The Effect of CSR on Attitudes Towards Outward and Inward FDI: A Cross-National Comparison of Citizen Perceptions in the United States And Kenya

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THE EFFECT OF CSR ON ATTITUDES TOWARDS OUTWARD AND INWARD FDI:
A CROSS-NATIONAL COMPARISON OF CITIZEN PERCEPTIONS IN THE UNITED
STATES AND KENYA

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Submitted to Brigham Young University in partial fulfillment of graduation
requirement for University Honors

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ABSTRACT

THE EFFECT OF CSR ON ATTITUDES TOWARDS OUTWARD AND INWARD FDI: A CROSS-NATIONAL COMPARISON OF CITIZEN PERCEPTIONS IN THE UNITED STATES AND KENYA

Lindsey Walker
Political Science Department
Bachelor of Arts

This study runs a survey experiment in the United States, the home country, and Kenya, the host country, to understand how CSR (corporate social responsibility) affects views towards MNCs (multinational corporations) and FDI (foreign direct investment) from a business and political standpoint. When analyzing the combined CSR treatment that pays no attention to CSR type, I find little effect on perceptions of FDI and MNCs in both the Kenyan and American sample, besides for how the Americans saw positive spill-over effects of CSR to mean the MNC was a good company in a variety of ways. When the CSR treatment was analyzed in its separate types, internal and external, I saw more nuanced results. Internal CSR particularly improved perceptions of FDI and MNCs for the Americans. Kenyans, on the other hand, still proved to be less swayed by CSR treatments.
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**Thesis Introduction**

This paper examines how corporate social responsibility (CSR), when utilized by multi-national corporations (MNCs), affects attitudes and perceptions towards foreign direct investment (FDI) among citizens in the home and host country. FDI has become a common tool for boosting economic development in the emerging economies of underdeveloped countries (Alfaro 2016). CSR is a tool used by organizations to demonstrate that they are ethical and caring companies. When CSR is used by MNCs, this developmental impact of FDI might be enhanced or become more visible to citizens of the host and home countries.

This study examines whether CSR benefits perceptions of FDI and MNCs from both a business and political standpoint. It also seeks to understand how these perceptions may differ depending on the direction of FDI. Perceptions of citizens from the home country of the MNC may react differently to CSR than views of citizens in the country hosting the MNC. Additionally, this study tests how different types of CSR, external and internal CSR, may affect these perceptions across the two samples. External CSR can be identified as CSR that functions in a more outward manner and seeks to benefit the local community, while internal CSR functions more within the company and seeks to benefit the workers or operations within the corporation.

Using parallel randomized survey experiments, with treatments about an FDI project with a US-based MNC opening a new manufacturing branch in Kenya, we test the effect of CSR on public opinion about MNCs in both the United States—the home country—and Kenya—the host country. When looking at a combined CSR
treatment (that pays no attention to the type of CSR), we see very little effect of CSR on perceptions of FDI from a business or political perspective, except in the ways the American’s view CSR as a tool for good beyond its articulated efforts.

When breaking down our treatments into the two types of CSR, we find more nuanced results and evidence that the type of CSR employed by MNCs is important for public opinion, especially for Americans. Internal CSR did improve attitudes among Americans toward FDI and MNCs, such as the likelihood to purchase a product from the MNC, likelihood to vote in a way to promotes FDI, and likelihood to think FDI gives their country more global power. External CSR had no effect on these outcomes for Americans and mixed effects for the Kenyans. Overall, the Kenyans were less likely to be swayed by CSR to improve their perceptions of FDI no matter the type. This paper, that finds many null results especially among the Kenyans, goes against previous studies that demonstrate CSR as a Public Relations benefit for FDI in their home country and provides important nuance to the subject. CSR may not be quite as an effective tool in decreasing the liability of foreignness as presumed by others (Liu, Marshall, McColgan 2021).

As the goal of CSR in these situations is often to improve general perceptions of FDI and MNCs (Sauvant and Gabor 2021; Manasakis, Mitrokostas, and Petrakis 2018; Lee, Lee, and Li 2012; Goyal 2006), this study finds that CSR is only successful in certain situations. These results demonstrate that CSR primarily effects the citizens of the home country and views towards outward FDI, and only does so when it is internal CSR and not external. If MNCs have incentives to address concerns to FDI among home country audiences, then internal CSR may be an
effective tool. If the barriers to FDI are found in the host country and the negative perceptions of inward FDI, then CSR is not a strong enough tool to sway those survey participants.

**Background and Literature Review:**

This paper discusses foreign direct investment (FDI) and multinational corporations (MNCs) in relation to Corporate Social Responsibility (CSR). FDI has become a growing portion of the economy for both developed and developing countries since the 1980s (Alfaro 2016). In 2021, the global foreign direct investment had grown by 64% and reached almost $1.6 trillion (UNCTAD 2022). Developing countries now account for a larger percentage of FDI and are continually seeking to find ways to obtain more (Domazet and Marjanovic 2018).

A significant literature has examined the theoretical arguments and empirical evidence for the positive and negative effects of FDI for home and host countries (Cohen 2007, 13, Wang and Le 2019; Lee and Chang 2009; Narula and Driffield 2012; Adams 2009; Alfaro, Kalemli-Ozcan, and Sayek 2009). Some argue that FDI is an engine for growth and development as it brings technology, know-how, and foreign capital to a host country (Alfaro 2017). From a macro perspective FDI is

---

1. FDI and MNCs are two very intertwined concepts but not exactly synonymous (Cohen 2007, 36). Foreign direct investment is a large product of globalization and acquired a big role in the international economy after the close of WWII (Denisia 2010, 53). According to the World Bank, Foreign Direct Investment (FDI) is officially defined as “the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor.” (Metadata Glossary 2022). More generally, FDI is a financial process associated with the practice of a company operating an income-generating facility in at least one other country than the country in which it originated, while MNCs are the tangible entity that will impact the home country, where its headquarters is located, and the host country, which is the recipient of the MNCs’ FDI (Cohen 2007, 36).
often seen to generate employment and productivity while fostering competitiveness; developing countries especially see it as a means for more exports and access to international markets (Denisia 2010, 53). Other studies have analyzed how countries can increase the level of FDI that supports sustainable development (Sauvant and Gabor 2019; Wint and Williams 2002; Mottaleb and Kalirajan 2010; Büthe and Milner 2008). Developed and developing countries have reduced barriers to FDI and governments are now welcoming FDI in rates unheard of in the previous history of economic development as market orientation and liberal economic policies have swept aside many previously held hesitations towards inward FDI (Alfaro 2017). Perceptions of FDI generally improve when people find it beneficial towards their interests (Dunning 1994). FDI is also thought to increase the international competitiveness and profitability of firms, which can be a benefit to the home country. However, empirical results are quite mixed on whether FDI is a positive economic tool for both the home and host countries (Denisia 2010, 53).

On the other hand, outward FDI is sometimes seen to have negative economic consequences for the local community in the home country. Home country residents may feel it is associated with losing their local business and jobs. FDI is one of many forms of “offshoring”, and U.S. respondents oppose businesses’ decisions to move manufacturing abroad. Voters generally dislike this outward FDI and will punish political parties in government when businesses move production abroad (Rickard 2019).

FDI can also be met with domestic backlash by the citizens in the of the host country (Li and Zeng 2017). The Multinational companies (MNCs) performing FDI
can expect some hesitancy from the people in understanding their intentions in their country and a liability of foreignness (Manasakis, Mitrokostas, and Petrakis 2018, 710). FDI may also crowd out local enterprises and have a negative impact on the economic development of the host country (Denisia 2010, 54).

To combat some of these negative views towards FDI and MNCs, MNCs have made it a point to implement new tools to soften perceptions towards these international economic interactions (Sauvant and Gabor 2021). One prominent tool is the use of Corporate Social Responsibility (CSR) by MNCs. CSR is a voluntary tool used by companies to address social, economic, and environmental issues and have a positive impact on society while simultaneously helping companies achieve their corporate objectives (Azmat and Ha 2013, 256). A main idea behind CSR is that it is mutually beneficial; it serves the community where it operates, and the company receives a positive public image that can lead to a competitive advantage. Studies have examined what influences firms’ decisions to adopt FDI or CSR practices (Marano and Kostova 2016; Chunlai 1997; Saini and Singhania 2018; Janeba 2002) and how CSR affects a company’s outcomes (Esen 2013; Tai and Chuang 2014; Marin, Rubio, and Ruiz de Maya 2012; Luo and Bhattacharya 2006). CSR has also been studied in its strategic efforts to build relationships with employees and the community (Lee, Lee, and Li 2012; Goyal 2006; Sen, Bhattacharya, and Korschun 2006). The globalist hypothesis assumes that companies engage in CSR out of enlightened self-interest (Gjølberg 2009, 627). MNCs see CSR as a way to serve the foreign country they are operating in and that can lead to an increased valuation by the consumer (Manasakis, Mitrokostas, and Petrakis 2018).
In recent years, businesses in developing countries involved in international supply chains have experienced a certain degree of pressure to increase their levels of social responsibility. Since the economic benefits of FDI for host countries have been found to be mixed or conditional, MNCS are being expected to do more to promote sustainable development of the home country (Wang and Le 2019). This pressure and the corresponding increase in CSR practices by MNCs gave rise to the study of FDI and CSR (Azmat and Ha 2013, 254; Tai and Chuang 2014). This implementation of CSR in connection with FDI has caused CSR to become a major focus not only for corporate managers but also for development practitioners (Jenkins 2005).

There is no universally accepted definition of CSR, but the term generally refers to the “relationship of corporations with society as a whole, and the need for corporations to align their values with the expectations of society in order to avoid conflicts and reap tangible benefits” (Atuguba and Hammond 2006). CSR is used by firms to manage the costs and benefits of business activity at both the internal— workers, shareholders, investors—and the external—community members, institutions of public governance, civil society groups—levels (Ibid., 17). Internal CSR refers to internal policies that a company implements to better care for the workers and those involved in the internal affairs of the company. External CSR is inherently integrated with an entity outside of the company to perform CSR actions in the community (Basil and Erlandson 2008).
Previous research on FDI and CSR

Business scholars and social scientists have addressed the topics of FDI and CSR in their individual spheres at great lengths (as discussed above) and a few more recent attempts have been made to study the two subjects together. Scholars have studied how CSR might be able to mitigate the negative effects of FDI (Cohen 2007; Goyal 2006; Bardy, Drew and Kennedy 2012) and the reasons MNCs might want to adopt CSR practices into their company (Marano and Kostova 2016; Park and Ghauri 2015). These studies show the nuance of FDI and its effects. They often find that CSR is a tool like other international relations tools to promote the use of FDI and that CSR can make the impact of MNCs on home and host countries a more complicated diagnosis.

A question that has not been examined is how CSR by MNCs affects perceptions of specific MNCs and/or the idea of FDI more generally. The effect of CSR on the perceptions of the company have been studied (Lee, Lee, and Li 2012; Goyal 2006; Sen, Bhattacharya, and Korschun 2006), but these studies do not talk about how these perceptions might apply to MNCs performing CSR as well as the FDI of these MNCs. It should follow that if CSR improves perceptions of local businesses that implement it, it would work similarly for MNCs and might also overflow to the broader acceptance of FDI in general. Some recent studies argue that CSR promotes engagement in FDI by decreasing some of the liability of foreignness (Liu, Marshall, McColgan 2021) but this study is based on CSR projects promoting overall FDI flows, rather than directly examining how CSR affects the perceptions of everyday citizens within the host country. To the author’s knowledge, no prior research
discusses the influence of CSR on perceptions of MNCs in the home country or examines how CSR’s effects on perceptions of MNCs might differ based on, the type of CSR programs used or whether the MNCs’ activities represent inward or outward FDI. This study contributes to our understanding of CSR by MNCs by providing the first empirical evidence about these understudied questions. These findings also contribute to understanding the existence of political reception or barriers to FDI, possible side-effects of CSR deployment by MNCs, the importance of the contextual application of CSR, and the understanding of how not all CSR is created equal.

**General Theory**

CSR is an emerging tool among businesses for improving reputation among many types of people (Esen 2013; Tai and Chuang 2014; Sen, Bhattacharya, Korschun 2006). With respect to outward FDI, CSR can help make the home country participants feel warmer to the idea of letting their business practices being taken abroad. CSR could achieve that goal by making the home country citizens think that by performing more FDI, if tied to CSR, they are acting in an aid-like manner and boosting the welfare of these seemingly less fortunate developing countries (Versluys 2009). Home country perceptions may also rise for more selfish reasons if they feel that CSR could help improve the financial gains of the MNC and therefore their own economy (Liu, Marshall, and McColgan 2021). They may support CSR because it improves profits that would inherently boost the local economy and put their country in a better economic position. There are competing ideas that CSR could potentially demonstrate too much foreign involvement. As companies invest
themselves beyond just fleeting business transactions, citizens of the home country may fear that the company now has too much interest in a foreign land.

For the host country, we theorize that CSR can be a tool to eliminate the fear of inward FDI, also referred to as the liability of foreignness. There are many reasons for citizens in the host country to fear the negative impact of a foreign entity doing business on their land, but CSR can act as a signaling device to demonstrate the good nature of the business and make the citizens more trusting of their intentions and actions (Goyal 2006). Thus, we see that CSR, in general, should improve attitudes and acceptance towards FDI in a broad manner. However, signaling can be a difficult task to accomplish and it is unclear whether the signal of CSR is received by the public as intended by the MNC or if the signal is viewed as credible. We aim to see how that manifests itself through outcomes that not only look at company favorability, but also broader political implications such as voting to help or hinder FDI, and FDI’s effect on international dynamics.

The nuance in theory for how CSR might affect perceptions of MNCs and FDI suggests that there may be instances where CSR is effective in these goals and other instances where it is not. Not all CSR initiatives are created equal and that may be even more true in the complex international context (Tai and Chuang 2014). In our research of different types of CSR, we suggest that the type of CSR, internal or external, will matter in different ways to those from home or host countries. Internal CSR requires little investment from the MNC and the home country people and thus limits the fear of overinvolvement in a foreign country and its potential problems (Basil and Erlandson 2008). External CSR requires more of the company
but reaches a wider audience among the local people as not just the workers of the organization reap the benefits of the practice (Henderson 2007). This leads us to a prediction that Internal CSR will more positively influence the views towards FDI and CSR in the home country while External CSR will more positively influence views towards FDI and CSR in the host country.

In this thesis, we examine different types of dependent variables (such as attitudes toward the firm, support for FDI promotion policy and politicians, and perceptions on international relations of countries involved in FDI) connected with the question of how CSR affects public opinion. Different sections of the thesis consider these different types of dependent variables. The specific theory and hypotheses for each category of dependent variable are laid out in each individual section.

**Political Linkages**

While this research draws primarily on business literatures about CSR and what firms hope to accomplish with it, this project also touches on important political questions by examining public opinion about broader policies, politicians, and attitudes towards globalization. Support for globalization and the rise of a backlash against globalization have long been important topic in International Political Economy. Understanding public perceptions of FDI is understudied relative to attitudes towards trade even though as much as 60% of world trade is estimated to take place between branches of MNCs and global inward FDI stock is nearly 49% of global GDP (“Foreign Direct Investment”, 2022).
Specifically, linking MNCs to domestic political questions, this paper examines how CSR affects voting for politicians who support FDI promotion policies. In developed countries (most notably the US and UK in recent years), globalization backlash and discussions of preventing export of jobs and outward investment have been prominent themes in domestic politics.

I also examine the effect of CSR and FDI on views of international relations and foreign policy. FDI increases international political interaction between countries and has become a central driver for global economic integration (Pandya 2016). If CSR improves views of FDI and people believe FDI can improve their country's international power or position, then there are subtle yet serious international relations implications.

Furthermore, FDI has been seen as an important tool for development. FDI has proven itself a useful tool in the past to enhance economic development and foster deep structural change in host countries (Chen, Geiger, and Fu 2015). If FDI plays a role in development, then finding ways to enhance the developmental effects of FDI (perhaps through CSR) is important. The developmental impact also increases the importance of understanding how exposure to specific examples or types of foreign investment changes public support for policies that mitigate or exacerbate the issue. Thus, CSR, if it positively changes attitudes and perceptions towards FDI, could be useful tool for developing countries seeking greater economic opportunities and integration.
General Methodology

To better understand the relationship between FDI and CSR, I conducted a survey experiment using randomized vignettes that introduced a hypothetical MNC and indicated whether it was involved in CSR activities or not. I conducted this survey experiment using samples from both the United States and Kenya. The United States sample represents respondents expressing opinion about the same FDI project from the perspective of the home country and the Kenya sample represents opinion from the perspective of the host country public.

Since 2011, the United States has consistently been the highest producer of outward FDI flows to the world, with the exceptions of the years 2018 and 2019 (OECD 2022). As of 2020, the United States came in as a net exporter of FDI at $100,390,000,000 USD (Foreign direct investment, NET (BOP, current US$) - US 2022). Kenya, on the other hand, is consistently a net importer of FDI with a net foreign direct investment flow of -$503,912,887 (Foreign direct investment, NET (BOP, current US$) – Kenya 2022) Developing countries, such as Kenya, are continually growing in the amount of inward FDI their country receives (World Bank Group 2018; Faria 2021). While Kenya is not the highest recipient of U.S. FDI, it still allows us to examine how Americans view outward FDI in the context of developmental concerns and aid without the concerns about global rivalry that would exist with foreign direct investment in a country such as China.

The United States is further selected for its large production of FDI, as well as its long history as the world’s largest donor of humanitarian aid (Szmigiera 2022). It is realistic to assume that the United States would be opening a manufacturing firm
in Kenya and that it would be trying to implement CSR practices. Kenya is selected as an English-speaking, developing country that has significant inflows of FDI. Kenya was the 5th largest recipient of FDI in Africa in 2018 (Gandhi and Madden 2022). Additionally, as the 7th most visited country on the African continent, Kenya provides name recognition in a survey administered to Americans (Pariona 2017).

The flow of FDI from the United States to Kenya is expected to increase in coming years as the United States and Kenya launched negotiations in 2021 for a Free Trade Agreement, the first of its kind in sub-Saharan Africa (U.S. Department of State 2022). Kenya has a long history of economic leadership in East Africa, but in the last 30 years this leadership has decreased, and they have not been able to truly capitalize on their position of regional economic leadership to significantly attract large flows of FDI to the degree that they would prefer (UNCTAD 2006). In more recent years, Kenya has made making themselves attractive for FDI a higher priority, but U.S. businesses still face aggressive tax collection attempts, painful bureaucratic processes, and significant delays in receiving their business licenses (U.S. Department of State 2022). This makes Kenya an interesting case study for FDI and for understanding how to potentially improve the potential for foreign investment in the country. While there is lots of research about the institutional processes that may be halting this process, there is little research on how the people view FDI and no prior research about CSR as a potential tool for improving perceptions of FDI among Kenyans.

In both countries participants saw the same hypothetical MNC and FDI project (a US-based company opening a manufacturing operation in Kenya). I chose
to prime a manufacturing project because manufacturing is not extremely intrusive nor environmentally harmful and has been identified as a major priority by the *Action Plan for the Accelerated Industrial Development of Africa (AIDA)* as a tool for attracting for FDI (Chen, Geiger, and Fu 2015). Manufacturing FDI is also most closely associated with positive economic and developmental impacts of FDI. The treatment purposely avoided priming other kinds of FDI. For example, while FDI in natural resource extraction is common in Africa, it has been shown to invoke nationalism at high levels (Mabro 2008). The company described in the vignette is a clothing manufacturing company ("Textiles United") that was opening a new factory in the host country Kenya. The randomized treatments indicate that the MNC engaged in one of two different types of CSR. Each treatment level was a different type of CSR—external vs. internal. We operationalized the concept of external CSR as the company engaging in programs that would affect the surrounding community. In this instance we said, “Textiles United has started an educational program to train local youth in trades or help pay school fees for local children.” We operationalized internal CSR as an effort to be socially responsible with the company’s dealings with their own employees. The internal CSR treatment vignette read “As a part of their business practice, Textiles United has a strong reputation for fair and good labor conditions.” These treatments are compared to a randomly assigned control group. This control group is not a pure control, as we are interested in the effect of priming CSR rather than the effect of priming FDI. This treatment indicated the same company but had no mention of any efforts by the company to be socially responsible. To explore whether the effect of CSR was mitigated or magnified by a
company’s status as an MNC in Kenya, additional randomly assigned treatments asked about the same manufacturing branch opened by a Kenyan company, again with version that invoked internal CSR, external CSR and no CSR. This domestic CSR was not analyzed for the sake of this paper.

Survey participants were recruited through Qualtrics (in the United States) and by means of Facebook ads (in Kenya). Both surveys were administered to participants online using the Qualtrics platform. The Kenyan participants were recruited through a Facebook ad that asked them to take a survey about “Kenya and the Global Economy” and told them they would be compensated $1 for their completing the survey. The U.S. sample was collected using randomized recruitment and quotas to constrain the sample to be nationally representative by age, gender, education level, and region. Based on the differing recruitment methods, the Kenyan sample does not mirror the national population in the same way. The Kenyan sample is skewed towards urban dwellers and relatively wealthy Kenyans as they are the citizens most likely to have access to telephones, the internet, and Facebook. However, the non-representativeness of the sample is not a threat to the internal validity of a survey experiment, though some caution is merited in considering the generalizability of the finding from Kenya.

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2 We also provided a pure control group that received no treatment about Textiles United, CSR, or countries of origin. The pure control group simply read “We are researchers trying to better understand how people perceive local and foreign companies. Please click the arrow to proceed to the questions.” In our analysis within this paper, we will be making comparisons against the No CSR Control group and not the pure control group. We have decided to compare to the CSR Control as a way to fully isolate our treatment as a causal mechanism. When comparing to the CSR control, the only difference is the added treatment statement. If we were to compare to the pure control, the receiving of a long paragraph talking about an MNC compared to no paragraph at all may provide room for other interpretations for the differences in results.

3 Recruitment materials are located in Appendix A.
Below we provide tables demonstrating the general composition of our sample. We first provide tables that show the summary demographics for the U.S. and Kenyan participants as a whole. These statistics are listed side by side. In our results, we will often compare how the Kenyans and the Americans responded differently to these questions and treatments. Noting the differences in the samples before making such comparisons is essential before making causal claims. Table 1 gives us the averages for age, gender, rural vs urban, and city size. There are some important differences in the sample sizes that are likely due to the different natures in which we had to collect surveys within Kenya and the United States. As the Kenyan participants were recruited via Facebook, we see they are a younger crowd with an average age of 30.24 whereas the average age of the Americans is 42.52. We also see that the Kenyan sample is more male, with only 36.38% being female compared to a majority female American sample, with 60.79% being female. We also see that the Kenyan sample is a little more urban and come from larger cities. This again makes sense due the nature of Facebook requiring internet and a computer or mobile device, whereas in the United States access to such technology is often available in smaller and more rural communities.
Table 1: Summary Statistics- Age, Gender, Urbanity, Education Level

<table>
<thead>
<tr>
<th></th>
<th>United States Sample</th>
<th>Kenyan Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean Age</strong></td>
<td>42.52</td>
<td>30.24</td>
</tr>
<tr>
<td>% Female</td>
<td>60.79%</td>
<td>36.38%</td>
</tr>
<tr>
<td>% Urban</td>
<td>32.56%</td>
<td>46.01%</td>
</tr>
<tr>
<td>% Suburban</td>
<td>42.77%</td>
<td>32.67%</td>
</tr>
<tr>
<td>% Rural</td>
<td>24.67%</td>
<td>21.33%</td>
</tr>
</tbody>
</table>

**Education Level**

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>United States Sample</th>
<th>Kenyan Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school/Secondary School, GED, or less</td>
<td>33.05%</td>
<td>20.42%</td>
</tr>
<tr>
<td>Post-secondary qualifications other than university/Vocational Training</td>
<td>4%</td>
<td>28.40%</td>
</tr>
<tr>
<td>Some university, but no degree</td>
<td>27.28%</td>
<td>20.68%</td>
</tr>
<tr>
<td>University completed</td>
<td>29.97%</td>
<td>26.91%</td>
</tr>
<tr>
<td>Post-graduate degree</td>
<td>5.71%</td>
<td>3.59%</td>
</tr>
</tbody>
</table>

**Kenyan education level answered on a 9-point ordinal variable scale, U.S. education level on a 6-point scale. Kenyan options were condensed to match the options for the United States. The lowest option for the U.S. sample includes the following options that were presented to the Kenyan sample- No formal schooling, informal schooling including Koranic education, primary school completed, intermediation school or some secondary school. The U.S. sample split up University into Associate and Bachelor's degree, but for the sake of this table those are aggregated into the “University completed” option posed to the Kenyans.**

This table also gives us a breakdown of the average education levels for each country's sample. As education looks different across countries and cultures, the scales and categories do not match up perfectly, but the table is organized in a way that shows where types of education match similar types. The first 5 educational options in Kenya could be theoretically combined to all equal the first option in the American sample and the associate’s and bachelor’s degrees in the American sample could also theoretically be combined for comparison to the Kenyan's “University Completed” option.

When looking at the educational averages, they are actually quite similar between countries. In Kenya, there are 26.91% that completed university and in the
United States there are 29.97% who completed either an associate or bachelor’s degree. Post-graduate degrees were also very similar at 3.59% for the Kenyan sample and 5.71% for the U.S. sample. The Kenyan sample is far less representative of the whole country than the U.S. sample is, but this does not hinder the research as this slightly more educated and urban Kenyan sample will be more likely to be informed on and have opinions about international issues and globalization.

Tables 2 and 3 show the summary statistics by randomized treatment within both Kenya and the United States as a randomization check. We find no statistically significant differences between the various treatments and the control on these general demographic questions. This gives credibility to the randomization of the survey vignettes and shows that the treatment groups do not differ in demographic characteristics.

Table 2: Randomization Check- Kenya Sample Stats for Combined, Internal, External, Control

<table>
<thead>
<tr>
<th></th>
<th>Control (SD)</th>
<th>Combined CSR (SD)</th>
<th>Internal CSR (SD)</th>
<th>External CSR (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>30.10 (11.27)</td>
<td>29.69 (10.46)</td>
<td>28.77 (9.32)</td>
<td>29.29 (10.26)</td>
</tr>
<tr>
<td>% Female</td>
<td>35.29% (47.84)</td>
<td>36.57% (48.19)</td>
<td>42.61% (49.59)</td>
<td>36.51% (48.27)</td>
</tr>
<tr>
<td>City Size (1-5)</td>
<td>3.76 (1.31)</td>
<td>3.74 (1.34)</td>
<td>3.74 (1.33)</td>
<td>3.78 (1.31)</td>
</tr>
<tr>
<td>Education (1-9)</td>
<td>6.59 (1.29)</td>
<td>6.64 (1.23)</td>
<td>6.74 (1.19)</td>
<td>6.68 (1.26)</td>
</tr>
</tbody>
</table>
Table 3: Randomization Check-U.S. Sample Stats for Combined, Internal, External, Control

<table>
<thead>
<tr>
<th></th>
<th>Control (SD)</th>
<th>Combined CSR (SD)</th>
<th>Internal CSR (SD)</th>
<th>External CSR (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>44.45 (16.67)</td>
<td>45.36 (17.21)</td>
<td>44.59 (16.88)</td>
<td>46.12 (17.50)</td>
</tr>
<tr>
<td>Female</td>
<td>55.72% (49.74)</td>
<td>55.94% (49.68)</td>
<td>59.13% (49.23)</td>
<td>52.88% (49.82)</td>
</tr>
<tr>
<td>City Size</td>
<td>3.01 (1.40)</td>
<td>2.97 (1.42)</td>
<td>2.87 (1.44)</td>
<td>3.07 (1.41)</td>
</tr>
<tr>
<td>Education (1-6)</td>
<td>2.89 (1.61)</td>
<td>2.82 (1.61)</td>
<td>2.79 (1.61)</td>
<td>2.85 (1.61)</td>
</tr>
</tbody>
</table>

**Treatment Vignettes:**

The vignettes that comprise the treatments in this survey are listed in full below. Each treatment was prefaced with the phrase: “We are researchers trying to better understand how people perceive local and foreign companies. Please read the following paragraph carefully.” The bolded title before the vignette is how each treatment will be referred to for the duration of this paper.

**CSR Control** - “A large multi-national company headquartered in the US named Textiles United, recently opened a new manufacturing plant in a mid-sized city in Kenya. This plant produces clothing. It employs 300 local workers.”

**External CSR** - “A large multi-national company headquartered in the US named Textiles United recently opened a new manufacturing plant in a mid-sized city in Kenya. This plant produces clothing. It employs 300 local workers. As part of their business practice, Textiles United has started an educational program to train local youth in trades or help pay school fees for local children.”
Internal CSR- “A large multi-national company headquartered in the US named Textiles United recently opened a new manufacturing plant in a mid-sized city in Kenya. This plant produces clothing. It employs 300 local workers. As part of their business practice, Textiles United has a strong reputation for fair pay and good labor conditions.”

Pure Control- “We are researchers trying to better understand how people perceive local and foreign companies. Please click the arrow to proceed to the questions.”

Because our results come from an experiment with randomized treatment vignettes, the results and significance tests are compared to a control group that discusses the FDI project, but with no mention of CSR. Thus, the only difference between the groups was the portion of the vignette they read at the beginning of the survey that specifically refers to the MNC's engagement in a CSR project. I first use a combined CSR treatment that includes both Internal and External CSR treatments and compare that to the CSR control. All tests are difference in means t-tests run on the STATA software. They are two-tailed t-tests which is a more rigorous test of statistical significance, but consistent with the fact that there are competing theoretical arguments about how CSR will affect attitudes towards FDI.

Limitations

With any study, there are important limitations that need to be addressed. From our survey sample demographics, we see that the American and Kenyan

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4 The Kenyan sample also had a domestic treatment where CSR was performed by a Kenyan company. Those treatments were not analyzed in this paper and thus the treatment language is not included.
samples were not identical, due to the fact that the sample recruitment differed due to logistical constraints. This potentially limits comparisons between the two countries.

Of course, these results may be specific to the selected home and host country or at least to the situation of a wealthy developed home country investing in a poor developing country. More research is needed to assess the generalizability of the findings to the types of investment dyads. It would be important to examine how results might differ using different types of FDI. Natural resources or security sensitive FDI might produce much more negative reactions in host countries that CSR cannot influence. Other types of home and host countries might produce different reactions as well. A wealthy home country that is viewed as less imperialistic than the United States might lead to different host country assessments of the intention and credibility of CSR. This study is not able to capture all the possible moving parts that could affect the results, but it does give us an interesting snapshot of out CSR and FDI interact among different populations.

**Paper Analysis Organization**

The rest of the paper is organized into two parts with sections that examine different dependent variables that address firm-level, domestic political, and international relations concerns. The first part analyzes the effect of CSR while treating both types of CSR as equivalent. This part discusses theoretical arguments, hypotheses, and methodology for each group of dependent variables. This part also lays out three types of dependent variables: 1. Company Perceptions and Company
Effects on the Community, 2. Views of Foreign Direct Investment and its Effect on Political Action, and 3. International Relations and International Perceptions. The results for the tests comparing the Combined CSR vs the control group are at the end of each subsection.

Part 2 of this paper will explore the possibility that different types of CSR programs are viewed differently by home and host country audiences. Each section will discuss theoretical hypotheses and analyses aiming to see how Internal and External CSR affect the three types of dependent variables differently. Part 2 will build additional theory to examine differences between these two types of CSR. Part 2 will not repeat the data and methodology sections that exist in Part 1 as they are pulling from the same outcomes just analyzed from the perspective of the broken-down parts of the Combined CSR treatment. A results section will be present at the end of each section and a final conclusion and discussion will be present at the end of each part. A collective conclusion, discussion, and implications section will be present at the very end to bring together the entire paper and its findings.
PART 1: CSR and Attitudes towards MNCs, Domestic Politics, and International Relations

Section 1.1: Company Perceptions and Company Effects on the Community

1.1 Hypothesis and Theory

A general increase in the rise of CSR performed by both local and multi-national companies has followed suit with a rise of foreign direct investment in developing countries since the 1990s (Goyal 2006). There is reason to believe that this relationship is due to the potentially mutually beneficial design of CSR. We start by analyzing how Corporate Social Responsibility might affect how Kenyans and Americans view Multi-National Corporations. CSR is a tool used by corporations to give back to the communities in which they operate, but also to benefit the firm itself. The literature points to reputation among customers, employees, and investors as benefits to firms from engaging in CSR. Esen finds that CSR does improve reputation of the company among these broad range of stakeholders including, employees, customers, suppliers, investors, and even competitors (2013). Tai and Chuang report surveys where 61% of consumers stated they would switch to buying a product from a socially responsible company if the quality and cost of the product where equal in value (2014). Sen and Korschun similarly report that CSR will make not only consumers, but employers and investors as well, demonstrate more positive reactions to a company (2006). CSR, for the MNC, is usually about obtaining better returns (Tai and Chuang 2014). For these returns to change, for their bottom-line to improve, CSR would need to have some change in the behavior of the consumers. As these benefits are due primarily to changes in
public opinion or advertising about the values of the firm in ways, we examine whether perceptions of MNCS among members of the public in the home and host countries are actually changed by knowledge about firm CSR engagement.

Further scholarship leads us to believe that CSR is a strong public relations tool, and this effect can appear in both the home and host country. This assumption leads to Hypothesis 1. These effects may be easier to see among Americans who arguably have less to lose from the negative effects of MNCs as the home country whereas the Kenyans will need a very strong treatment, and CSR may not be quite strong enough to overcome some of their comfortability with MNCs coming into their country.

H1: Participants, in both the Kenyan and United States’ sample, that receive a treatment articulating that a Multinational Corporation (MNC) participates in Corporate Social Responsibility (CSR), will be more likely to support that company and its products than those who receive the control treatment.

H1A: Kenyan participants will be harder to positively influence with the CSR than will the Americans.

For host country publics, CSR can help solve the information asymmetry of foreign direct investment (Tai and Chuang 2014, 120). As discussed earlier, while there are potential benefits of FDI in the host country, there are also reasons for the host country to be worried about this foreign entity. MNCs have the potential to crowd out local enterprises and negatively impact the self-sufficient economic development of the country (Denisia 2010, 54). This foreign entity may cause more harm than good and that can be a gamble for these host countries. In game theory
terms, CSR can take the ambiguity out of the prisoner’s dilemma by demonstrating to the people that it is a good company with good intentions (Goyal 2006).

CSR can also be seen as a way to build a relationship between the MNCs and the people, whether these people are the consumers or the employees—both of which can reside in the home or host country. Relationship quality is built on this satisfaction and trust that the organization can earn because the people can see that the company is in good faith, has good intentions, and is considering the welfare and best interest of those besides just themselves (Lee, Lee, and Li 2012, 746).

While CSR does seek to be socially responsible in the community, it also has a strong component that seeks a win for the company, which can also be a win for the home country of the company. As competition continually increases, businesses engage in strategies that will earn their customer’s loyalty, trust and eventually retention that will gain them a competitive edge in the business world (Azmat and Ha 2013). CSR can build reputation for the company and act as an intangible asset to the firm (Liu, Marshall, and McColgan 2021). Thus, as companies build their reputation and trust with their customers, customers will be more satisfied with the organization and more likely to purchase its products or participate in its business. Alternatively, there are competing hypotheses and studies that demonstrate the costs of CSR for MNCs and their stakeholders (Deng, Kang, and Low 2013; Liu, Marshall and McColgan 2021, 2; Borghesi, Houston, and Naranjo 2014). These costs could suggest that members of the home country may see CSR as a waste of the company’s resources on things that don’t actually benefit the financial bottom line. Although a necessary consideration, we believe that CSR will be more positive as it
allows for greater acceptance of FDI and thus a greater potential for improvements in the financial bottom line (Liu, Marshall, and McColgan 2021).

If CSR does what it sets out to do and does improve perceptions of MNCs through building trust that they are actually a good company, then the underlying mechanism would be that survey participants are truly seeing CSR as a beneficial tool that is improving the community in which they are operating. As MNCs have mixed reviews, especially in the host country where they may bring positive economic ventures, but also potential for invasive foreignness and negligence, CSR has the potential to make participants see companies as a net good for the community. This leads to Hypothesis 2.

H2: Companies that are shown using CSR will be perceived as being better for the community in which they operate when compared to MNCs that do not engage in CSR.

The logic here is that these foreign firms can use CSR to enable them to adapt to the host country’s environment through their various efforts to truly integrate themselves in the community and be seen as a tool for good (Nyuur, Ofori and Debrah 2016). Whether the public is inherently neutral, or has negative perceptions towards MNCs, CSR can bring greater awareness to the potential good that these companies can do. There is a hope that corporate social responsibility will be seen as a sustainable benefit for society, as it is simultaneously a sustainable benefit to the firm (Gyves, O'Higgins 2008). Globalization has brought a lot of attention to the actions of MNCs and their potentially positive or negative consequences that come
from their global operations (Jamali and Mirshak 2010). If people are more aware of the impact of FDI on local communities, they may also be more increasingly aware when an MNC is trying to good in the community too. This hypothesis does not require that that the firm's CSR is actually having a positive impact in the community because the developmental or economic effectiveness of CSR programs is beyond the scope of this study (and difficult to study even in research focused on that outcome (Walker, Heere, and Kim 2013)). However, the public opinion data presented here is well suited to understand the effectiveness of CSR as a signal to target audiences of potential consumers and employees (in Kenya) and potential consumers, employees, and investors (in the United States).

As we predict that CSR will make survey participants think that MNCs help the community in which they operate, we also predict these perceived benefits will expand to areas not specified in the CSR treatment vignette.

\[ \text{H2A: CSR treatments, when compared to the control, will signal MNCs’ type,} \]
\[ \text{as a “good/responsible corporation” or otherwise. Such signaling will lead} \]
\[ \text{people to predict responsible behavior from the firm in areas (i.e.,} \]
\[ \text{environmental, philanthropic, ethical, economic}^5 \] \[ \text{beyond those in which} \]
\[ \text{the CSR is actively operating.} \]

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\(^5\) There are different breakdowns of types of CSR but these categories were published by the Harvard Business School as 4 important types of corporate social responsibility to be aware of:
https://online.hbs.edu/blog/post/types-of-corporate-social-responsibility
Another common concern about MNCs is the charge that MNCs are harmful for the environment (Cohen 2007). The economic investment of MNCs, especially in less developed countries, often comes with the risk of environmental deterioration (Nguyen and Malesky 2021). As neither of our CSR treatments are specifically targeting environmental issues, this provides an opportunity to see the strength of the signal that CSR sends about the type of the MNC. If CSR indicates to respondents that the MNC is also environmentally responsible, this is an indication that people are making assumptions about the type of firm the MNC is based on an unrelated CSR program. If so, CSR provides significant advantages to firms, as company commits itself to corporate social responsibility, the damning charges that it has felt from assumed environmental abuses may be offset or dismissed (Tai and Chuang 2014). If survey participants see the firm as beneficial to the community in some ways, they may be more likely to think that responsibility extends to areas such as the environment, even when it was never clearly stated that they were aiming to help that field.

**Data and Methodology**

We used two main outcome measures to operationalize company perceptions in our surveys. These two questions were the exact same in both our Kenyan survey and our American Survey. We first aimed to understand how CSR would affect their general satisfaction with the company. We asked, “How satisfied do you feel when you think about this company?” Respondents answered the question on a 5-point scale ranging from extremely dissatisfied to extremely satisfied where 1= Extremely unsatisfied and 5=Extremely satisfied.
Our second question about how the participants would interact with the company by looking at their likelihood to purchase a product from the company that was outlined in the vignette. This comes at the issue from more of a consumer mindset and addresses whether the MNC might be financially benefitting from participating in CSR. On another 5-point scale, participants were asked “How likely would you be to buy a shirt from this company?” Answers ranged from extremely unlikely (1) to extremely likely (5).

We also sought to understand how they believed that this particular company affected the community. To operationalize company effects on the community we asked participants whether they agreed or disagreed with the statement, “Companies like Textiles United improve the communities where they operate.” This was again asked on a 5-point scale where 1 was coded as “Strongly disagree” and 5 as “Strongly agree.” This question was also the same in the Kenya and U.S. surveys.

To operationalize Hypothesis 2A and see whether CSR made these companies appear beneficial to the community in ways not specifically articulated by the treatment vignette, we asked participants about the company’s effect on the environment. Neither of our CSR treatments have anything to do with environmental protection. The Internal CSR treatment talks about fair pay and good working conditions, while the External CSR treatment talks about helping local children with educational costs. This environmental question asked Kenyan participants whether they agreed or disagreed with the statement, “Foreign companies that operate in Kenya tend to create environmental problems and
pollution.” For the American survey the wording was changed slightly to say, “American companies that have operations in foreign countries tend to create environmental problems and pollution in other countries.” For both, respondents indicated their response on a 1-5 scale of Strongly Agree-Strongly Disagree.

As stated previously, this section, as well as sections 2 and 3, will just be analyzing results of the Combined CSR treatment, which is a combination of the Internal vs External treatments, versus the control treatment that invokes an FDI project without reference to CSR.

**Results**

We find very little evidence for Hypothesis 1. Neither the Americans nor the Kenyans demonstrated greater satisfaction with the MNC when it was shown to perform CSR practices. The likelihood of purchasing a piece of clothing from the company actually decreased for the Kenyans in the Combined CSR treatment group, although not to a statistically significant degree. The one weakly statistically significant result (p<.10) was that Americans stated they would be more likely to purchase from the MNC that participated in CSR than those who did not see a CSR treatment.

The effect on purchasing a shirt for the American side may be due to the more consumer nature that Americans see outward FDI. They are not hosting the foreign company in house and don’t have to deal with the potentially negative consequences of manufacturing but can feel better about a purchase they are likely to make if they feel like it is for a good cause. For the Kenyans, it appears that this CSR treatment is not strong enough to sway their opinion of the company. It is also
important to note that the Kenyan means for both likelihood to buy and company satisfaction are also much higher in the control group than they are in the American control group which may just demonstrate that there is less room for improvement in the Combined CSR treatment group for the Kenyans. This ceiling effect could mean that a U.S. based MNC is a signal of quality to Kenyans and that quality effect is so strong that there may not be much room or need for CSR to significantly increase perceptions.

### Table 4: Effect of Combined CSR on Likelihood to Buy and Company Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>United States Sample</th>
<th>Kenya Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Control (SD)</td>
<td>Combined CSR (SD)</td>
</tr>
<tr>
<td><strong>Likelihood to Buy</strong></td>
<td>3.36 (0.09)</td>
<td>3.55 (0.06)</td>
</tr>
<tr>
<td>Observations</td>
<td>204</td>
<td>445</td>
</tr>
<tr>
<td><strong>Company Satisfaction</strong></td>
<td>3.32 (0.05)</td>
<td>3.40 (0.03)</td>
</tr>
<tr>
<td>Observations</td>
<td>338</td>
<td>743</td>
</tr>
<tr>
<td><strong>MNC Improves Community</strong></td>
<td>3.24 (0.04)</td>
<td>3.30 (0.03)</td>
</tr>
<tr>
<td>Observations</td>
<td>297</td>
<td>616</td>
</tr>
<tr>
<td><strong>MNC Bad for Environment</strong></td>
<td>3.51 (0.05)</td>
<td>3.36 (0.04)</td>
</tr>
<tr>
<td>Observations</td>
<td>305</td>
<td>675</td>
</tr>
</tbody>
</table>

* ***P-Value of <0.01, **P-value of <0.05, *P-Value of <0.1.

When it came to the company's effect on the community, Combined CSR also demonstrated no effect. Within both the American and Kenyan surveys, all

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6 It is important to note that the Combined CSR treatment group is twice the size of the control group because it is a combination of two treatment groups (internal and external CSR).
comparisons between treatments and control were insignificant. In the United States, the mean was actually lower for the Combined CSR group in how much they thought this MNC helped improve the community where it operated, although the difference in means was again statistically insignificant. In Kenya the means for the treatment and control group were identical. If an MNC’s motive for implementing CSR is to show the local community that they are a tool for good as previous literature has proposed, this research may be demonstrating that the Kenyans are not so quick to be convinced (Nyuur, Ofori and Debrah 2016). It may also be that Kenyans, being the country that actually has to host the country and its effects in house, puts more weight on the other impacts of MNCs such as environmental impact or competition of local firms but these issues are irrelevant to the American participants.

While CSR didn’t have an effect on the participants view of the MNC’s impact on the local community, we did find very interesting results for Hypothesis 2A. The Americans in the U.S. sample performed as hypothesized. Americans in the Combined CSR treatment were significantly lower in their belief that foreign companies were bad for the environment. We also see statistically significant changes for the Kenyans, but in the

![Figure 1: Effect of CSR on belief that MNCs create environmental problems and pollution](image-url)
opposite direction. The CSR treatments made Kenyans more likely to agree that foreign companies are bad for the environment of the international countries in which they operate, although at a much weaker significance level. The Americans here are likely making the assumption that a company that does good in one way, is likely to do good in all things. The Kenyans are not to be fooled, so much that they even see CSR as a greater environmental threat. The CSR failed to achieve its role as a signaling device to demonstrate the good-natured type of company they want to be seen as to the Kenyans (Goyal 2006).

Section 1.2: Political Perceptions of FDI

1.2 Hypotheses and Theory

As section 1 analyzed perceptions and interaction with the MNC, Textiles United, this section aims to see how CSR could change peoples’ perceptions of FDI more generally. We particularly look at it from a domestic political perspective that lets us gauge political support for decreasing or increasing the political constraints to foreign direct investment.

The logic for how CSR affects political perceptions depends on whether respondents extrapolate from the example of the single FDI project in the treatment to draw conclusions about the broader phenomenon of FDI. While drawing conclusions about many things from one example frequently leads to incorrect or sub-optimal conclusions, such extrapolation is a common form of cognitive bias. Even if CSR signals that the specific MNC is good or responsible to the local community, respondents may or may not think about FDI generally in the same way.
If they do, the hypothesis for FDI generally is similar to that of participants’ perceptions of the specific firm in Section 1 but applied to broader acceptance of FDI through political action. One of the most important and frequently asked questions regarding FDI is whether, on balance, it is positive or negative (particularly for developing host countries) and whether governments should be encouraging FDI or inhibiting it (Cohen 2007, 13). Most national policies for FDI are comprised of features that both aim to attract and discourage inflows of foreign investment. Attraction policies such as tax breaks or subsidies are often provided for FDI focused on tasks such as manufacturing, while policies for FDI in the service sector are often more discriminatory (Golub 2009). This may show that policymakers, and the people voting for policymakers, are on the fence about how the government should be regulating foreign direct investment. Attitudes towards FDI in the last few decades are liberalizing and more countries are starting to lean toward the policy that encourages attraction of MNC investment (Blomstrom, Kokko, and Mucchielli 2003, 37). John H. Dunning reminds us that the type of FDI matters and people like FDI that is beneficial to them (1994). As CSR can function as a tool that shows that FDI can be beneficial for the people, this should make more vote for more FDI-friendly policies.

**H3:** Participants, in both the Kenya and United States’ sample that receive a treatment articulating that Multinational Corporations (MNCs) participate in Corporate Social Responsibility will be generally more supportive of Foreign Direct Investment than those in the control treatment.
We particularly aim to see if this is the case between for being supportive of FDI through political means.

H3A: *CSR treatments, when compared to the control, will make participants more likely to support FDI politically by voting for people or policies that make FDI possible, or reversely, not feeling the need to vote for those who inhibit FDI, whether it be inward or outward.*

In the U.S. sample, a test of perceptions towards outward FDI, this will show up as a decreased desire to keep companies local and inhibit outward FDI. For the Americans, invoking CSR (and the particular context of FDI to a developing country) may alter the framing around FDI to reduce the extent to which home country publics view it as job outsourcing and increase the extent to which they associate FDI with international development. If CSR activates the latter framing it may activate altruism. Home country citizens may be more likely to see FDI as more closely resembling humanitarian aid when they decide to implement CSR and no longer as a solely money-making entity sent abroad. CSR will be more likely to produce such reframing for wealthy home country publics in the context of outward FDI to a poor, non-rival country like Kenya than if the outward FDI was going to a country like China, or another large economic competitor that made Americans fear outsourcing at the cost of their international economic position. For centuries, humanitarian relief has been a political tool for organizations (i.e. European Union, UN) to show themselves as good-hearted international actors and thus foster public support (Versluys 2009). CSR may be a way for these companies to foster similar
political support among home country publics for FDI through their “good deeds” in third world countries.

For the Kenyans, the allowance of FDI in their country depends on a cost-benefit analysis that can be tricky. Inward FDI has a complex effect on economic growth and can be seen to either be a giant booster of economic growth through employment generation, technology spillovers and international connection, but it can also crowd out local enterprises and be negligent with how it handles the local community (Denisia 2010, 53-54; Alfaro 2017; Cohen 2007; Nyuur, Ofori, and Debrah 2016; Nguyen and Malesky 2021; Busse 2003). Recent years have not only seen substantial reduction to barriers, but also countries offering incentives to attract FDI in the hopes of reaping the potential benefits of foreign direct investment (Alfaro 2017, S3). CSR might be a tool that could further demonstrate the benefits of FDI as it is bringing forms of humanitarian aid-like work along with its business practices. It will be another weight on the balance of cost and benefit that may lean voters to seeing inward FDI as a net-positive for their country.

**Data and Methodology**

To test participants’ perspectives of Foreign Direct Investment more generally than Section 1’s analysis of attitudes towards the one specific MNC, I used questions about how respondents would try and protect their country from FDI through their vote or invite more FDI through encouraging FDI friendly policies and politicians. Our main voting question asked the U.S. Sample, “If your mayor claimed that they were very influential in convincing a company like Textiles United that was
considering shifting production to Kenya to stay and open a manufacturing plant in your town, how much more likely would you be to vote for them in the next election?” Respondents replied on a 1-4 scale from “much less likely” to “much more likely.” For the Kenyan sample the question was worded, “If your mayor claimed that they were very influential in convincing a company like Textiles United to open a manufacturing plant in your town, how much more likely would you be to vote for them in the next election?” Again, respondents replied on a 4-point scale of likeliness.

In the U.S. sample being more like to vote for the mayor means you are less supportive of outward FDI—you don’t want the company to go abroad and outsource. In the Kenya sample, being more likely to vote for the mayor means you are more supportive of Inward FDI coming into your country.

We also asked a similar question on voting for a president that either discouraged the Outward FDI for the American sample or encouraged policies that promoted Inward FDI in the Kenyan Sample. The Americans were asked, “If the President of the United States sponsored policy measures that incentivized US companies to produce in the United States instead of moving operations to other countries, how much more likely would you be to vote for him in the next election?” On the Kenyan side of things, they were asked, “If the President of Kenya sponsored different policy measures that incentivized foreign companies to invest in Kenya, how much more likely would you be to vote for him in the next election?” All answers on a 4-point scale of likelihood to vote.
Results

Similar to Section 1, and the unaffected attitudes we saw towards the MNC, we find that the Combined CSR did not affect political attitudes toward FDI. In Kenya, the control group reported a mean of 3.48 and the Combined CSR treatment group reported a 3.43 on the likelihood to vote for a mayor that was encouraging FDI, with a highly insignificant p-value of 0.5525. The results for votes for a Kenyan president that encouraged FDI was also insignificant (Control=3.37, Combined CSR=3.29, p-value=0.41). The United States sample also showed only null results for the effect of the Combined CSR treatment on the likelihood to vote for a President or mayor who discouraged outward FDI (Mayoral vote: control= 2.95, combined CSR= 2.87, p-value=0.16; Presidential vote: control=3.07, combined CSR=3.04, p-value=0.55).

These null results indicate that a general CSR treatment does not have the power in this study to affect political actions towards FDI. This could be attributed to the weak nature of a paragraph of writing in contrast to the realism of feeling the effects of an actual CSR program, but it lends light to the idea that CSR in the general sense is not providing a strong enough link to positive FDI for survey participants to change their political action on the matter.

Section 1.3: International Relations and International Perceptions

1.3 Hypotheses and Theory

Depending on the participant, FDI can be an intrusive entity or a resourceful tool, but CSR may help guide participants to seeing FDI in a generally positive light. While FDI can be seen as a tool of exploitation in developing countries, it also can
work to improve international relations between the countries involved on both sides of the investment (Busse 2003; Polachek, Seiglie, and Xiang 2007). There is a large database of literature that touches on how trade can create peace between countries (Barbieri 2002; Mansfield and Pollins 2003; Oneal and Russett 2001; Hegre 2000). This literature demonstrates that when you are trading with a country, you are less likely to go to war with that trading partner because a conflict would not only mean an economic loss for them, but for your country too. Polachek, Seiglie and Xiang see a similar relationship for FDI and international conflict as the other scholars have seen with trade and conflict (2007). They see FDI as an economic gain for both the host and home country and FDI could be disrupted by conflict. In order to protect these gains on both side of the investment governments will aim to reduce conflict and promote cooperation in the same way that governments of trading nations would try to maintain a positive and peaceful relationship. They even see FDI as a stronger force for positive cooperation than trade because of its long-term nature. CSR is a tool that that can strengthen these ties of international economic cooperation. If FDI is connected to CSR, people may be more likely to see the positive and peaceful product of FDI as CSR makes them see the interactions as positive and fueled by good intentions and mutually beneficial outcomes. This leads us to Hypothesis 4.

H4: CSR treatments will improve the attitudes towards political ties and international relations of the countries that are on both sides of the multi-national corporation more than the control treatment.
We particularly aim to understand the more grassroot view of the citizens’ perceptions of the country on the other side of FDI. The current relevant literature looks at FDI’s effect on conflict, with increased peaceful views of citizens as one of the mechanisms but seeing if this peace extends to the regular citizens is an additionally understudied question (Polachek, Seiglie, and Xiang 2011). We aim to understand if this an underlying mechanism for peace, with CSR making countries fonder of each other when they are involved in FDI.

**H4A: When CSR is involved in FDI, citizens will be more favorable of the country on the other side of the deal.**

As we aim to see if CSR improves international relations, we also aim to see if it builds international power, or at least the perception of power. In the terms of outward FDI and the CSR attached to it, we can again relate these efforts to that of humanitarian aid for the home country participants. Aid is often used by international actors as a tool to extend one’s sphere of influence as this humanitarian assistance demonstrates a form of responsibility to help maintain international stability, peace, and balance (Çevik 2015). Humanitarian aid is seen as “soft” means for intervention and power that doesn't invoke a military role (Versluys 2009). As we see humanitarian assistance carried out by an increasing number and type of organizations with an expanding spectrum of objectives, we can relate this same soft power to MNCs and their CSR practices (Whitall 2015). As it is CSR attached to outward FDI that more closely emulates the practices of
humanitarian aid, we predict that Americans will see their FDI as more of a tool for power when CSR is attached to it.

**H4B:** *CSR treatments will make Americans more likely to think that FDI gives their country greater power in the international realm than will the control treatment.*

While we predict that CSR will be a positive tool for international relations and a tool for power for the home country, we also predict that it will bring further foreign concerns to the forefront of their nation’s agenda. As CSR makes MNCs more invested in the area they are working and acting in a sort of foreign aid mentality, citizens may see this as a negative insomuch as it increases foreign influence in their domestic matters, especially for the host country. As discussed above, aid is a means of influence and the donors think they know best for the people they are apparently helping, but critics to this model suggest that development should be a domestic matter and left to the hands of the local people (Browne 2012). In the same way that developing countries have these mixed feelings towards foreign aid and influence, developing countries can be reluctant toward Western-style CSR (Gugler and Shi 2009). It may be seen as a way to implement a western lifestyle and values that they may or may not want in their local culture. It may also take away their feeling of general autonomy and self-sufficiency. FDI on its own can be intrusive, but when CSR signals that the company is here to stay and wants to become deeply invested in the community, local recipients of such practices may be more concerned about the
foreign intrusiveness. For the Americans, they may also see that CSR will now make them too connected to the foreign issues of the other country, where they previously could have just done their business and moved on, they now have to be connected to the ongoing issues of the underdeveloped country. Dependency theory backs this idea from both sides, the host country doesn’t want to be dependent on someone else and the home country doesn’t want to be accountable for dependents (Kabonga 2016). Thus, we come to hypothesis 5.

**H5:** CSR treatments will make both Kenyans and Americans more aware to the fact FDI brings foreign concerns that will now become their own political concerns than will participants who only see the control treatment articulating no CSR activities.

**Data and Methodology**

We tested Hypothesis 4 by asking participants in Kenya whether they agreed with the statement, “Political ties between Kenya and other countries are stronger when foreign companies have production operations in Kenya.” We asked a similar question to the Americans—"Political ties between the US and other countries are stronger when American companies headquartered in the United States have production operations in those countries.” Both these questions were answered on a 1-5 scale ranging from Strongly Disagree-Strongly Agree.

To test the favorability of countries that we discussed Hypothesis 4A, we asked both the Americans and the Kenyans “How favorably do you view the following countries: United States, Netherlands, China, India and Kenya?” We
included Kenya to not only see if Kenyans would become more favorable of Americans, but if Americans would be more favorable of Kenyans. This was done on a 5-point scale where 1 was “Very unfavorably” and 5 was “Very favorably.”

When trying to understand how CSR might affect the extent to which FDI changes a country’s international power, we asked the Americans whether they agreed that “When American companies directly invest in other countries, it increases the power of the United States in the international community.” We then asked Kenyans if they agreed that “When foreign companies directly invest in Kenya, it increases the power of Kenya in the international community.” These again were asked on the five point where strongly disagree equals 1 and strongly agree equals 5.

The testing of Hypothesis 5 was done by asking a question in this same agree/disagree format but using the phrase “Foreign concerns have too much influence in political decisions in Kenya when foreign companies have production operation in Kenya” for the Kenyans. For the Americans the phrase was worded, “Foreign concerns have too much influence in American political decisions when American companies headquartered in the United States have their production operations in other countries.” While these questions are different in the two countries, they are consistent with our intention to understand public opinion on FDI from the viewpoint of home and host country, rather than to examine public opinion on FDI in different host country settings.
### Results

We found no significant results to support Hypotheses 4, 4A, 4B, and 5 when comparing the Combined CSR treatment to the control, but we did find some unexpected results with respect to Hypothesis 4A.

We found completely null results for the Combined CSR treatment with respect to the sensitivity of the political concerns, the greater political ties, and the greater international power. It appears that on most fronts, the effort to use CSR to improve international relations by means of country favorability mostly failed, indicating that efforts by MNCs are unlikely to produce positive externalities in international relations. Kenyans did not think more favorably about the United States when shown that CSR would accompany their Inward FDI.

### Part 1 Conclusion and Implications:

These results show some interesting and surprising patterns for how CSR can affect how an MNC is perceived by both the host (Kenya) and home (United States) countries. There is very little evidence that CSR does help how the company is viewed and could boost their public relations and sales. Americans were slightly swayed to want to purchase an item from the company if they participated in CSR, even in a foreign country. The fact that the Kenyans were not may just be due to the nature of the company. If these companies are unlikely to actually ever sell to Kenyans, Kenyans may not be thinking too hard about whether or not CSR would affect their purchase.
It is surprising that CSR did not significantly increase either Kenyan or American views on whether the company improved the community. One of the main ideas behind implementing Corporate Social Responsibility is to be seen as an improvement to the community and build public relations. This study shows that it may be falling short of that goal in this situation.

CSR, as a whole, also failed to manipulate voting patterns that might provide more support for FDI in both the home and host countries. This demonstrates that CSR may not be that useful of a tool for an MNC trying to break down the political barriers to their business practices. If that is a corporation’s goal, their efforts may be more useful other places.

The opposing results for Americans and Kenyans on the environmental effect of MNCs is one of the most interesting puzzles in this study. It appears that the Americans see a company doing some sort of social good and they interpret that as a signal that the company is responsible for helping the world in a myriad of ways. The Kenyans do not appear as quick to associate certain types of socially responsible actions with responsible actions in other spheres. In fact, they see MNCs using CSR as even more threatening to their environment than companies without it. It may be that CSR demonstrates a more intrusive way of doing business in a foreign country in that they are now being seen as meddling in local affairs. This meddling and intrusiveness could convert to negative environmental impact. CSR also does not appear to be a tool that actually increases political ties or favorability between the countries involved on the two ends of the FDI.
Overall, the general Combined CSR treatment demonstrated mostly insignificant results and thus showed that CSR, as a whole, may not be as strong of tool for MNC perceptions, FDI favorability, or international relations measures as the identified literature may have suggested. These null results found when comparing the Combined CSR treatment to the control lead us to analyze the parts separately and then ask whether the type matters, and why.

PART 2 Internal and External CSR

Section 2.1: Internal vs External CSR

2.1 Introduction

Throughout Part 1 we saw that the treating all CSR engagement as similar by combining of the Internal and External CSR treatments into a single CSR treatment did not produce many of the presumed effects on outcomes related to public opinion about MNCs, FDI, and their political implications. Part 1 laid out the theoretical background for the outcome variables and CSR as whole. Part 2 will consider the same outcome variables but address how Internal and External CSR may be different. Examining nuance in the type of CSR allows me to confirm whether CSR really does have no real effects on this subject (a puzzling finding since it indicates firms are making a costly mistake since many do engage in CSR) or whether particular types of CSR do affect public opinion.

The theory and hypotheses for the differences between Internal and External CSR are laid out below. There will not be a data section outlining the operationalization of each variable in the survey as that was already outlined in Part
1. Much of the theory for why CSR would affect each outcome variable remains the same as discussed in Part 1. Part 2 will just now try to dive into why one type may demonstrate stronger effects across all outcomes and sub-groups.

Theory and Hypotheses:

Scholars have made it clear that not all CSR initiatives are created equal (Tai and Chuang 2014, 120). There are many different types and ways for a company to go about performing social goods and they can have different effects on the community and the citizens’ perceptions (de Jong, van der Meer 2017). In this survey we consistently kept the source of the CSR as a clothing manufacturing company but then varied the form of CSR they performed. For Internal CSR, the treatment indicated that the CSR focused on the employees, giving them fair wages and good working conditions. For the External CSR treatment, it was about educating the local school children in the community.

While many people think of External CSR and these community projects when they generally think about corporate social responsibility, data shows that it is actually more common for companies to undertake Internal CSR practices than External (Hawn and Ioannou 2016). This is likely because Internal CSR is much easier for the companies to implement and thus is more cost-effective (Basil and Erlandson 2008). If the purpose of CSR for the company is to increase their bottom-line, Internal CSR is their best bet.

This suggests that for the U.S. sample, Internal CSR might be the better way to go. It allows them to feel good about doing some good in the world while still
being economically beneficial to their companies. If they see this type of CSR attached to FDI, they will see the FDI as a good thing for the world and for their wallet.

External CSR, on the other hand, shows the Kenyans that the American MNC has a greater sense of commitment and loyalty to the local community. Even for the Kenyan employees who would be the beneficiaries of good working conditions and fair pay, internal CSR appears as a more self-focused method, especially because it is the more economically beneficial method for the firm, whereas external CSR shows the other-focused mentality (Calveras 2013). In this sense, if CSR is to be used to as a signaling device to reveal the good-natured type of the MNC to the host country's citizens, External CSR would serve that purpose (Goyal 2006) better than Internal CSR. Education, because of its benevolent spillover effects, is also a type of good that serves the entire community rather than just the few workers who work for that MNC (Henderson 2007). Thus, an External CSR treatment may be more widely favored by the Kenyans because they are more likely to see how it could affect their life, rather than just the lives of the few workers who are employed by the MNC.

The scarcity of External CSR might also add to the allure of the External CSR for the Kenyans. If they are used to simple internal practices, it may mean a lot more when they see a company going out of their way to do work in the external community (Hawn and Ioannou 2016; Basil and Erlandson 2008). This would potentially strengthen the signal that CSR sends about the nature of a firm. An alternative theory might be that Internal CSR reminds Kenyans that often MNCs aren't offering fair pay and good working conditions and thus triggers a negative
response to FDI and MNCs generally that is inherently reverse to its purpose. As CSR is supposed to be mutually beneficial by nature to both the home and host country, we will find that the type of CSR that tilts the scale of benefit to their side will be more favored by each respective country. This will then make them more favorable of the FDI attached with that type of CSR.

H6: In Kenya, External CSR will make people more favorable of FDI and related outcomes when compared to the control.

H7: In the United States, Internal CSR will influence more favorable views of FDI and related outcomes when compared to the control.

Data and Methodology

Thus far, Part 1 of this thesis analyzed various outcomes and how CSR treatments have affected them in contrast to those who answered the question in the control group. In this section I present difference in means tests for both types of CSR individually versus the control to test whether these two treatments produce different public opinion reactions. As a reminder, the Internal CSR treatment told survey participants, “As part of their business practice, Textiles United has a strong reputation for fair pay and good labor condition.” The External CSR treatment told participants, “As part of their business practice, Textiles United has started an educational program to train local youth in trades or help pay school fees for local children.”

This section will seek to understand if Internal and External have different effects than when they are combined into one general CSR treatment. I will do this
by running t-tests for External CSR vs Control and Internal CSR vs Control. We will run these tests on the outcome questions addressed in the Part 1 of this thesis. I also test whether External and Internal have a different effect within Kenya and within the United States. I will look for patterns of more frequent statistical significance for one type of CSR within one country while making sure that, if significant, the results are aligned in either a positive or negative effect of CSR.

2.1 General Results

Table 5 gives a full breakdown of the Internal and External CSR treatments broken down and their means versus the control group. Significant results appear in bolded fonts. We can immediately spot an important pattern between the two countries. The only results that are significant when compared to the control in the U.S. sample are between the Internal CSR treatment group. External CSR had no effect on any of the outcomes in the U.S. Sample. On the other hand, the External CSR group was the only treatment group that showed any significance in the Kenyan sample. This suggests that there may be an inherent difference in the way that the Kenyans and Americans see these CSR groups as representatives of both inward and outward FDI respectively.
Table 5: External CSR vs Control, Internal CSR vs Control, Previous Outcome Questions

<table>
<thead>
<tr>
<th>Section 1 Outcomes: Company Perceptions and Company Effects on Community</th>
<th>United States</th>
<th>Kenya</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Likelihood to Buy</strong></td>
<td>3.36 [0.09]</td>
<td>3.48 [0.09]</td>
</tr>
<tr>
<td><strong>Company Satisfaction</strong></td>
<td>3.32 [0.05]</td>
<td>3.38 [0.05]</td>
</tr>
<tr>
<td><strong>MNC Improve Community</strong></td>
<td>3.23 [0.04]</td>
<td>3.32 [0.04]</td>
</tr>
<tr>
<td><strong>MNC Bad for Environment</strong></td>
<td>3.51 [0.05]</td>
<td>3.43 [0.05]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section 2 Outcomes: Political Perceptions of FDI</th>
<th>United States</th>
<th>Kenya</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mayor Vote</strong></td>
<td>2.95 [0.04]</td>
<td>2.91 [0.04]</td>
</tr>
<tr>
<td><strong>President Vote</strong></td>
<td>3.07 [0.05]</td>
<td>3.06 [0.04]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section 3 Outcomes: International Relations and International Perceptions</th>
<th>United States</th>
<th>Kenya</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase Political Ties</strong></td>
<td>3.36 [0.06]</td>
<td>3.31 [0.05]</td>
</tr>
<tr>
<td><strong>U.S. Favorability</strong></td>
<td>4.01 [0.06]</td>
<td>3.98 [0.06]</td>
</tr>
<tr>
<td><strong>Kenya Favorability</strong></td>
<td>2.98 [0.06]</td>
<td>3.03 [0.05]</td>
</tr>
<tr>
<td><strong>FDI Increase Inter. Power</strong></td>
<td>3.12 [0.05]</td>
<td>3.09 [0.05]</td>
</tr>
<tr>
<td><strong>FDI Increase Foreign Concern</strong></td>
<td>3.45 [0.06]</td>
<td>3.44 [0.05]</td>
</tr>
<tr>
<td><strong>FDI Increase International Decision Making</strong></td>
<td>3.11 [0.05]</td>
<td>3.12 [0.05]</td>
</tr>
</tbody>
</table>

***P-Value of <0.01, **P-value of <0.05, *P-Value of <0.1.
### 2.12 Internal CSR Results:

Within this subgroup, we find some evidence for Hypothesis 1 that was laid out in Part 1 Section 1 and that posits CSR as a tool for making people more favorable of the company and its products when the company involved in corporate social responsibility projects. Participants in the U.S. control groups were significantly more likely to likely to say they would buy a product from that company if they were shown the Internal CSR treatment language. While we find little other significance for this hypothesis among our other tests, this result brings our findings in some alignment with the previous literature and studies that show CSR as this branding tool to improve public opinion and encourage purchases. The Kenyans, however, were not swayed by the Internal CSR treatment on their likelihood to purchase a product from the MNC. This null effect could be attributed to the fact that Americans are thinking more in the consumer mindset and thus take such a question more seriously, but the fact that the Kenyans are also not swayed to think that Internal CSR makes it so an MNC is seen as a tool to improve their community and the fact that it doesn’t affect their satisfaction with the company may suggest that Internal CSR does not have an influence among Kenyans in this sphere, the recipients of the FDI and CSR programs.

Continuing this analysis of the United States and the positive impact of Internal CSR on FDI related outcomes, we can also find evidence for Hypothesis 2A that suggests that CSR may make participants think the company is doing good in the community where it operates beyond the good articulated in the prompt. When answering whether they felt that MNC’s were bad for the environment, American
survey participants who received the Internal CSR treatment, a treatment that says nothing about environmental impact, were significantly less likely to think that the MNC cause environmental damage. Again, the Kenyans were less easily persuaded. The Kenyans in the Internal CSR treatment group actually saw the company as worse for the environment than when compared to the control, although the difference was statistically insignificant. This may suggest that the American's are susceptible to the logic that if a company is doing good for the world in one sphere, they are naturally doing good in all areas. This could lead to some false realities that their companies and/or aid projects are doing more good in the world than they actually are.

Internal CSR within the American sample also demonstrates some of the more direct political consequences that CSR can have for FDI. Participants that received this treatment were significantly less likely to vote for a mayor that was influential in keeping a business local instead of implementing FDI in Kenya which backs up the ideas demonstrated behind Hypothesis 3A. This same significance does not show up in a similar question asked about a presidential vote which may suggest that they may vote for the mayor on a more issue-based mentality and a presidential candidate from maybe a more set ideological perspective. More research would need to be done here to make any real claims, but the differences are interesting and important to note.

With respect to Part 1 Section 3’s analysis of international perceptions and international relations, we see a weakly significant increase for Kenyan favorability among Americans in the Internal CSR group. We see no difference for the inverse of
this relationship in the favorability that Kenyans in the same treatment group have towards the United States. The results also demonstrate, although at weak significance, that Americans are more likely to think that FDI increases their international power when shown the Internal CSR treatment. These results add more conversation and nuance to Hypotheses 4A and 4B that predict results such as these. There is something about Internal CSR that makes Americans feel generally more welcoming to FDI, more powerful in the world, and more favorable to their investment partners.

So, why does Internal CSR have the effect for the Americans? The results in U.S. sample provide some evidence for Hypothesis 7 which suggests that Internal CSR will influence participants to have more favorable views of MNCs and FDI. The Kenyan sample was not influenced by the Internal CSR treatment on a single outcome variable. This may be evidence that Internal CSR is the more favorable type for Americans, or those experiencing outward FDI. The ease and profitability of Internal CSR may provide a simple and effective way for them to feel good about what they are doing, while not having to over-invest themselves in a foreign aid project that could become messy and disrupt the financial bottom-line of their MNCs.

2.13 External CSR results:

Just as Internal CSR had no significant results in the Kenyan sample, External CSR had no significant results in the U.S. sample. And while Internal CSR caused no significant differences in the Kenyan sample, External CSR demonstrated various
significant results. The pattern for these significant results with the Kenyan sample was less consistent.

There were only three significant results for External CSR vs the control in Kenya, and only one of them demonstrates a more positive view of FDI/MNCs. While Internal CSR in the United States provided evidence for Hypothesis 2A, the outcome question that asked whether MNCs were bad for the environment of the local community, External CSR in Kenya had the opposite effect and made participants significantly more likely to agree that it does have a negative environmental impact.

We also found that, in accordance with Hypothesis 5, CSR in the external format made survey participants more wary about the foreign concerns of FDI. This may again back the notion that External CSR is the more intrusive form of CSR that may bring a Western agenda deeper into the community.

The one positive effect that CSR, Internal or External, had in the Kenyan sample, was that it increases the Kenyan’s view on their capabilities of international decision making, but this result was weakly significant and is the only demonstration of positivity towards any type of CSR when broken down into its parts. Thus, we see that we don’t have strong evidence that Kenyans like External CSR more than Americans like we suggested in Hypothesis 6. The only thing that we may be able to glean from these results is that Kenyans pay more attention to External CSR because it is CSR type that is more invasive in the community and more widespread in who it affects. These significant results, although not always pointed in the same direction, suggest that the Kenyans are more deliberate in how they are answering the questions when placed in that treatment group.
2.1 Conclusion and Implications:

As Part 1 demonstrated that there were few instances where the Combined CSR treatment had any effect on our outcome variables, we see that there is a more interesting story to tell when considering different public effects for different types of CSR. We see that Internal CSR, for Americans, can have a positive effect on views towards FDI and related outcomes in multiple ways. There is evidence that it will make participants more likely to purchase a product from the company, more likely to not vote for politicians that try and keep companies local, and more likely to think that FDI gives their country more power. Internal CSR, for Americans, also makes survey participants think that the company is performing good in areas beyond the articulated practices.

This is good news for American companies. If they want a low-cost and non-intrusive way to boost sales, dimmish political backlash, and look like an overall good-for-the-world company, methods employed in the Internal CSR treatment are the way to go—advertise that the company is paying fair wages and providing good working conditions and you will achieve these goals. This is less work for the American company, they don’t have over-involve themselves in the community and can reap the benefits of CSR without having to operate outside the walls of their business. But, if a company is seeking to win consumer and political favor in the host country, this research shows that neither external nor internal CSR will be effective in improving public opinion.

In this research we see that Kenyans are less easily influenced by CSR to think that FDI, and its surrounding parts, are a desirable thing. This doesn’t
necessarily tell us that Kenyan’s don’t like CSR, it just doesn’t necessarily affect their views of FDI, especially in the political sphere. This may be that Kenyan’s are more aware of the negative effects that these companies have on their country and thus it would take a lot more than a statement saying that the company is trying to do some good to really change how they would feel about foreign direct investment and multi-national corporations.

**Final Conclusion**

This study provides some interesting insights into the interactive world of CSR and FDI. In contrast to much literature and previous theories, general CSR did not have the effects that we hypothesized it would on outcomes like company satisfaction, belief that MNC is doing good for the community, likelihood to vote positively for policies that permit FDI, or likelihood to think FDI is good for the respective countries position in the international system.

What we did find is that type of CSR and directional flow of FDI matters. Internal CSR creates positive effects among those viewing the situation as outward FDI but has no positive effects from an inward FDI perspective. External CSR invokes more reaction among those perceiving inward FDI, but it is a mix of positive and negative. Overall, the Americans/outward FDI perceivers, were more swayed by the idea of CSR. Their perceptions of FDI could be swayed by the mention of their companies engaging in simple internally socially responsible activities.
Final Discussion

These results tell us a few interesting things about the dynamic of CSR and FDI and how CSR may sway public opinion about FDI. We see that perceptions toward inward and outward FDI need to be managed differently. They are not the same thing. Citizens from both sides face different challenges and reasons for being apprehensive about FDI.

Next, we see that CSR can be effective in some of the ways laid out in previous literature and theory, but only when the CSR is a specific type and only for the home country population. Americans were more positively swayed by Internal CSR. This may be because Internal CSR is an easier buy in for Americans while still providing them the satisfaction of dealing with a “good” company. Additionally, it may be that CSR practices, when thought of as aid practices, are more effective in changing attitudes towards FDI among those who are giving rather than getting the aid.

It is important to note that this is not a measure of the economic benefits of FDI for developing countries and economic benefits are not dependent on public opinion. As this study only touches on perceptions, which in turn can then make FDI more politically feasible when perceptions improve, we address the barriers to FDI and how that can be manipulated through CSR. If the ultimate goal is to reduce barriers to FDI through improving perceptions among citizens in developing country host countries, we find mixed results. Kenyans were very rarely swayed by CSR practices. Kenya, as demonstrated earlier in this paper, does have many barriers to FDI, but CSR is not functioning in a way that reduces barriers and the
liability of the foreignness of FDI (Liu, Marshall, McColgan 2021). If those are the only reason for limited FDI between the countries, then CSR is not sufficient to change those perceptions. But, if the issue were that lack of FDI is partially contributed to Americans that are reluctant to outsource business abroad, Internal CSR practices could be a tool in reducing such barriers. Whether such practices would truly have large enough economic impacts to make any dent in the economies of these developing countries is a larger question that would require more research.
Works Cited:


Domazet, Ivana S., and Darko M. Marjanović. 2018. "FDI as a Factor of Improving the Competitiveness of Developing Countries: FDI and Competitiveness." In *Foreign direct investments (FDIs) and opportunities for developing economies in the world market*, pp. 82-104. IGI Global.


Appendix A:

Recruitment Material:

Facebook ads are designed in the following format:

For KENYA offering a $1 per survey:

HEADLINE: Kenya and the Global Economy
DESCRIPTION: $1 USD for completing a survey. This survey aims to better understand opinions of people in Kenya. It will take you less than 15 minutes to take and is completely anonymous. After completing the survey, you will be sent $1 USD over Facebook Pay. Respondents must be 18 years old. This survey is being conducted by researchers in the political science department of Brigham Young University. If you have any questions, please contact Lindsey Walker at lindsw22@byu.edu.

For UNITED STATES offering a $1 per survey:

HEADLINE: United States and the Global Economy
DESCRIPTION: $1 USD for completing a survey. This survey aims to better understand opinions of Americans. It will take you less than 15 minutes to take and is completely anonymous. After completing the survey, you will be sent $1 USD over Facebook Pay. Respondents must be 18 years old. This survey is being conducted by researchers in the political science department of Brigham Young University. If you have any questions, please contact Lindsey Walker at lindsw22@byu.edu.
Pictures that were used in the Ad:
Appendix B:

Qualtrics Survey Flow (all questions included - Kenya Sample)

FDI and CSR - Kenya Sample FB $1

Survey Flow

- Standard: Consent (1 Question)
- Block: Opening Age Question (1 Question)
- Standard: Gender and Nationalism (5 Questions)
- Standard: Economic Insecurity (2 Questions)
- Standard: Pre-Vignette Demographic Questions (3 Questions)
- Standard: Vignettes (7 Questions)
- Standard: Company Satisfaction Questions (2 Questions)
- Standard: Textiles United Questions (2 Questions)

BlockRandomizer: 4 -

- Standard: Mayor vote (3 Questions)
- Standard: Foreign Company Perceptions (3 Questions)
- Standard: Policy Questions (6 Questions)
- Standard: National Perceptions (3 Questions)

- Standard: Attention Check (2 Questions)
- Standard: Demographic Questions (8 Questions)
- Standard: Ending Statement (1 Question)

Page Break
Q60 We are researchers at Brigham Young University conducting this research with Professor Celeste Beesley, from the Department of Political Science, as principal investigator. Your participation in this study will require the completion of the following survey. If you choose to be in the study, you will take a survey that should take approximately 15 minutes of your time. Your participation will be anonymous, and you will not be contacted again in the future. Those who participate will receive $1 USD through Facebook pay. To be eligible for payment, you must complete at least 80% of the survey questions. This survey involves minimal risk to you. Your responses will be completely anonymous. There are no direct benefits to you. However, the results from your response and the responses of others may help researchers to understand issues and problems involving economic interactions between countries. Data without personal identifiers will be published for scientific replication purposes.

Being in this study is optional. You can skip questions that you do not want to answer or stop the survey at any time. Questions? Please contact Lindsey Walker at lindswalk22@gmail.com or Celeste Beesley at celeste_beesley@byu.edu.

If you have questions or concerns about your rights as a research participant, you can call the BYU Human Research Protections Program at 801-422-1461 or BYU.HRPP@byu.edu.

If you want to participate in this study, click the arrow button below to start the survey.
Gender What is your gender?

- Male (1)
- Female (2)
- Non-binary / third gender (3)
- Prefer not to say (4)
Nationalism_1 How much do you agree with this statement: The world would be a better place if people from other countries were more like people in Kenya?

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Nationalism_2 How much do you agree with this statement: I am proud to be from Kenya.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)
Nationalism_3 How much do you agree with this statement: I have a strong sense of belonging to my country.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Nationalism_4 How much do you agree with this statement: Global issues are less important than national issues.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)
Econ_Security_Fam In the next 12 months, do you think the economic situation of you and your family will improve, stay the same, or get worse?

- Improve a great deal (1)
- Improve somewhat (2)
- Stay the same (3)
- Worsen somewhat (4)
- Worsen a great deal (5)

Econ_Sec_Country In the next 12 months, do you think the economic situation of Kenya will improve, stay the same, or get worse?

- Improve a great deal (1)
- Improve somewhat (2)
- Stay the same (3)
- Worsen somewhat (4)
- Worsen a great deal (5)

Region of Residence What is your current region of residence?

▼ Central (1) ... Western (8)
City Size

What is the population of the place where you reside?

- 1,000,000+ (1)
- 100,000-1,000,000 (2)
- 50,000-100,000 (3)
- 20,000-50,000 (4)
- 20,000 or below (5)

Urban_Rural

How would you describe the place where you currently reside?

- Urban (1)
- Suburban (2)
- Rural (3)

End of Block: Pre-Vignette Demographic Questions

Start of Block: Vignettes

Treat_Kenya_NoCSR

We are researchers trying to better understand how people perceive local and foreign companies. Please read the following paragraph carefully.

A large Kenyan company named Textiles United recently opened a new manufacturing plant in a mid-sized city in Kenya. This plant produces clothing. It employs 300 local workers.

Treat_Kenya_InterCSR

We are researchers trying to better understand how people perceive local and foreign companies. Please read the following paragraph carefully.
A large Kenyan company named Textiles United recently opened a new manufacturing plant in a mid-sized city in Kenya. This plant produces clothing. It employs 300 local workers. As part of their business practice, Textiles United has a strong reputation for fair pay and good labor conditions.

Treat_Kenya_ExterCSR
We are researchers trying to better understand how people perceive local and foreign companies. Please read the following paragraph carefully.

A large Kenyan company named Textiles United recently opened a new manufacturing plant in a mid-sized city in Kenya. This plant produces clothing. It employs 300 local workers. As part of their business practice, Textiles United has started an educational program to train local youth in trades or help pay school fees for local children.

Treat_US_NoCSR
We are researchers trying to better understand how people perceive local and foreign companies. Please read the following paragraph carefully.

A large multi-national company headquartered in the US named Textiles United, recently opened a new manufacturing plant in a mid-sized city in Kenya. This plant produces clothing. It employs 300 local workers.

Treat_US_InterCSR
We are researchers trying to better understand how people perceive local and foreign companies. Please read the following paragraph carefully.

A large multi-national company headquartered in the US named Textiles United recently opened a new manufacturing plant in a mid-sized city in Kenya. This plant produces clothing. It employs 300 local workers. As part of their business practice, Textiles United has a strong reputation for fair pay and good labor conditions.
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A large multi-national company headquartered in the US named Textiles United recently opened a new manufacturing plant in a mid-sized city in Kenya. This plant produces clothing. It employs 300 local workers. As part of their business practice, Textiles United has started an educational program to train local youth in trades or help pay school fees for local children.

Pure Control We are researchers trying to better understand how people perceive local and foreign companies. Please click the arrow to proceed to the questions.

End of Block: Vignettes

Start of Block: Company Satisfaction Questions

Display This Question:

If We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Or We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Or We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

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Or We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Or We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed
Company_Satisfaction How satisfied do you feel when you think about this company?

- Extremely dissatisfied (1)
- Somewhat dissatisfied (2)
- Neither satisfied nor dissatisfied (3)
- Somewhat satisfied (4)
- Extremely satisfied (5)

Display This Question:
If We are researchers trying to better understand how people perceive local and foreign
companies. P... Is Displayed
Or Or We are researchers trying to better understand how people perceive local and foreign
companies. P... Is Displayed
Or Or We are researchers trying to better understand how people perceive local and foreign
companies. P... Is Displayed
Or Or We are researchers trying to better understand how people perceive local and foreign
companies. P... Is Displayed
Or Or We are researchers trying to better understand how people perceive local and foreign
companies. P... Is Displayed

LikelihoodtoBuy How likely would you be to buy a shirt from this company?

- Extremely unlikely (1)
- Somewhat unlikely (2)
- Neither likely nor unlikely (3)
- Somewhat likely (4)
- Extremely likely (5)
Start of Block: Textiles United Questions
Display This Question:
If we are researchers trying to better understand how people perceive local and foreign companies.

Or Or We are researchers trying to better understand how people perceive local and foreign companies.

Or We are researchers trying to better understand how people perceive local and foreign companies.

Or We are researchers trying to better understand how people perceive local and foreign companies.

Or We are researchers trying to better understand how people perceive local and foreign companies.

Or We are researchers trying to better understand how people perceive local and foreign companies.

Agree Disagree Textile Do you agree or disagree with the following statements?

<table>
<thead>
<tr>
<th>Strongly disagree (1)</th>
<th>Somewhat disagree (2)</th>
<th>Neither agree nor disagree (3)</th>
<th>Somewhat agree (4)</th>
<th>Strongly agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies like Textiles United improve the communities where they operate (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies like Textiles United are good for the economy of Kenya (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Display This Question:
If we are researchers trying to better understand how people perceive local and foreign companies.
Q71 Do you agree or disagree with the following statements?

<table>
<thead>
<tr>
<th>Strongly disagree (1)</th>
<th>Somewhat disagree (2)</th>
<th>Neither agree nor disagree (3)</th>
<th>Somewhat agree (4)</th>
<th>Strongly agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign companies that invest in Kenya improve the communities where they operate (1)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Foreign companies that invest in Kenya are good for the economy of Kenya (2)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

End of Block: Textiles United Questions

Start of Block: Mayor vote

Display This Question:

If We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Or Or We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Or Or We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Or Or We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Or Or We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Or Or We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed
MayorVote If your mayor claimed that they were very influential in convincing a company like Textiles United to open a manufacturing plant in your town, how much more likely would you be to vote for them in the next election?

- Much more likely (1)
- Somewhat more likely (2)
- Somewhat less likely (3)
- Much less likely (4)

Display This Question:
If We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Q72 If your mayor claimed that they were very influential in convincing a foreign company to open a new manufacturing plant your town, how much more likely would you be to vote for them in the next election?

- Much more likely (1)
- Somewhat more likely (2)
- Somewhat less likely (3)
- Much less likely (4)

Display This Question:
If We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed
Q73 If your mayor claimed that they were very influential in convincing a Kenyan company to open a new manufacturing plant your town, how much more likely would you be to vote for them in the next election?

- Much more likely (15)
- Somewhat more likely (16)
- Somewhat less likely (18)
- Much less likely (19)

End of Block: Mayor vote

Start of Block: Foreign Company Perceptions
Agree or Disagree 1 Do you agree or disagree with the following statements?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree (1)</th>
<th>Somewhat disagree (2)</th>
<th>Neither agree nor disagree (3)</th>
<th>Somewhat agree (4)</th>
<th>Strongly agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>When foreign companies move their production operations to Kenya, it means more jobs for Kenyans (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign companies that operate in Kenya create attractive jobs that Kenyans would like to have (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Kenyan companies have a harder time staying in business when foreign firms open their own operations in Kenya (3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Page Break
Agree or Disagree 2  Do you agree or disagree with the following statements?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree (1)</th>
<th>Somewhat disagree (2)</th>
<th>Neither agree nor disagree (3)</th>
<th>Somewhat agree (4)</th>
<th>Strongly agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political ties between Kenya and other countries are stronger when foreign companies have production operations in Kenya (1)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Foreign concerns have too much influence in political decisions in Kenya when foreign companies have production operation in Kenya (2)</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign companies that operate in Kenya tend to create environmental problems and pollution (3)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Foreign companies that operate in Kenya help domestic production and workers be more competitive in the international market (4)</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Willing to Work  How willing would you be to work for a foreign company that opened a factory/plant/office in your local area?

- I would prefer to work for a foreign company (1)
- I would be equally happy to work for a domestic company or a foreign company (2)
- I would prefer to work for a domestic company, but would work for the foreign company if the job paid more or offered better conditions (3)
- I would not like to work for a foreign company (4)

End of Block: Foreign Company Perceptions

Start of Block: Policy Questions

President Vote  If the President of Kenya sponsored different policy measures that incentivized foreign companies to invest in Kenya, how much more likely would you be to vote for him in the next election?

- Much more likely (1)
- Somewhat more likely (2)
- Somewhat less likely (3)
- Much less likely (4)
PolicyChange Would you support policy changes or new laws in Kenya to make it easier for foreign companies to locate different parts of their production operations in Kenya?

- I would definitely support them (1)
- I would probably support them (2)
- I would probably not support them (3)
- I would definitely not support them (4)

KeepBusinessHome Would you support policy changes or new laws in Kenya to encourage Kenyan companies to keep their business operations at home in Kenya, rather than operating in other countries?

- I would definitely support them (1)
- I would probably support them (2)
- I would probably not support them (3)
- I would definitely not support them (4)

EncourageOpeningBran Do you agree that national officials in Kenya should do more to encourage foreign companies to open new factories or production facilities in Kenya?

- Strongly agree (1)
- Somewhat agree (2)
- Somewhat disagree (3)
- Strongly disagree (4)
Do you agree that national officials in Kenya should do more to encourage foreign companies to buy and operate existing factories or production facilities currently owned by Kenyan companies?

- Strongly agree (1)
- Somewhat agree (2)
- Somewhat disagree (3)
- Strongly disagree (4)
GovernmentAttraction Which of the following do you think government officials should do in order to attract foreign companies to operate in Kenya? (select 3 of the government actions that you would be most likely to support)

☐ Offer tax rebates, as long as they are for a short time (1)

☐ Offer tax rebates, ever if they are for a number of years (2)

☐ Advertise in foreign countries that Kenya is "open for business" the way that other countries like India do (3)

☐ Simplify the bureaucratic procedures for starting and running a business (4)

☐ Control bureaucratic corruption (5)

☐ Set minimal environmental standards and pollution controls to ensure that Kenya is a low-cost place to do business (6)

☐ None of the above (7)

End of Block: Policy Questions

Start of Block: National Perceptions
Q56 How favorably do you view the following countries: United States, Netherlands, China, and India?

<table>
<thead>
<tr>
<th>Country</th>
<th>Very unfavorably (1)</th>
<th>Somewhat unfavorably (2)</th>
<th>Neither favorably or unfavorably (3)</th>
<th>Somewhat favorably (4)</th>
<th>Very favorably (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States (1)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Netherlands (2)</td>
<td></td>
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</tr>
<tr>
<td>China (3)</td>
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<tr>
<td>India (4)</td>
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<tr>
<td>Kenya (5)</td>
<td></td>
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</tr>
</tbody>
</table>

US_Comp_Support Would you support more corporations from the United States coming to operate Kenya?

- Strongly support (1)
- Somewhat support (2)
- Somewhat not support (3)
- Strongly not support (4)
Nat_Perceptions How much do you agree with these statements?

<table>
<thead>
<tr>
<th>Strongly disagree (1)</th>
<th>Somewhat disagree (2)</th>
<th>Neither agree nor disagree (3)</th>
<th>Somewhat agree (4)</th>
<th>Strongly agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>When foreign companies directly invest in Kenya, it increases the power of Kenya in the international community. (1)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>When foreign companies directly invest in Kenya, it increases the decision-making influence of Kenya in the international community. (2)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>When foreign companies directly invest in Kenya, it increases how economically competitive the Kenyan economy can be relative to other countries. (3)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
If We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Country Check In the paragraph above, you read a short blurb about a company. From what country was the company in the prompt?

- United States (1)
- Netherlands (2)
- Kenya (3)
- India (4)
- China (5)

Display This Question:
If We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed
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CSR Check In the paragraph above, you read a short blurb about a company's recent economic decisions. What policy did this company implement to help the community in which it operates?

- Fair wage and good working conditions (1)
- Educational program for local youth (2)
- Building wells (3)
- No community good was performed (4)

End of Block: Attention Check

Start of Block: Demographic Questions
Income What is your annual income?

- 12,000 kes or less (1)
- 12,001 kes to 24,000 kes (2)
- 24,001 kes to 42,000 kes (3)
- 42,001 kes to 60,000 kes (4)
- 60,001 kes to 90,000 kes (5)
- 90,001 kes to 150,000 kes (6)
- 150,001 kes to 240,000 kes (7)
- 240,001 kes to 1,200,000 kes (8)
- 1,200,001 kes or more (9)

Relative_Income Which of the following is closest to your household's situation relative to your income and needs:

- We don't have enough--we sometimes even go hungry (1)
- We have enough for only basic necessities--food, clothes, shelter (2)
- We have enough to live, but not to save (3)
- We have enough to live and and save money for other things (4)
- We have plenty of money to live how we want (5)

Job_Industry What is your current industry of employment?

- Military (1) ... I have never worked a formal job. (16)
Job_Occupation What is your occupation?

▼ Never had a job (1) ... Other (14)

Education_Level What is your highest level of education?

▼ No formal schooling (9) ... Post-graduate (7)
Ethnic Group: What is your ethnic community, cultural group, or tribe?

- English (8) ...
- Other (9)

Political Party: Which political party do you feel closest to?

- Kenya Social Congress (KSC) (9) ...
- Not Applicable (11)

International Exposu: Have you ever traveled abroad?

- Yes (1)
- No (2)

Thank you for your time. If you have answered at least 80% of the questions in this survey, please click on the link below to provide some contact information, so that we can make your payment of $1 (one USD) for taking the survey. We use a separate link so that your contact information cannot be associated with your answers to the survey, ensuring that the survey responses remain anonymous. If you would prefer not to provide this information, you do not have to, but we will not be able to pay you. https://byu.az1.qualtrics.com/jfe/form/SV_0wZeizAFX1A9H9A
You should receive payment via Facebook Pay within one week of survey completion in your country.

Qualtrics Survey Flow (all questions included) - US Sample
FDI and CSR- US Sample- FB $1 (Kenya)
Qualtrics Sample

Survey Flow
Standard: Consent  (1 Question)
Block: Opening Age Question  (1 Question)
Standard: Gender and Nationalism  (5 Questions)
Standard: Economic Insecurity (2 Questions)
Standard: Pre-Vignette Demographic Questions (3 Questions)
Standard: Vignettes (4 Questions)
Standard: Company Satisfaction Questions (2 Questions)
Standard: Textiles United Questions (2 Questions)
BlockRandomizer: 4 -
Standard: governor vote (3 Questions)
Standard: Foreign Company Perceptions  (3 Questions)
Standard: Policy Questions (5 Questions)
Standard: National Perceptions  (2 Questions)
Standard: Attention Check (1 Question)
Standard: Demographic Questions (13 Questions)
Standard: Ending Statement  (1 Question)
Page Break
Consent We are researchers at Brigham Young University conducting this research with Professor Celeste Beesley, from the Department of Political Science, as principal investigator. Your participation in this study will require the completion of the following survey. If you choose to be in the study, you will take a survey that should take approximately 15 minutes of your time. Your participation will be anonymous, and you will not be contacted again in the future. This survey involves minimal risk to you. Your responses will be completely anonymous. There are no direct benefits to you. However, the results from your response and the responses of others may help researchers to understand issues and problems involving economic interactions between countries.

You were chosen randomly to participate in this survey. If you do not want to take part in this research, you can refuse. Being in this study is optional. You can skip questions that you do not want to answer or stop the survey at any time. Questions? Please contact Lindsey Walker at lindswalk22@gmail.com or Celeste Beesley at celeste_beesley@byu.edu.

If you have questions or concerns about your rights as a research participant, you can call the BYU Human Research Protections Program at 801-422-1461 or BYU.HRPP@byu.edu. If you want to participate in this study, click the arrow button below to start the survey.

Age To ensure that you are eligible to participate in our survey, can you please tell us, what is your age? 

Gender What is your gender?

- Male (1)
- Female (2)
- Non-binary / third gender (3)
- Prefer not to say (4)
Nationalism_1 How much do you agree with this statement: The world would be a better place if people from other countries were more like people in the United States?

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Nationalism_2 How much do you agree with this statement: I am proud to be from the United States.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)
Nationalism_3 How much do you agree with this statement: I have a strong sense of belonging to my country.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Nationalism_4 How much do you agree with this statement: Global issues are less important than national issues.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)
Econ_Security_Fam In the next 12 months, do you think the economic situation of you and your family will improve, stay the same, or get worse?

- Improve a great deal (1)
- Improve somewhat (2)
- Stay the same (3)
- Worsen somewhat (4)
- Worsen a great deal (5)

Econ_Sec_Country In the next 12 months, do you think the economic situation of the United States will improve, stay the same, or get worse?

- Improve a great deal (1)
- Improve somewhat (2)
- Stay the same (3)
- Worsen somewhat (4)
- Worsen a great deal (5)

state  What is your current state of residence?

▼ Alabama (1) ... Wyoming (51)
City Size What is the population of the place where you reside?

- 1,000,000+ (1)
- 100,000-1,000,000 (2)
- 50,000-100,000 (3)
- 20,000-50,000 (4)
- 20,000 or below (5)

Urban_Rural How would you describe the place where you currently reside?

- Urban (1)
- Suburban (2)
- Rural (3)

**End of Block: Pre-Vignette Demographic Questions**

**Start of Block: Vignettes**

Treat_US_NoCSR
We are researchers trying to better understand how people perceive local and foreign companies. Please read the following paragraph carefully.

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We are researchers trying to better understand how people perceive local and foreign companies. Please click the arrow to proceed to the questions.

End of Block: Vignettes
Company_Satisfaction How satisfied do you feel when you think about this company?

- Extremely dissatisfied (1)
- Somewhat dissatisfied (2)
- Neither satisfied nor dissatisfied (3)
- Somewhat satisfied (4)
- Extremely satisfied (5)

Display This Question:
If We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

LikelihoodtoBuy How likely would you be to buy a shirt from this company?

- Extremely unlikely (1)
- Somewhat unlikely (2)
- Neither likely nor unlikely (3)
- Somewhat likely (4)
- Extremely likely (5)

End of Block: Company Satisfaction Questions

Start of Block: Textiles United Questions
Display This Question:
If We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed
<table>
<thead>
<tr>
<th>Agree or Disagree</th>
<th>Strongly disagree (1)</th>
<th>Somewhat disagree (2)</th>
<th>Neither agree nor disagree (3)</th>
<th>Somewhat agree (4)</th>
<th>Strongly agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies like Textiles United improve the communities where they operate (1)</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
</tr>
<tr>
<td>Companies like Textiles United are good for the economy of the United States (2)</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
</tr>
</tbody>
</table>

Display This Question:

If we are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed
Q81 Do you agree or disagree with the following statements?

<table>
<thead>
<tr>
<th>Strongly disagree (1)</th>
<th>Somewhat disagree (2)</th>
<th>Neither agree nor disagree (3)</th>
<th>Somewhat agree (4)</th>
<th>Strongly agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Multinational corporations that invest in foreign countries improve the communities where they operate (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Multinational corporations that invest in foreign countries are good for the economy of the United States (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
and open a manufacturing plant in your town, how much more likely would you be to vote for them in the next election?

- Much more likely (1)
- Somewhat more likely (2)
- Somewhat less likely (3)
- Much less likely (4)

Q82 If your mayor claimed that they were very influential in convincing a US-based company with branches in many locations to open a manufacturing plant in your town, how much more likely would you be to vote for them in the next election?

- Much more likely (1)
- Somewhat more likely (2)
- Somewhat less likely (3)
- Much less likely (4)

Q83 If your mayor claimed that they were very influential in convincing a foreign company with branches in many locations to open a manufacturing plant in your town, how much more likely would you be to vote for them in the next election?

- Much more likely (1)
- Somewhat more likely (2)
- Somewhat less likely (3)
- Much less likely (4)
<table>
<thead>
<tr>
<th>Agree Disagree</th>
<th>Do you agree or disagree with the following statements?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree (1)</td>
</tr>
<tr>
<td>When American companies move their production operations overseas, it means fewer jobs for Americans</td>
<td>○</td>
</tr>
<tr>
<td>American companies headquartered in the United States create attractive jobs in their foreign operations that Americans would prefer to keep in the United States</td>
<td>○</td>
</tr>
<tr>
<td>American companies that operate wholly in the United States have a harder time staying in business when other US-based firms shift their own operations to other countries</td>
<td>○</td>
</tr>
</tbody>
</table>
Agree or Disagree_2  Do you agree or disagree with the following statements?
<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree (1)</th>
<th>Somewhat disagree (2)</th>
<th>Neither agree nor disagree (3)</th>
<th>Somewhat agree (4)</th>
<th>Strongly agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political ties between the US and other countries are stronger when American companies headquartered in the United States have production operations in those countries. (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign concerns have too much influence in American political decisions when American companies headquartered in the United States have their production operations in other countries. (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American companies that have operations in foreign countries tend to create environmental problems and pollution in other countries (3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
American companies are able to be more competitive on the international market when some of their production occurs in overseas operations (4)
WillingtoWork  How willing would you be to work for a foreign company that opened a factory/plant/office in your local area?

- I would prefer to work for a foreign company (1)
- I would be equally happy to work for a domestic company or a foreign company (2)
- I would prefer to work for a domestic company, but would work for the foreign company if the job paid more or offered better conditions (3)
- I would not like to work for a foreign company (4)

End of Block: Foreign Company Perceptions

Start of Block: Policy Questions

PresidentVote If the President of the United States sponsored policy measures that incentivized US companies to produce in the United States instead of moving operations to other countries, how much more likely would you be to vote for him in the next election?

- Much more likely (1)
- Somewhat more likely (2)
- Somewhat less likely (3)
- Much less likely (4)
PolicyChange Would you support policy changes or new laws in the United States to make it easier for American companies to locate different parts of their production operations in different countries around the world?

- I would definitely support them (1)
- I would probably support them (2)
- I would probably not support them (3)
- I would definitely not support them (4)

KeepBusinessHome Would you support policy changes or new laws in the United States to encourage American companies to keep their business operations at home in the United States, rather than operating in other countries?

- I would definitely support them (1)
- I would probably support them (2)
- I would probably not support them (3)
- I would definitely not support them (4)

EncourageOpeningBran Do you think that national officials in the United States should do more to encourage foreign companies to open new factories or production facilities in the United States?

- Strongly agree (1)
- Somewhat agree (2)
- Somewhat disagree (3)
- Strongly disagree (4)
EncourageUSCompany Do you think that national officials in the United States should do more to encourage foreign companies to buy and operate existing factories or production facilities currently owned by American companies?

○ Strongly agree (1)
○ Somewhat agree (2)
○ Somewhat disagree (3)
○ Strongly disagree (4)

End of Block: Policy Questions

Start of Block: National Perceptions

Country Perceptions How favorably do you view the following countries: United States, Netherlands, China, India and Kenya?

<table>
<thead>
<tr>
<th>Country</th>
<th>Very unfavorably (1)</th>
<th>Somewhat unfavorably (2)</th>
<th>Neither favorably or unfavorably (3)</th>
<th>Somewhat favorably (4)</th>
<th>Very favorably (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States (1)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Netherlands (2)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>China (3)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>India (4)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Kenya (5)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Nat_Perceptions</td>
<td>Strongly disagree (1)</td>
<td>Somewhat disagree (2)</td>
<td>Neither agree nor disagree (3)</td>
<td>Somewhat agree (4)</td>
<td>Strongly agree (5)</td>
</tr>
<tr>
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</tr>
<tr>
<td>When American companies directly invest in other countries, it increases the power of the United States in the international community. (1)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>When American companies directly invest in other countries, it increases the decision-making influence of the United States in the international community. (2)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>When American companies directly invest in other countries, it increases how economically competitive the American economy can be relative to other countries. (3)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
If we are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

Or Or We are researchers trying to better understand how people perceive local and foreign companies. P... Is Displayed

CSR Check In the paragraph above, you read a short blurb about a company's recent economic decisions. What policy did this company implement to help the community in which it operates?

- Fair wage and good working conditions (1)
- Educational program for local youth (2)
- Building wells (3)
- No policy was mentioned (4)
Income What is your annual income?

- $30,000 or less (1)
- $30,001-$50,000 (2)
- $50,001-$75,000 (3)
- $75,001-$100,000 (4)
- $100,001-$200,000 (5)
- $200,001-$400,000 (6)
- Over $400,000 (7)

Relative_Income Which of the following is closes to your household's economic situation relative to your economic needs:

- We don't have enough--we sometimes even go hungry (1)
- We have enough for only basic necessities--food, clothes, shelter (2)
- We have enough to live, but not to save (3)
- We have enough to live and and save money for other things (4)
- We have plenty of money to live how we want (5)

Job_Industry What is your current industry of employment?

- ▼ Active Duty Military Personnel (1) ... I have never worked a formal job. (16)
Job_Occupation What is your occupation?

▼ Never had a job (1) ... Other (14)

Education_Level What is your highest level of education?

▼ High School, GED, or less (1) ... Graduate Degree (6)

Political Party Generally speaking, which political party do you consider yourself a part of?

- Republican (1)
- Democratic (2)
- Independent (3)
- Other party (4)

Display This Question:
If Generally speaking, which political party do you consider yourself a part of? = Democratic

Strength_Democrat Would you call yourself a strong Democrat or a not very strong Democrat?

- Strong (1)
- Not very strong (2)

Display This Question:
If Generally speaking, which political party do you consider yourself a part of? = Republican
Would you call yourself a strong Republican or a not very strong Republican?

- Strong (1)
- Not very strong (2)

Do you think of yourself as closer to the Republican party or the Democratic party?

- Closer to Republican (1)
- Closer to Democratic (2)

Are you of Hispanic, Latino, or Spanish origin?

- Yes (1)
- No (2)
- I prefer not to say (3)
Q75 Do you consider yourself primarily White; Black or African American; American Indian or Alaska Native; Asian; or Native Hawaiian or Other Pacific Islander; Multiracial; or something else? (For this survey, Hispanic origin is not a race.)

- White (1)
- Black or African-American (2)
- American Indian or Alaska Native (3)
- Asian (4)
- Native Hawaiian or other Pacific Islander (5)
- Multiracial (6)
- Other (7) ________________________________________________
- I prefer not to say (8)

Q76 We hear a lot of talk these days about liberals and conservatives. Here is a seven-point scale of political views that people might hold that are arranged from extremely liberal to extremely conservative. Where would you place yourself on this scale?

- Extremely liberal (1)
- Liberal (2)
- Slightly liberal (3)
- Moderate; middle of the road (4)
- Slightly conservative (5)
- Conservative (6)
- Extremely conservative (7)
Have you ever traveled abroad?

- Yes (1)
- No (2)

End of Block: Demographic Questions

Start of Block: Ending Statement

Drawing Info
Thank you for taking this survey!

End of Block: Ending Statement

Qualtrics Survey Flow-