

Figure 2: *Estimated mean values of approval of Chinese FDI and 99% confidence intervals. The survey question was: "In general, do you believe the investment from this Chinese firm would benefit or harm Brazil?" Possible answers ranged from 1 = It would harm Brazil a lot and 5 = It would benefit Brazil a lot. N = 3,056.*

We note that we can only distinguish the effects of the *Economic Dependency* and the *Non-Democracy* treatments relative to the *Sinophobia* one.[16] Still, our manipulation checks indicate that individuals in all experimental groups were successfully treated relative to the control. Our manipulation check strategy consisted in analyzing the text of the open-ended answers individuals supplied after answering to the question about how beneficial or harmful they perceived the given Chinese investment to Brazil. We analyzed the frequency of relevant words associated with each treatment condition relative to their frequency in the control condition. In all treatment groups, we find a higher frequency of key words than in the control, which indicates that individuals were successfully treated, on average. This means that we can be confident that the changes in the dependent variable we identify are attributable to the respective treatments. Importantly, we show how the lack of effects for the *Sinophobia* treatment is not due to treatment failure — individuals assigned to this condition mentioned key words associated with the treatment in their responses more than those in the control. In this case, the manipulation check indicates that individuals were successfully treated, but that the sinophobic message did not change their perceptions on Chinese

[16]Check the appendix for the reported differences-in-means between all experimental conditions, with the application of the Bonferroni correction.

FDI, which reinforces the effects of the other treatments. The appendix brings the analysis of the manipulation checks.

7.2 Evidence of a top-down process: no heterogeneous effects of bottom-up drivers

The second observable implication to support our top-down process proposition refers to not finding relevant heterogeneous effects across pre-treatment covariates that are typically associated with bottom-up processes of preferences toward FDI, in the experimental conditions. That is, if a top-down process of attitudes' formation is at play, the effects of narratives employed in the experimental conditions should topple the effects of bottom-up drivers. However, we may find heterogeneous effects across bottom-up factors in the control condition, where negative frames around Chinese FDI are absent.

To test the proposition that bottom-up factors do not strongly affect individuals' views on Chinese FDI in the presence of frames and cues around the topic, we run a series of separate OLS models, one for each experimental group. In all models, the dependent variable is a continuous measure of individuals' perceived level of benefits of Chinese investment in Brazil, where 1 is "hurts a lot" and 5 is "benefits a lot". All models include all of our pre-treatment covariates collected in the survey: a binary indicator for *Gender*, with "Male" as the category of reference; a continuous variable for *Age*; a categorical variable for the individuals' *Region*, with "North" as the reference; a categorical variable for individuals' highest level of education (completed or incomplete), with "Elementary School" as the reference; a categorical indicator for *Class*, which follows the Brazilian Institute of Geography and Statistics (IBGE) convention, being "A" the wealthiest one and the reference category; a categorical variable for *Race*, also following IBGE's conventions, and with "White" as the reference; *Employment Status*, where the category of reference comprises "self-employed individuals"; *Political Self-Identification*, with the "Left" as the reference. Models also include a set of pre-treatment variables that gauge individuals' opinions on several issues, and whose values all range from 1 (least favorable opinion) to 5 (most favorable opinion). Such variables are opinion on China as a country; on the Chinese people; on FDI, in general; on free markets; on democracy; on the state of the Brazilian economy; and on Brazil's relations with China and the United States. Furthermore, we included index variables that measure individuals' levels of *Cosmopolitanism* and *Nationalism*. Finally, we add three variables that refer to individuals' living areas. *Import shocks from China* and *Export shocks to China* were obtained from Campello and Urdinez (2021), who employed the measures as calculated by Costa et al. (2016). Based on data from the Brazilian Institute of Geography and Statistics (IBGE), Costa et al. (2016) calculated changes in local labor markets affected by the entry of Chinese imports and the exports of Brazilian goods to China. The unit of analysis in these measures is IBGE's immediate geographic regions (formerly known as microrregions), which groups cities that share the same urban network. We matched respondents' cities (an information collected through our survey) with their respective immediate geographic regions in Campello and Urdinez (2021)'s dataset. The last variable, *Chinese FDI in City*, brings the number of Chinese FDI transactions a given Brazilian city has received from 2011 to 2021, divided by its population. The data on FDI transactions have been obtained with the Brazilian Trade and Investment Promotion Agency, Apex-Brasil. The point of these OLS models is to identify which pre-treatment covariates are more influential in driving heterogeneous effects in each experimental condition. Table 2 brings the results from these OLS models.

Table 2: *Regression Analysis*

	Dependent Variable: Approval of Chinese FDI					
	Control	Non-Democracy	Dependency	Anti-Communism	Sovereignty	Sinophobia
Female	0.10	-0.25^{*}	-0.10	-0.04	0.15	-0.01
	(0.09)	(0.10)	(0.10)	(0.09)	(0.09)	(0.08)
Age	-0.00	-0.00	-0.01^{*}	-0.01	-0.00	-0.01
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Northeast	-0.11	-0.14	0.06	0.35	0.06	0.11
	(0.17)	(0.21)	(0.19)	(0.18)	(0.19)	(0.17)
Southeast	-0.06	0.15	0.11	0.40^{*}	0.07	0.01
	(0.17)	(0.21)	(0.19)	(0.17)	(0.18)	(0.16)
South	-0.16	0.01	0.16	0.30	-0.01	-0.00
	(0.19)	(0.23)	(0.21)	(0.20)	(0.20)	(0.19)
Center West	0.06	-0.09	-0.02	-0.01	0.06	0.01
	(0.21)	(0.25)	(0.23)	(0.22)	(0.23)	(0.21)
College	0.02	0.24	0.09	0.32^{*}	-0.09	0.12
	(0.13)	(0.16)	(0.14)	(0.13)	(0.13)	(0.12)
High School	0.02	-0.01	0.06	0.10	0.03	0.07
	(0.09)	(0.11)	(0.10)	(0.10)	(0.10)	(0.09)
Graduate School	-0.19	0.12	-0.07	0.05	0.63^{*}	0.18
	(0.32)	(0.32)	(0.28)	(0.26)	(0.31)	(0.26)
Class B	0.04	0.02	0.26	0.01	0.27	-0.35
	(0.25)	(0.29)	(0.31)	(0.27)	(0.28)	(0.25)
Class C	-0.06	-0.07	0.14	0.07	0.40	-0.33
	(0.25)	(0.28)	(0.31)	(0.26)	(0.27)	(0.25)
Class D-E	-0.15	-0.13	0.13	0.24	0.29	-0.25

Continued on next page

Table 2 – continued from previous page

	Dependent Variable: Approval of Chinese FDI					
	Control	Non-Democracy	Dependency	Anti-Communism	Sovereignty	Sinophobia
	(0.25)	(0.29)	(0.31)	(0.27)	(0.28)	(0.26)
Black	−0.03	0.01	−0.05	−0.19	0.20	0.00
	(0.13)	(0.17)	(0.15)	(0.15)	(0.16)	(0.15)
Asian desc.		0.87	−1.05	0.50	−0.43	0.59
		(0.49)	(0.59)	(0.55)	(0.56)	(0.88)
Brown	0.18	0.12	−0.19	−0.06	0.02	0.06
	(0.10)	(0.11)	(0.10)	(0.10)	(0.10)	(0.09)
Indigenous	0.28	0.04	-1.32^{*}	−0.24	0.66	−0.49
	(0.38)	(0.35)	(0.58)	(0.54)	(0.40)	(0.40)
Rather not say	0.10	1.05	0.49	−0.10	−0.55	-0.96^{**}
	(0.36)	(0.57)	(0.34)	(0.32)	(0.44)	(0.35)
Informal worker	0.12	0.11	−0.14	0.13	−0.03	0.16
	(0.15)	(0.17)	(0.17)	(0.14)	(0.16)	(0.14)
Formal worker	0.25^{*}	0.10	0.09	0.11	0.15	−0.02
	(0.12)	(0.14)	(0.14)	(0.12)	(0.13)	(0.13)
Public employee	0.13	0.23	0.37	0.18	0.17	−0.21
	(0.25)	(0.25)	(0.23)	(0.20)	(0.21)	(0.22)
Unemployed	0.05	0.12	0.07	0.02	−0.23	−0.11
	(0.11)	(0.13)	(0.12)	(0.11)	(0.12)	(0.11)
Center	−0.02	−0.07	−0.07	0.01	0.07	0.09
	(0.11)	(0.12)	(0.12)	(0.11)	(0.12)	(0.10)
Right	0.06	-0.37^{**}	-0.35^{**}	−0.15	0.04	0.08
	(0.11)	(0.13)	(0.12)	(0.10)	(0.11)	(0.10)
Opinion on China	0.03	0.08^{*}	0.04	0.08^{*}	0.15^{***}	0.03

Continued on next page

Table 2 – continued from previous page

	Dependent Variable: Approval of Chinese FDI					
	Control	Non-Democracy	Dependency	Anti-Communism	Sovereignty	Sinophobia
	(0.03)	(0.04)	(0.04)	(0.03)	(0.03)	(0.03)
Opinion on Chinese	0.09^{**}	0.04	0.07^{*}	0.04	0.01	0.07^{*}
	(0.03)	(0.04)	(0.04)	(0.03)	(0.03)	(0.03)
Opinion on FDI	0.11^{*}	0.23^{***}	0.17^{**}	0.19^{***}	0.18^{***}	0.22^{***}
	(0.05)	(0.06)	(0.05)	(0.05)	(0.05)	(0.05)
Opinion on Free Markets	0.01	0.03	0.02	−0.03	0.06	0.00
	(0.05)	(0.06)	(0.05)	(0.05)	(0.05)	(0.05)
Opinion on Democracy	0.15^{**}	0.09	0.17^{***}	0.14^{**}	0.08	0.08
	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.04)
Opinion on Brazilian economy	−0.04	−0.00	−0.04	0.04	-0.10^{*}	−0.00
	(0.04)	(0.05)	(0.04)	(0.04)	(0.04)	(0.04)
Cosmopolitanism	0.20^{*}	−0.06	−0.05	0.01	0.14	0.08
	(0.09)	(0.10)	(0.10)	(0.09)	(0.10)	(0.09)
Nationalism	−0.09	−0.03	−0.06	−0.03	−0.05	0.04
	(0.07)	(0.09)	(0.08)	(0.08)	(0.08)	(0.07)
Opinion on relations w/ China	0.19^{***}	0.20^{***}	0.22^{***}	0.20^{***}	0.10	0.25^{***}
	(0.05)	(0.06)	(0.06)	(0.05)	(0.05)	(0.05)
Opinion on relations w/ US	0.04	0.03	0.02	0.01	−0.05	−0.04
	(0.05)	(0.06)	(0.06)	(0.06)	(0.05)	(0.05)
Import shocks from China	−0.03	−0.10	−0.16	−0.04	0.17	−0.15
	(0.12)	(0.13)	(0.12)	(0.11)	(0.12)	(0.10)
Export shocks to China	0.04	−0.07	0.20^{**}	0.13	0.03	−0.02
	(0.06)	(0.08)	(0.07)	(0.09)	(0.06)	(0.07)
Chinese FDI in City	−0.01	-0.10^{*}	0.04	−0.06	−0.03	0.01

Continued on next page

Table 2 – continued from previous page

	Dependent Variable: Approval of Chinese FDI					
	Control	Non-Democracy	Dependency	Anti-Communism	Sovereignty	Sinophobia
	(0.04)	(0.04)	(0.03)	(0.03)	(0.04)	(0.03)
Intercept	1.70^{***}	1.74^{**}	1.87^{***}	1.14^{*}	1.47^{**}	1.87^{***}
	(0.47)	(0.55)	(0.55)	(0.48)	(0.50)	(0.45)
R^2	0.27	0.26	0.27	0.30	0.24	0.31
Adj. R^2	0.22	0.20	0.22	0.25	0.18	0.25
Num. obs.	507	509	511	509	511	508

$^{***}p < 0.001$; $^{**}p < 0.01$; $^{*}p < 0.05$

First, we note how practically none of the covariates associated with material bottom-up determinants of preferences for FDI yields consistently relevant results in our treatment groups. In contrast, being a *Formal worker* has a large, positive and statistically significant effect (p-value < 0.05) in the *Control* group. This finding is consistent with traditional, bottom-up material theories of preferences for FDI (Pandya 2010), as *Formal workers* tend to be the most employable by MNCs, especially in a country where informality in the job market is high.[17] Crucially, we note how this result does not hold across treatment conditions, suggesting that even some of those individuals who benefit the most from FDI are affected by narratives that negatively frame Chinese investment. Thus, these results conform to our general proposition that preferences toward Chinese FDI in Brazil stem from a top-down process.

On the other hand, non-material, bottom-up drivers yield more noticeable effects. First and foremost, *Political Self-Identification* produces large, negative and statistically significant (p-value < 0.01) effects on individuals views on Chinese FDI in two treatment conditions — *Non-Democracy* and *Dependency*. The fact that we do not find heterogeneous effects across *Political Self-Identification* in neither the *Control* group or in the other experimental groups further suggests that a top-down process is at play, a point we come back to later in this paper. Other ideational factors also display positive and statistically significant effects on opinions toward Chinese FDI. Unsurprisingly, the most consistent results across groups are found for *Opinion on FDI* and *Opinion on Relations w/ China*.

7.3 Evidence of a top-down process in a polarized environment: heterogeneous effects across political self-identification

In this section, we discuss results consistent with the rationale that top-down processes are particularly influential in highly polarized political environments. To recap our discussion in section 4, Brazil's domestic politics have become extremely divisive between rightist opponents to the Workers' Party and its leftist supporters or sympathizers. Positions on China have not escaped this cleavage, with the right mostly displaying negative views on the country. Moreover, the right's capacity to diffuse its preferred messages and mobilize its constituencies significantly outpaces the left's. Thus, in support of this logic, we should find that individuals who self-identify with the political right are more affected by our treatments relative to left-leaning individuals.

Our first conforming finding is that we do not identify heterogeneity across political self-identification in the *Control* condition (Table 2). That is, in the absence of any informational cues that frame Chinese FDI negatively, those who self-identify with the left, the right and the center do not exhibit different views on capital coming from China. However, when treated with negative messages about Chinese FDI that associate it with China's non-democratic regime and Brazil's excessive economic dependency on China, those who identify with the right are strongly affected. Our regression results show that, relative to the *Left*, right-leaning individuals perceive Chinese FDI as 0.37 less beneficial to Brazil when prompted to think of China as a non-democracy, and 0.35 less beneficial when triggered to consider the Asian power as a driver of excessive economic dependency.

More generally, Figure 3 shows how right-leaning individuals are consistently more affected by treatments relative to the control condition than centrists and leftists. The exception is the *Sinophobia* treatment again; the *Sovereignty* condition does not produce any remarkable differences either.

[17] The latest estimate of informality share in Brazil was of 39.6%. This number represents the share of workers in the informal sector relative to the total employed population in the country. Informal workers include workers without formal contracts, domestic workers, and self-employed individuals who have unregistered small businesses (Carneiro 2023). Unsurprisingly, informal workers tend to have lower levels of education, which makes them less likely to be employed by MNCs.

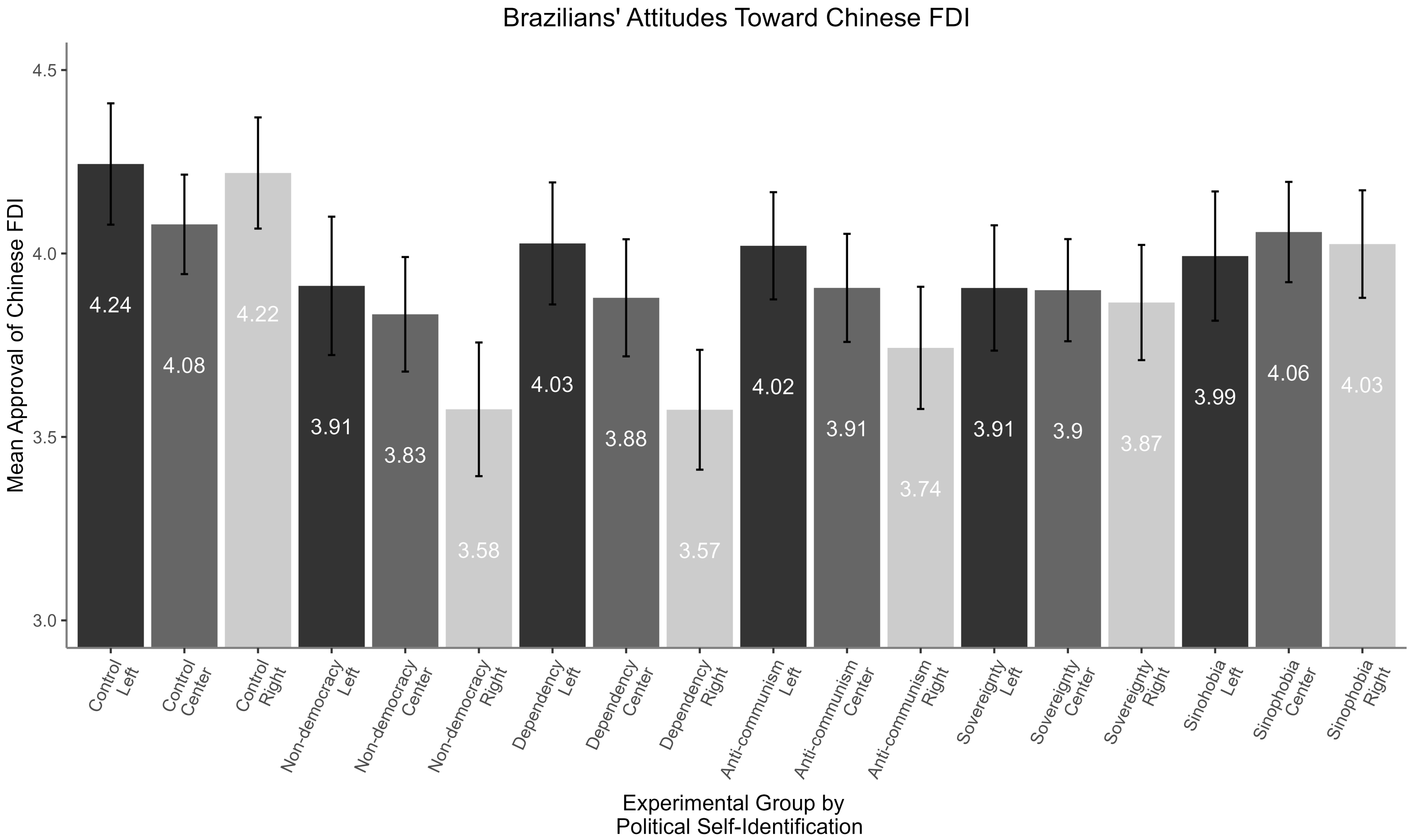

Figure 3: *Heterogeneous treatment effects across self-political identification — Left, Center and Right*

We note how the stronger heterogeneous treatment effects for those who self-identify with the political right also conform to our broader theoretical expectations. From section 4, we identify that theoretical foundations for mechanisms associated with *Non-Democracy* and *Economic Dependency* were the ones less prone to generate ambiguous predictions. The fact that we can distinguish these effects for the political right relative to the political left and center is key, for it suggests that there is something about the informational environment surrounding rightist constituencies that is particularly effective in shaping negative opinions toward FDI in this group. We now turn to the analysis of such informational environment to further corroborate this expectation and provide external validity to our study.[18]

8 External validity: the informational environment around Chinese FDI in Brazil

In progress.

9 Conclusion

How do individuals in one of the largest democracies and economies in the Global South perceive the increasing presence of Chinese investment in their country? Evidence from a conjoint experiment demonstrates that Brazilians are hesitant about Chinese FDI, a sentiment they do not display toward European and American capital. Through a survey experiment, we have explored the underlying factors that contribute to this hesitation.

Our findings reveal that the informational environment plays a crucial role in shaping Brazilians' views on Chinese investment. A top-down process generated by political rhetoric employed by elites and reverberated through media outlets and other interpersonal relationships has a significant impact on public opinion. Moreover, we have identified a marked political division in Brazilian society, with individuals who identify with the political right being more influenced by anti-China rhetoric than individuals in the left or in the center. Such heterogeneous effects across political self-identification are particularly pronounced when individuals are prompted to associate investment coming from China with economic dependency and the investment partner's non-democratic political regime.

These results have important implications for the current transformations of global politics. As rivalry between China and the United States unfolds, it becomes increasingly relevant to uncover the mass attitudes about the fallout of such dispute in third countries. There is still a paucity of studies examining how China's outward direct investment affects its image on the global landscape (Fong and Sakib 2021). Our study helps to mitigate the scarcity of research in this area; more importantly, we show that Chinese FDI can be easily mobilized by political actors under different narratives that not only shape mass attitudes towards China and Chinese investment, but spur domestic political divisions. One direct consequence of such divisions is that it may be challenging for China to sustain its foothold in Brazil and likely in Latin America. Even if there are many benefits attached to Chinese FDI (Cariello 2021b), the phenomenon is susceptible to rhetorical capture that emphasizes its costs.

The fact that narratives associating China with a non-democratic political regime and a potential driver of excessive economic dependency yield the strongest effects also bears noteworthy

[18] One obvious concern with our findings that those who self-identify with the political right are more affected by treatment conditions is that political self-identification is just highly correlated with other individual determinants of preferences toward FDI and Chinese FDI, in particular. To assuage such concerns, the appendix brings a correlation matrix of all of our pre-treatment variables, which shows that political self-identification is not meaningfully correlated with any of our covariates. This further endorses our overarching claim that preferences toward Chinese FDI in Brazil are a product of narratives that resonate more strongly within a given identity group — in this case, the political right.

ramifications. First, we note how these two narratives differ from the dominant negative rhetoric around Chinese FDI in Europe and in the United States, which is mostly centered around threats to sovereignty and security (Meunier et al. 2014; Bauerle Danzman and Meunier 2023). As scholars and policymakers examine China's expanding global influence, understanding that different concerns afflict different parts of the world is key for crafting correct assessments. For the United States and China, in particular, understanding what is at stake for the Global South is important for informing diplomatic positions and policy decisions toward this part of the world. While the marked rejection to Chinese investment provoked by the non-democracy frame suggests that Brazil is close to the West in terms of democratic values (Allan et al. 2018), the effect caused by the economic dependency narrative is a reminder of how the public in Global South countries value autonomy and strive for a development path that ensures long-term viability. For China, it may be challenging to work around frames that assuage concerns about its non-democratic political regime and the potential for it to induce excessive economic dependency on third countries, as these two characteristics are at the very core of the Chinese regime and its economic model.

Furthermore, the fact that we find stronger treatment effects among right-leaning individuals bolsters the cautionary tale of how easily the costs of globalization can be politically mobilized, and not only in developed countries (Rudra et al. 2021). A significant body of research has documented the political consequences of the China trade shock to fuel anti-globalization sentiment and popular support for extreme-right parties around the world (Autor et al. 2013; Colantone and Stanig 2018; Ballard-Rosa et al. 2021, e.g). We show that Chinese FDI may produce similar effects, and not only by the means of generating material winners and losers (Eichenauer et al. 2021). More generally, while politicians often tout the benefits of FDI (Owen 2019), we show they can also choose to negatively frame it for their own benefit. It may not necessarily be the case that certain groups want to highlight negative aspects of Chinese FDI to shape policy against it, but rather to feed political cleavages to be explored domestically (but that may have consequences for foreign economic policy, nonetheless).

From Brazil's standpoint, these divisions within domestic society mean that it might be challenging for the government to successfully balance between the influence of China and the United States. When Bolsonaro tried to antagonize China, he found support among parts of his pro-United States coalition, but also encountered resistance by the agribusiness sector; when Lula attempted to hint on a closer relationship with China, he has faced resistance by the political right. That is, the U.S.-China rivalry can quickly become politicized in third countries, even through a usually beneficial vehicle such as FDI. As public opinion plays a crucial role in shaping political decisions concerning foreign affairs, it is anticipated that both the United States and China will increasingly seek to advance their interests by garnering support from foreign elites and the public in third countries. Our work shows that such efforts will not come without profound domestic dispute and polarization in such third countries.

References

Allan, B. B., Vucetic, S., and Hopf, T. (2018). The Distribution of Identity and the Future of International Order: China's Hegemonic Prospects. *International Organization*, 72(4):839–869.

Andrews, S., Leblang, D., and Pandya, S. S. (2018). Ethnocentrism Reduces Foreign Direct Investment. *The Journal of Politics*, 80(2):697–700.

Autor, D. H., Dorn, D., and Hanson, G. H. (2013). The China Syndrome: Local Labor Market Effects of Import Competition in the United States. *American Economic Review*, 103(6):2121–2168.

Babić, M. and Dixon, A. D. (2022). Is the China Effect Real? Ideational Change and the Political Contestation of Chinese State-Led Investment in Europe. *The Chinese Journal of International Politics*, 15(2):111–139.

Baker, A. (2009). *The Market and the Masses in Latin America.* Cambridge University Press, New York.

Ballard-Rosa, C., Malik, M. A., Rickard, S. J., and Scheve, K. (2021). The Economic Origins of Authoritarian Values: Evidence From Local Trade Shocks in the United Kingdom. *Comparative Political Studies*, 54(13).

Banco Central do Brasil (2023). Brazilian Central Bank - Direct Investment Report. Website. Available at:https://www.bcb.gov.br/en/publications/directinvestmentreport Accessed June 29th, 2023.

Bauerle Danzman, S. and Meunier, S. (2023). Mapping the Characteristics of Foreign Investment Screening Mechanisms: The New PRISM Dataset. *International Studies Quarterly*, 67(2).

Bevins, V. (2020). Where Conspiracy Reigns. *The Atlantic.* Available at: https://www.theatlantic.com/ideas/archive/2020/09/how-anti-communist-conspiracies-haunt-brazil/614665/ Accessed: June 26th, 2023.

Broz, J. L., Zhang, Z., and Wang, G. (2020). Explaining Foreign Support for China's Global Economic Leadership. *International Organization*, 74(3):417–452.

Campello, D. and Urdinez, F. (2021). Voter and Legislator Responses to Localized Trade Shocks from China in Brazil. *Comparative Political Studies*, 54(7):1131–1162.

Cardoso, F. and Faletto, E. (1969). Dependencia y desarrollo en américa latina (mexico city: Siglo xxi). *Published in English as Dependency and Development in Latin America.*

Cariello, T. (2021a). Chinese Investment in Brazil: 2021, a Year of Recovery. Technical report, Conselho Empresarial Brasil-China.

Cariello, T. (2021b). Investimentos Chineses no Brasil: Histórico, Tendências e Desafios Globais (2007-2020). Technical report, Conselho Empresarial Brasil-China.

Carlin, R. E., Castrellón, M., Gauri, V., Sierra, I. C. J., and Staton, J. K. (2022). Public Reactions to Noncompliance with Judicial Orders. *American Political Science Review*, 116(1):265–282.

Carnegie, A. and Gaikwad, N. (2022). Public Opinion on Geopolitics and Trade. *World Politics*, 74(2):167–204.

Carneiro, L. (2023). Taxa de informalidade cai para menos de 40% no Brasil em 2022, diz IBGE. *Valor Econômico.* Available at: https://valor.globo.com/brasil/noticia/2023/02/28/taxa-de-informalidade-cai-para-menos-de-40percent-no-brasil-em-2022-diz-ibge.ghtml Accessed: June 29th, 2023.

Chen, F. R., Pevehouse, J. C. W., and Powers, R. M. (2023). Great Expectations: The Democratic Advantage in Trade Attitudes. *World Politics*, 75(2):316–352.

Chilton, A. S., Milner, H. V., and Tingley, D. (2020). Reciprocity and Public Opposition to Foreign Direct Investment. *British Journal of Political Science*, 50(1):129–153.

Chu, J. A. (2021). Liberal Ideology and Foreign Opinion on China. *International Studies Quarterly*, 65(4):960–972.

Colantone, I. and Stanig, P. (2018). The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe. *American Journal of Political Science*, 62(4):936–953.

Costa, F., Garred, J., and Pessoa, J. P. (2016). Winners and losers from a commodities-for-manufactures trade boom. *Journal of International Economics*, 102:50–69.

Davis, S. and Straubhaar, J. (2020). Producing Antipetismo: Media activism and the rise of the radical, nationalist right in contemporary Brazil. *International Communication Gazette*, 82(1):82–100.

de Oliveira, L. M. (2019). *Imigrantes, xenofobia e racismo: uma análise de conflitos em escolas municipais de São Paulo*. PhD thesis, Pontifícia Universidade Católica de São Paulo.

Dos Santos, T. (1970). *Dependencia económica y cambio revolucionario en América Latina*. Editorial Nueva Izquierda.

Eichenauer, V. Z., Fuchs, A., and Brückner, L. (2021). The effects of trade, aid, and investment on China's image in Latin America. *Journal of Comparative Economics*, 49(2):483–498.

Evangelista, R. and Bruno, F. (2019). WhatsApp and political instability in Brazil: targeted messages and political radicalisation. *Internet Policy Review*, 8(4).

Faustino, D. M. and Oliveira, L. M. d. (2021). Xeno-racismo ou xenofobia racializada? Problematizando a hospitalidade seletiva aos estrangeiros no Brasil. *REMHU: Revista Interdisciplinar da Mobilidade Humana*, 29(63):193–210.

Feng, Y., Kerner, A., and Sumner, J. L. (2021). Quitting globalization: trade-related job losses, nationalism, and resistance to FDI in the United States. *Political Science Research and Methods*, 9(2):292–311.

Fong, W. and Sakib, N. (2021). A "Good" Country without Democracy: Can China's Outward FDI buy a Positive State Image Overseas? *Politics & Policy*, 49(5):1146–1191.

Fordham, B. O. and Kleinberg, K. B. (2012). How Can Economic Interests Influence Support for Free Trade? *International Organization*, 66(2):311–328.

Guisinger, A. (2017). *American Opinion on Trade: Preferences without Politics*. Oxford University Press, New York.

Guisinger, A. and Saunders, E. N. (2017). Mapping the Boundaries of Elite Cues: How Elites Shape Mass Opinion across International Issues. *International Studies Quarterly*, 61(2):425–441.

Hainmueller, J. and Hopkins, D. J. (2014). Public Attitudes Toward Immigration. *Annual Review of Political Science*, 17(1):225–249.

Hanusch, M. (2012). African Perspectives on China–Africa: Modelling Popular Perceptions and their Economic and Political Determinants. *Oxford Development Studies*, 40(4):492–516.

Hicks, R., Milner, H. V., and Tingley, D. (2014). Trade Policy, Economic Interests, and Party Politics in a Developing Country: The Political Economy of CAFTA-DR. *International Studies Quarterly*, 58(1):106–117.

Hierro, M. J. and Queralt, D. (2021). The Divide Over Independence: Explaining Preferences for Secession in an Advanced Open Economy. *American Journal of Political Science*, 65(2):422–442.

Hunter, W. and Power, T. J. (2019). Bolsonaro and Brazil's Illiberal Backlash. *Journal of Democracy*, 30(1):68–82.

Jenkins, R. (2012). Latin America and China—a new dependency? *Third World Quarterly*, 33(7):1337–1358.

Jensen, N. M. (2003). Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment. *International Organization*, 57:587–616.

Kang, C. S. E. (1997). U.S. politics and greater regulation of inward foreign direct investment. *International Organization*, 51(2):301–333.

Kastner, S. L. (2016). Buying Influence? Assessing the Political Effects of China's International Trade. *Journal of Conflict Resolution*, 60(6):980–1007.

Kertzer, J. D. (2021). Public Opinion about Foreign Policy. In Huddy, L., Sears, D., Levy, J., and Jerit, J., editors, *2021*, Oxford Handbook of Political Psychology, pages 1–54. Oxford University Press, third edition edition.

Lake, D. A. (2009). Open economy politics: A critical review. *The Review of International Organizations*, 4(3):219–244.

Larue, P. (2019). The determinants of Sub-Saharan African attitudes towards Chinese FDI. *Journal of Chinese Economic and Foreign Trade Studies*, 12(1):40–54.

Li, Q., Owen, E., and Mitchell, A. (2018). Why do democracies attract more or less foreign direct investment? A metaregression analysis. *International Studies Quarterly*, 62(3):494–504.

Li, Q. and Resnick, A. (2003). Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries. *International Organization*, 57(1):175–211.

Li, Q. and Vashchilko, T. (2010). Dyadic Military Conflict, Security Alliances, and Bilateral FDI Flows. *Journal of International Business Studies*, 41(5):765–782.

Li, X., Kuang, Y., and Zhang, L. (2019). Misperceptions of Chinese Investments in Canada and Their Correction: Evidence from a Survey Experiment. *Canadian Journal of Political Science*, 52(2):285–302.

Mansfield, E. D. and Mutz, D. C. (2013). US versus Them: Mass Attitudes toward Offshore Outsourcing. *World Politics*, 65(4):571–608.

Mason, L. (2018). *Uncivil Agreement: How Politics Became Our Identity*. The University of Chicago Press, Chicago.

Mayda, A. M. and Rodrik, D. (2005). Why are some people (and countries) more protectionist than others? *European Economic Review*, 49(6):1393–1430.

Meunier, S. (2014). 'Beggars can't be Choosers': The European Crisis and Chinese Direct Investment in the European Union. *Journal of European Integration*, 36(3):283–302.

Meunier, S. (2019). Beware of Chinese Bearing Gifts: Why China's Direct Investment Poses Political Challenges in Europe and the United States. Oxford Univerity Press, Oxford.

Meunier, S., Burgoon, B., and Jacoby, W. (2014). The politics of hosting Chinese investment in Europe—an introduction. *Asia Europe Journal*, 12(1-2):109–126.

Milner, H. V. (1999). The Political Economy of International Trade. *Annual Review of Political Science*, 2(1):91–114.

Moran, T. H. (1978). Multinational Corporations and Dependency: A Dialogue for Dependentistas and Non-Dependentistas. *International Organization*, 32(1):79–100.

Motta, R. P. S. (2002). *Em guarda contra o perigo vermelho: o anticomunismo no Brasil, 1917-1964*. Editora Perspectiva São Paulo, São Paulo.

Mutz, D. (2021a). Improving Experimental Treatments in Political Science. In Druckman, J. N. and Green, D. P., editors, *Advances in Experimental Political Science*. Cambridge University Press.

Mutz, D. C. (2021b). *Winners and Losers: The Psychology of Foreign Trade*. Princeton University Press, New Jersey.

Oliveira, G. d. L. T. (2018). Chinese land grabs in Brazil? Sinophobia and foreign investments in Brazilian soybean agribusiness. *Globalizations*, 15(1):114–133.

Owen, E. (2019). Foreign Direct Investment and Elections: The Impact of Greenfield FDI on Incumbent Party Reelection in Brazil. *Comparative Political Studies*, 52(4):613–645.

Pandya, S. (2014a). *Trading Spaces: Foreign Direct Investment Regulation, 1970-2000*. Cambridge University Press.

Pandya, S. S. (2010). Labor Markets and the Demand for Foreign Direct Investment. *International Organization*, 64(3):389–409.

Pandya, S. S. (2014b). Democratization and Foreign Direct Investment Liberalization, 1970–2000. *International Studies Quarterly*, 58(3):475–488.

Pandya, S. S. (2016). Political Economy of Foreign Direct Investment: Globalized Production in the Twenty-First Century. *Annual Review of Political Science*, 19(1):455–475.

Peters, M. E. (2014). Trade, Foreign Direct Investment, and Immigration Policy Making in the United States. *International Organization*, 68(4):811–844.

Pinto, P. M. and Pinto, S. M. (2008). The Politics of Investment Partisanship: And the Sectoral Allocation of Foreign Direct Investment. *Economics & Politics*, 20(2):216–254.

Raess, D. (2021). The demand-side politics of China's global buying spree: managers' attitudes toward Chinese inward FDI flows in comparative perspective. *Review of International Political Economy*, 28(6):1555–1581.

Raess, D. (2023). Disentangling public opposition to Chinese FDI: Trade unions, patient capital and members' preferences over FDI inflows. *European Journal of International Relations*. Forthcoming.

Rao, N. (2023). The Upside of Rivalry: India's Great-Power Opportunity. *Foreign Affairs*. Available at: https://www.foreignaffairs.com/india/modi-new-delhi-upside-rivalry Accessed: June 29th, 2023.

Rho, S. and Tomz, M. (2017). Why Don't Trade Preferences Reflect Economic Self-Interest? *International Organization*, 71(S1):S85–S108.

Rudra, N., Nooruddin, I., and Bonifai, N. W. (2021). Globalization Backlash in Developing Countries: Broadening the Research Agenda. *Comparative Political Studies*, 54(13):2416–2441.

Ruediger, M. and Grassi, A. (2022). How social media reshaped Brazilian politics: a case study on the 2018 elections. Polarization Presidentialism, pages 283–298. Nomos, Baden-Baden.

Samuels, D. and Zucco, C. (2014). The power of partisanship in Brazil: Evidence from survey experiments. *American Journal of Political Science*, 58(1):212–225.

Samuels, D. J. and Zucco, C. (2018). *Partisans, Antipartisans, and Nonpartisans: Voting Behavior in Brazil.* Cambridge University Press, Cambridge.

Sautman, B. and Hairong, Y. (2009). African Perspectives on China–Africa Links. *The China Quarterly*, 199:728–759.

Scheve, K. and Slaughter, M. J. (2004). Economic Insecurity and the Globalization of Production. *American Journal of Political Science*, 48(4):662–674.

Silva, Édison Renato da e Soares, A. (2011). Investimentos Chineses no Brasil: Uma nova fase da relação Brasil-China. Technical report, Conselho Empresarial Brasil-China.

Silver, L., Devlin, K., and Huang, C. (2020). Unfavorable Views of China Reach Historic Highs in Many Countries. *Pew Research Center.* Available at: https://www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries/.

Spektor, M. (2023). In Defense of the Fence Sitters: What the West Gets Wrong about Hedging. *Foreign Affairs.* Available at: https://www.foreignaffairs.com/world/global-south-defense-fence-sitters Accessed: June 29th, 2023.

Spilker, G., Bernauer, T., and Umaña, V. (2018). What Kinds of Trade Liberalization Agreements Do People in Developing Countries Want? *International Interactions*, 44(3):510–536.

Stallings, B. (2020). Dependency in the Twenty-First Century? The Political Economy of China-Latin America Relations. Cambridge University Press, New York.

Tingley, D., Xu, C., Chilton, A., and Milner, H. V. (2015). The Political Economy of Inward FDI: Opposition to Chinese Mergers and Acquisitions. *The Chinese Journal of International Politics*, 8(1):27–57.

UNCTAD (2022). *World Investment Report 2022 - International Tax Reforms and Sustainable Investment.*

Urdinez, F. (2023). Voter Response to Chinese Investments in Natural Resources' Exploitation: Evidence from Brazil. Working Paper.

Urdinez, F., Knoerich, J., and Ribeiro, P. F. (2018). Don't Cry for me "Argenchina": Unraveling Political Views of China through Legislative Debates in Argentina. *Journal of Chinese Political Science*, 23(2):235–256.

Wallerstein, I. (1974). The rise and future demise of the world capitalist system: Concepts for comparative analysis. *Comparative studies in society and history*, 16(4):387–415.

Weiss, J. C. and Wallace, J. L. (2021). Domestic Politics, China's Rise, and the Future of the Liberal International Order. *International Organization*, 75(2):635–664.

Zaller, J. R. (1992). *The Nature and Origins of Mass Opinion.* Cambridge University Press, New York.