The following paper was researched and written as part of LSE GROUPS 2024.

LSE GROUPS takes place during the final fortnight of the LSE Spring Term. Undergraduate students are placed in small groups; these are cross-year, interdisciplinary, and group members do not know one another in advance. Each group must then devise its own research question and carry out every stage of a small-scale research project, in less than two weeks.

LSE GROUPS is part of the LSE commitment to students learning through enquiry and developing the skills needed for knowledge creation.

The overall theme of LSE GROUPS 2024 was *Power and Politics*.

This paper was submitted on the final Thursday afternoon of the project. Students then presented their work at a conference, on the closing Friday.

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Papers are presented as submitted by the students, without corrections.

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People, Perception and Protest:
A mixed-method study of student perspectives at the London School of Economics

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GROUP 3

ABSTRACT

This research aims to investigate the perceived legitimacy of different forms of protest (e.g. strikes, online petitions, and encampments, etc.) as methods of supporting and addressing issues at the London School of Economics (LSE). Historically, the LSE has been a focal point of progressive social discourse, serving as a ground for activism and change, thus our goal was to explore perceptions of these movements to evaluate legitimacy. We utilised a mixed-methods approach. Through distributing surveys among LSE students, we gathered the quantitative data to understand the intersection of key student demographics such as gender, sexual orientation, religion, etc with perceptions of protests by categorising it into legitimacy, engagement and change. Furthermore, we gathered qualitative data from 8 interviews which were analysed to provide deeper insights into the attitudes towards these protests. This study contributed to the existing literature on student protests by examining how the perceptions of these can impact their legitimacy. The analysis of perceptions has wider implications for how educational institutions can address grievances while fostering constructive dialogue and retaining their integrity.

Keywords: protests, students, perceptions, legitimacy, LSE

1. INTRODUCTION

In recent years, the trajectory of student protests have considerably grown but this is not a new phenomenon (Johnston, 2015). Over the years, protesting, especially at the LSE, has manifested in various forms. LSE, or more colloquially, 'The School of Rebels' has seen periods of unrest between the students and the administration. Between 1966-69, students opposed the appointment of Walter Adams as director, antagonistic toward his association with the Rhodesian government riots besieged campus (Donnelly, 2019). Students have initiated multiple occupations, such as attempting to secure a nursery in 1983, securing an administrative condemnation of Israel's actions in Gaza in 2009 and again in 2024, etc. These social protests, however, appear substantially different in terms of one's perspective, both ideologically and figuratively. For instance, the ongoing Pro-Palestinian demonstrations and encampment on LSE's campus appears to be amplifying the voices of Palestinians, yet for others disruptive and ineffective.

This paper seeks to explore the different perceptions of forms of protesting as legitimate means of dealing with issues within the LSE. We seek to test the differences in perceptions by evaluating the level of legitimacy (based on the extent of disruption), likelihood of engagement and potential for change. These variables examine the affective power of the protests, since protests vary in their tactics, goals and impact on the community.

This study seeks to contribute to the growing literature on the intersection of student activism, protest, legitimacy, democracy within higher education. Our objective is to provide a broad understanding of the potential factors that motivate, engage and legitimise protesting within the LSE community. The research uses a mixed-methods approach through both data-source and method triangulation to mitigate the limitations of one single method or data source (Carter *et. al.,* 2014; Hay, 2010). This approach demonstrates the nuances of intersecting key student demographics like gender, year of study, religion, etc. with the perceptions of protest. Following conceptualisation of our variables and operationalisation of our model, we conducted chi-squared tests and regression analysis. Additionally, Applied Thematic Analysis (ATA) substantiates our qualitative findings to add depth to our quantitative findings (Guest *et. al.,* 2012).

Firstly, we situate the paper within the existing literature to identify how protest, perception and student politics intersect. Second, we elaborate on the mixed-method approach, highlighting its robustness and breadth while reviewing the limitations. Third, we progress to a discussion on the key findings such as, the differences between fee-status and participation rates, religious groups and support for types of protest, and method of protest and potential for change. Finally, we conclude the final remarks for the study as a guide towards further research on the subject.

2. LITERATURE REVIEW

2.1 The Power of Protest

Protests are an essential form of democratic expression and political change. In this paper they are defined as a form of political expression aimed at initiating social or political change by influencing public opinion or the policies of organisations and institutions. Thus, they are not the mere voicing of opinions but platforms for democratic participation and expression that fight for social change (Loya & McLeod, 2020). A large body of literature is present on the importance of protests in securing policy change (Battaglini, 2017) and providing political agency to marginalised groups (Lipsky 1968). They typically involve overt public displays such as demonstrations, but also encompass less visible activities like lobbying, and online activism (Loya & McLeod, 2020).

2.2 The Power of Perception

The media and public opinion fundamentally influence negotiations among competing groups (Giugni, 1998). Consequently, perception appears to emerge as one factor determining their success. For instance, Nurses received the highest level of support, with 65% of English adults backing them and 92% recognising their societal contributions (YouGov, 2023). However, despite being viewed positively, the Royal College of Nurses still struggled to achieve their ultimate goals. This highlights the methodological limits of establishing causality between outcomes, support for protests, and institutional reactions. Thus, the existing literature suggests an effective approach to understanding protest as a phenomenon involves examining its varied perceptions, rather than focusing on its outcomes. Moreover, dividing perception into involved parties and third parties helps to demarcate the factors that influence perception.

In the aforementioned literature, perception was analysed through the eyes of the observer. Yet, it is equally important to examine the factors that influence the participation in protest. For instance, the Chinese General Social (2010) finds that across all chinese workers the probability of participating in protest is positively associated with a greater sense of relative deprivation yet, unevenly spread across migrants and registered workers (Chen *et.al*, 2023). Their findings suggest that the likelihood of protest is strongly linked to vulnerability. Workers who encountered high levels of material deprivation but fewer institutional constraints like a registered visa status had more resources available to them, increasing their likelihood of mobilisation. Consequently, there is a clear need to understand perception among university students.

2.3 The Power of Perception on Campus

Narrowing the scope, Wolf-Wendel et. al. (2004) finds that in universities, institutional inertia around social issues increases the desire for protest. Students who perceive their relationship

to administrators as equal are more likely to protest if their voice and opinion does not bear significant weight in strategic decision-making. For many issues, it is commonly cited that students, like staff, have a shared collective identity fostered by similar experiences of socioeconomic and political marginalisation (Pickard and Bessant, 2017). This marginalisation creates solidarity and common ground, which typically clashes with the political objectives of university administrations (Scholz, 2008). Subsequently, struggles over an accessible education or campaigns around divestment lead to university campuses becoming sites of political contestation. For the past two decades, qualitative data has consistently shown young people are driven to protest, in part, by four main issues: (1) democracy; (2) the environment; (3) discrimination; and (4) immediate youth-related issues, such as education (Teixeira, 2024). These youth-related grievances reflect the desire for fairer, more equitable societies.

2.4 The Literature Gap

Existing literature on social movements, student activism, and perceptions has focused on the power of perception in shaping public support for protests, influenced by media narratives (Falade and Osunkunle, 2021; YouGov, 2023), institutional contexts, and power dynamics between protesters and authorities (Giugni 1998; Brady 1999). Research has also explored the effectiveness of peaceful protests for creating social change (Shuman et al., 2021) and the relationships between organisational membership and protest participation (McAdam and Paulsen, 1993). However, there is no clear consensus on perceptions of protest, as demographic factors like education level and liberal political orientation correlate with protest participation (Tate, 1994; Shuman et al, 2023). While these studies provide valuable theoretical and contextual insights, there is a lack of quantitative data on perceptions that could help to more precisely map the variables influencing views of protest legitimacy within the campus (UNICEF, 2024). Thus, to fill the clear quantitative gap and isolate the effects of certain demographic factors this study analyses how students perceive protest using survey data.

3. METHODOLOGY

3.1 Quantitative method: Surveys

Our questionnaire was designed to rank, grade and uncover their perceptions of protesting using multiple-choice and likert scales (Joshi *et. al.*, 2015). The former gathered data on demographics, levels of participation and likelihood to engage in protest. The latter measured respondents' level of agreement with the effectiveness of different types of protests and their degree of involvement in the LSE community *(See Appendix)*. Our method utilised convenience and snowballing sampling strategies to distribute our survey via emails, social media platforms and WhatsApp. The sample was non-random and considering the limited time-frame of this project we only received 113 responses, of which 107 passed after filtering for the veracity test and inclusion criteria.

This demographic data is visualised below:

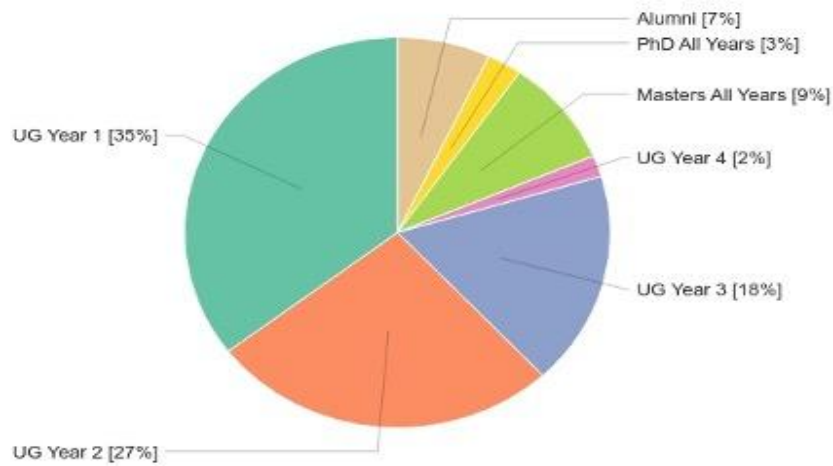*Figure 1: A pie chart demonstrating the demographic distribution of the survey respondents, categorised by level of study.*

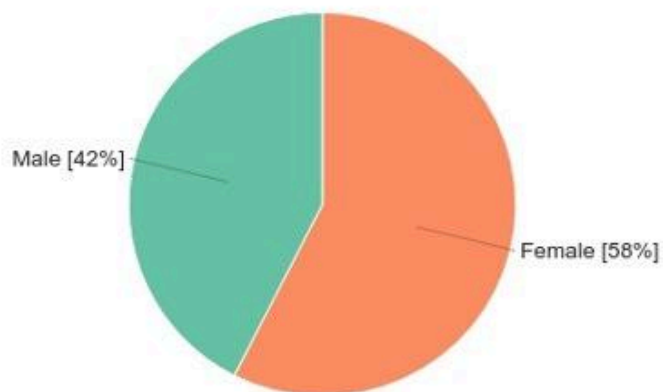*Figure 2: A pie chart demonstrating the demographic distribution of the survey respondents, categorised by gender.*

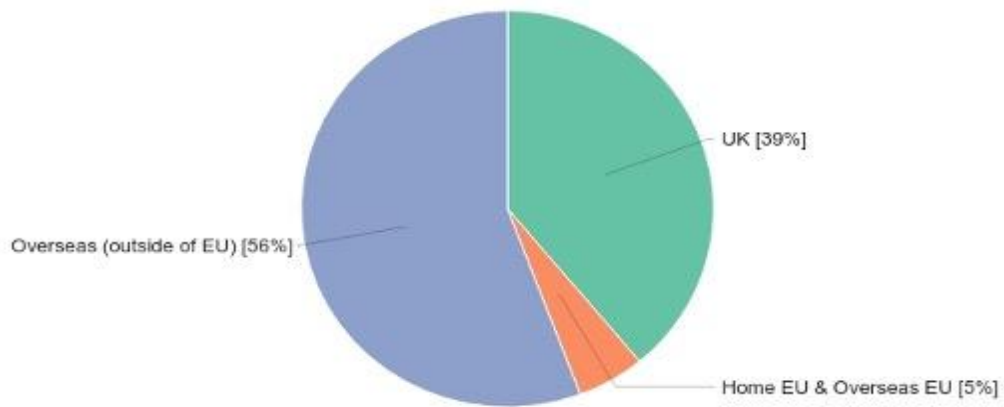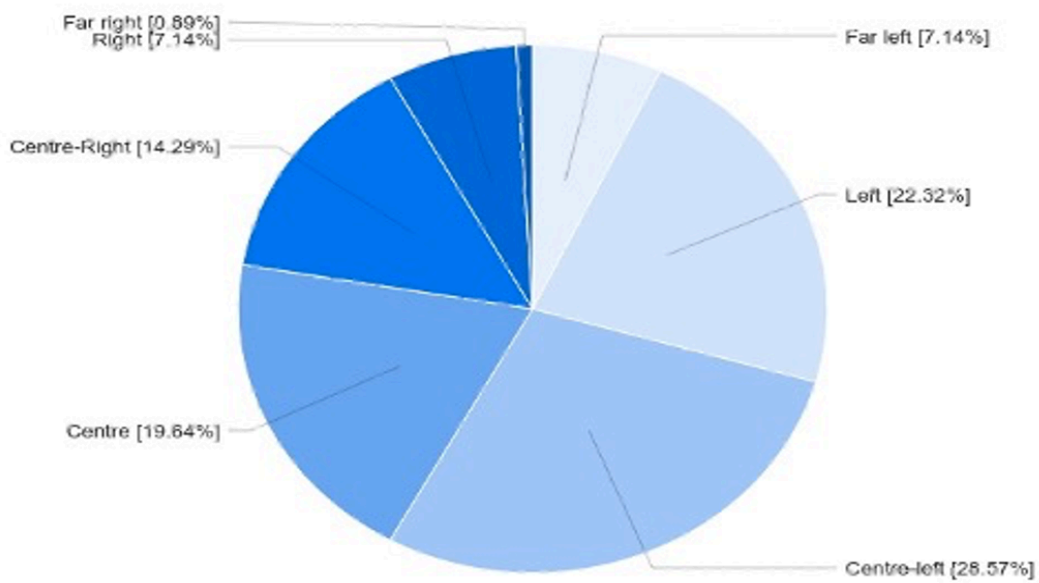*Figure 3: A pie chart demonstrating the distribution of the respondents based on their fee status*

Figure 4: A pie chart demonstrating the distribution of the respondents based on their political ideology

3.2 Qualitative method: Interviews

We conducted eight semi-structured interviews to probe deeper into the perceptions. Adding depth to our study we gathered data from encampment students, a UCU activist, and international students. These groups were targeted through convenience sampling and interviews were not audio-recorded to ensure participants felt comfortable sharing their perspectives. To analyse the data we used the ATA framework (Guest *et. al.,* 2012), to classify multiple interviews in five phases: (1) Preparation; (2) Gathering data; (3) Getting acquainted and developing preliminary codes; (4) Peer-reviewed follow-up analysis; and (5) Theme development. By creating intra-group themes as well as cross-group comparisons, this approach offered flexibility and robustness to understand perceptions and a high degree of validity as both a replicable and peer-reviewed process. Moreover, interpretation was left till the latter stages, strengthening our approach against personal biases.

3.3 Ethics

Respondents were assured anonymity, encouraging responses and emphasising the importance of their input to the research project without fear of repercussions. No specific material or monetary incentives were provided.

3.4 Limitations

Our research faced several limitations. Firstly, due to the research parameters the team lacked sufficient research experience. Secondly, this study was conducted over a two-week period, limiting the depth of our analysis. Thirdly, the small sample size and non-random sampling strategy places significant limitations on the generalisability and representativeness of the findings. This limited analysis of key demographics was mitigated through method triangulation. Lastly, the survey questionnaire lacked analytical breadth in key areas like how participants developed their perceptions. Partly, these limitations have been mitigated through a mixed-method approach. Nonetheless, they highlight the need for robust research in this area.

4. RESULTS

4.1 Perceptions of protesting

To holistically study the perceptions of different types of protestings, questions were specifically designed to capture three different aspects: legitimacy, likelihood of engagement and the ability of the protest type to create change.

Students rated petitions as most legitimate (M=6.028) with rallies/speeches (M=5.859), social media activism (M=5.71) and vigils/memorials (M=5.6728) right behind. Riots scored the lowest (M=3.084), with an overwhelmingly large percent of respondents (73.38%) not agreeing with riots being a legitimate form of protesting.
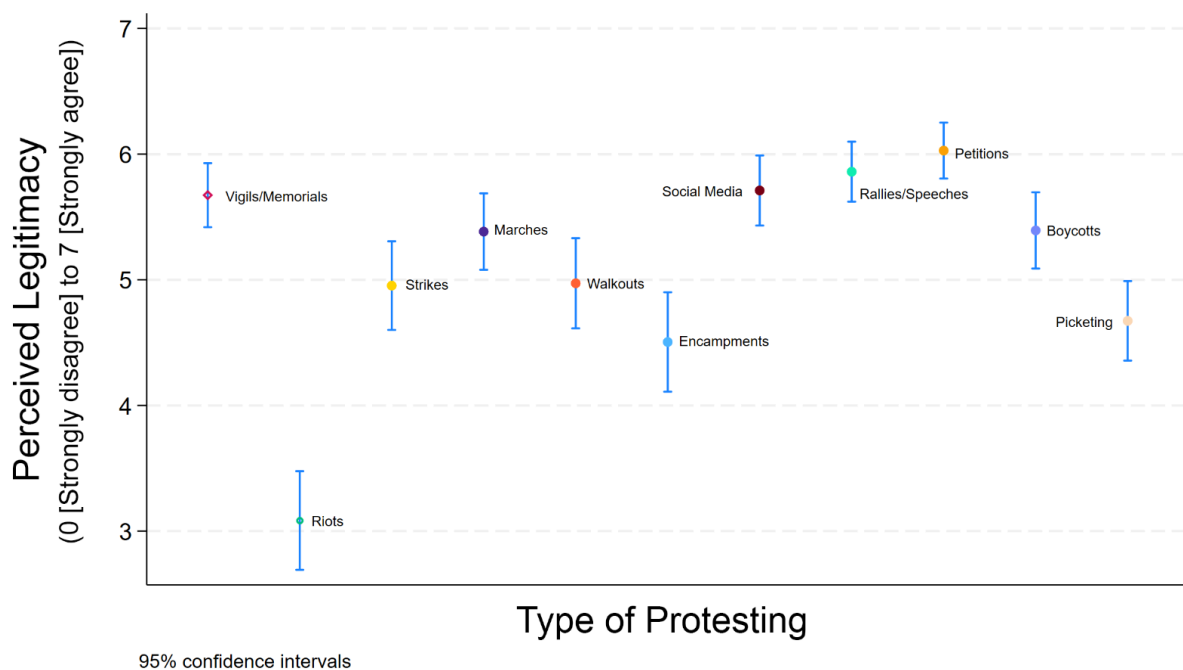

Figure 5: The relationship between perceived legitimacy and type of protesting

Student responses to their likelihood of participating in the different types of protests are similar to their perceived legitimacy. However, types of protests involving civil disruption or active involvement, such as strikes, picketing and encampments, are rated as less likely to be participated in when compared to their more peaceful counterparts. Students say that they are most likely to participate in petitions (M=5.467), social media activism (M=4.74), rallies (M=4.514) and vigils (M=4.47), and least likely to participate in riots (M=2.122), encampments (M=2.83) and picketing (3.168).
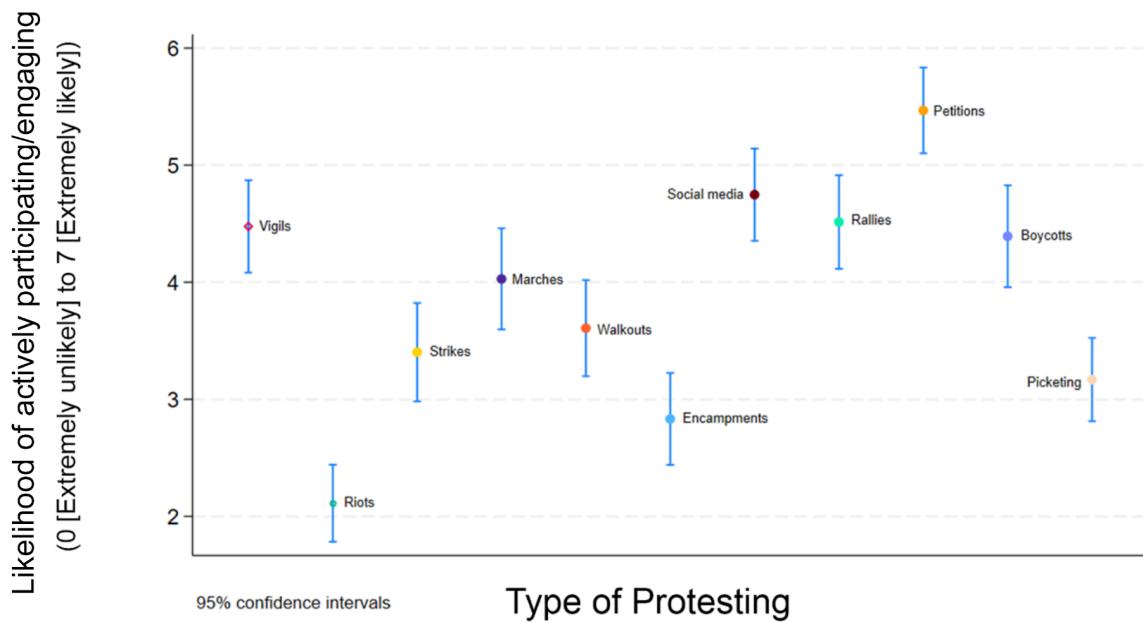
Figure 6: The relationship between likelihood of participating and type of protesting

Students rated strikes (M=4.869), petitions (M=4.859), encampments (M=4.813) and rallies (M=4.70) as the protest types that they perceive as having the highest ability to affect change. Riots (M=3.66), vigils (M=3.887), social media activism (M=4.056) and picketing (4.093) scored the lowest. An interesting observation is that the types of protests that include some form of civil disruption, such as encampments and strikes, have been rated much higher in their ability to create change when compared to their ratings in the previous two categories of legitimacy and participation.
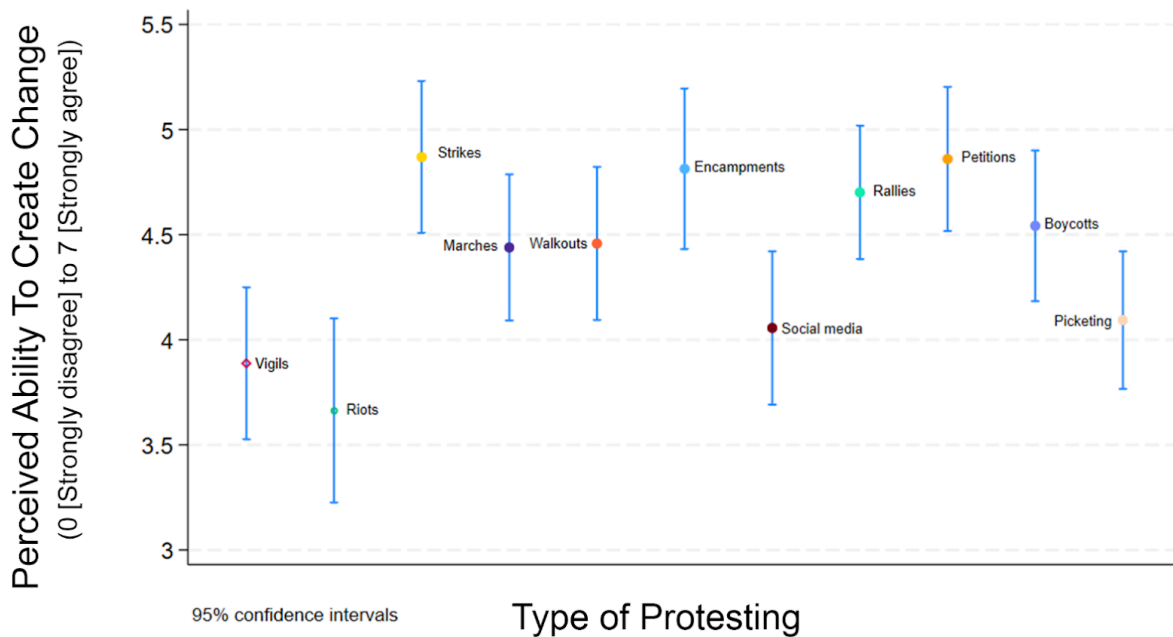
Figure 7: The relationship between the perceived ability to create change and type of protesting

To further explore this relationship, the different types of protesting can be grouped into three categories such as follows:

No Civil Disruption	Vigil/Memorials
	Social Media Activism
	Petitions
	Boycotts
Potentially Includes Civil Disruption	Marches
	Rallies/ Speeches
Civil Disruption	Strikes
	Walkouts
	Encampments
	Picketing
Civil Disruption + Physical Violence	Riots

Grouping these variables accordingly reveals an interesting pattern: As seen in Fig.4, civil disruption reduces legitimacy and likelihood of participation among students **but** is associated with an increase in the perceived ability of the protest to create change.
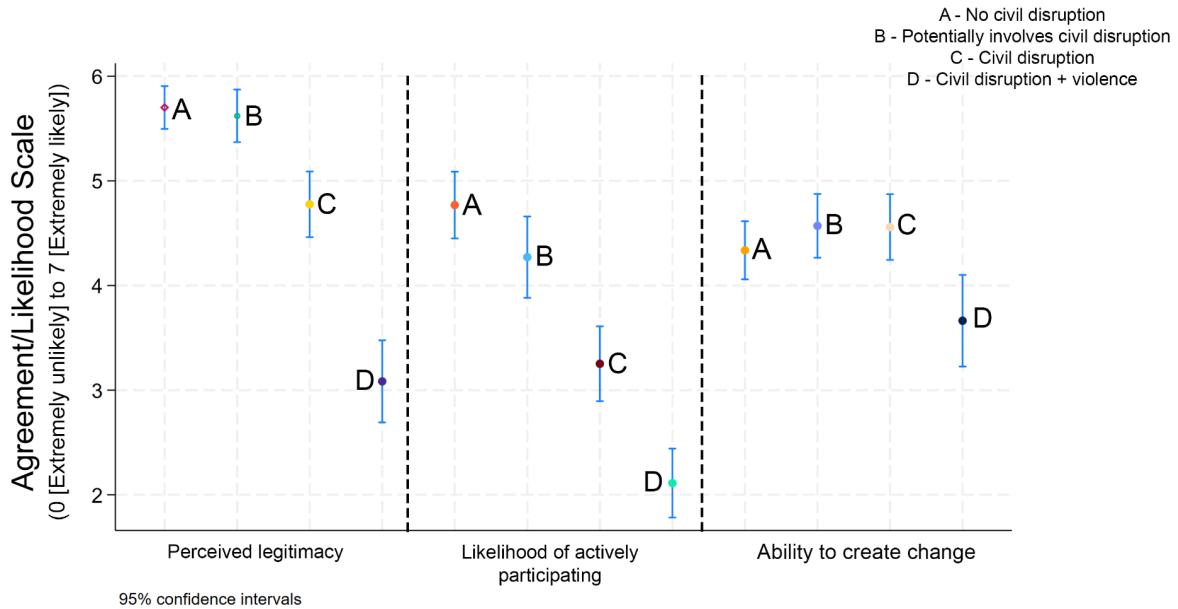

Figure 8: The relationship between civil disruption and agreement levels on outcome variables

These findings suggest that although students are less likely to support or participate in protest types that include civil disruption, they perceive a degree of civil disruption to be appropriate or even necessary to create real change.

4.2 Regression

While the results above illustrate the overall perceptions of the different forms of protesting among the respondents, further regression is necessitated to uncover potential factors that might influence certain groups to perceive different types of protesting as more/less legitimate and appropriate.

Building on Arikan & Bloom's findings (2019), we hypothesised that a particularly salient variable is religion, especially given the currently ongoing conflict in the Middle East. To test for a correlation between religion and our outcomes variables of perceived legitimacy, participation/engagement likelihood and belief in the method's ability to effect change, we ran a multiple linear regression with three different specifications.

The first model ran the following regression between religion and each outcome variable such as:

$$Yi = \alpha + \beta_1 muslim + \beta_2 christian + \beta_3 hindu + \beta_4 agnostic + \beta_5 other\ religion +$$
$$\beta_6 no\ religion + \beta_7 gender + \beta_8 sexual\ orientation + \beta_{10} fee\ status + \beta_{11} political\ standing + \varepsilon i$$

We uncovered a positive statistically significant relationship between being Muslim and increased likelihood that they perceive the following types of protests as legitimate:

1) Encampments ($p<0.01$), co-efficient = 2.633 (See Table 1)
2) Strikes ($p<0.05$), co-efficient = 1.835
3) Walkouts ($p<0.05$), co-efficient = 2.039

Table 1
Perceived legitimacy of encampments

	(1)	(2)	(3)
Muslim	2.944***	2.937**	2.633**
	(3.80)	(3.26)	(3.17)
Christian	0.0417	0.0546	0.360
	(0.06)	(0.06)	(0.46)
Hindu	0.214	-0.0375	0.698
	(0.23)	(-0.04)	(0.73)
Jewish	-1.000	-1.097	-0.515
	(-0.90)	(-0.91)	(-0.47)
Agnostic	1.227	0.893	0.623
	(1.45)	(0.92)	(0.72)
Other Religion	0.833	0.413	-0.0648
	(0.85)	(0.38)	(-0.07)
No Religion	1.293	0.960	0.310
	(1.78)	(1.10)	(0.39)
Gender		-0.358	-0.604
		(-0.98)	(-1.83)
Sexual Orientation		0.945*	0.628
		(2.58)	(1.84)
Fee Status			-0.0829
			(-0.42)
Political Standing (Far left to far right)			-0.670***
			(-5.05)
_cons	3.500***	3.099**	6.471***
	(5.43)	(2.82)	(5.08)
N	107	103	103
Adjusted R Square	0.2182	0.2665	0.4162

Note: t statistics in parentheses; *$p<0.05$, **$p<0.01$, ***$p<0.001$

Figure 9: Regression table of perceived legitimacy of encampments

There was also a positive statistically significant relationship between being Muslim and the likelihood of engaging in the following forms of protests:

1) Boycotts ($p<0.01$), co-efficient = 2.633
2) Encampments ($p<0.05$), co-efficient = 2.22
3) Marches ($p<0.05$), co-efficient = 2.222
4) Strikes ($p<0.05$), co-efficient = 2.456
5) Walkouts ($p<0.01$), co-efficient = 2.527

Furthermore, we also found evidence for a positive statistically significant relationship between being Muslim and the likelihood that they believe the following protest method will lead to change:

1) Boycotts ($p<0.01$), co-efficient = 2.633
2) Encampments ($p<0.05$), co-efficient = 2.255
3) Strikes ($p<0.05$), co-efficient = 1.943

We also uncovered that there were other factors that were statistically significant in influencing perceptions of legitimacy, engagement and ability of different types of protests to effect change, such as

1) Fee Status (Home vs International) - negative relationship between being an international student and perceptions of and engaging in protests
2) Sexual orientation - positive relationship between being a part of the LGBTQIA+ community and perceptions of and engaging in protests
3) Political Standing - in line with current literature, those who identify as being on the left are more likely to protest

The appendix contains further evidence for some of the statistically significant relationships that we have found.

5. Discussion

Overall, a key finding from above indicated that Muslims are more likely to perceive protests as legitimate; have a higher likelihood of engaging in different forms of protests; and are likely to believe that they will lead to change (see results 4.2). Our interviews of students inside the encampment demonstrated a similar finding, most likely due to the ongoing Israel-Palestine war, which is the cause of the encampment. The encampment is primarily made up of the Palestinian society, but has heavy collaboration with the Islamic society, which may have influenced the results of our surveys. 'Aaron' stated that his participation in the encampment was 'inspired by my [his] Muslim faith to stand up for the oppressed people' and John expanded on this 'as Muslims, it's our duty.' Hence, the correlation between Muslims and political activism is supported by both qualitative and quantitative analysis. Specifically, boycotts, encampments, marches, strikes and walkouts had the most statistical significance with Muslims, and this is supported by the interviews of encampers, considering that these are the methods they most popularly use for the cause. Interestingly, a majority of the methods they support are disruptive, perhaps indicating a slight correlation between disruption and successes of the protest, though this is not statistically supported.

Moreover, we found that social media activism was perceived as a legitimate way to protest. Despite this, students thought it may not create any real tangible change. This contrasts with our interviews, where 'John' in the encampment believed that the LSE encampment instagram was successful in raising awareness - "awareness influences student perceptions in protests." with a wider outreach. Specifically, digital activism was stated as a strong advantage for the encampment, compared to the 'long and boring emails sent by the SMC'. Social media is able to influence students, and therefore their opinion, creating change.

Participation Likelihood	
Perceived Legitimacy of Protest	0.706***
	(10.08)
_cons	2.506***
	(10.26)
N	107
t statistics in parentheses	
="* p<0.05 ** p<0.01 ***p<0.001	

Figure 10: Regression table of perceived legitimacy of protests and protest participation likelihood

As Figure 10 shows a positive relationship between legitimacy and participation, we can draw conclusions on how legitimate each form of protest is by examining the levels of engagement of different demographic groups.

There is also a statistically significant correlation between fee status and likelihood to support and participate in all forms of protests. International students were generally less likely to protest in general. Interviews revealed practices of civic engagement in home countries influenced their worldview towards social movements. 'Apple' mentioned that her home country's disapproval of protesting ingrained in her that protesting is not the best way to enact change.

Funding of international students such as 'Jane' by scholarship boards may deter participation because "[she is] representing [her] company". 'Jennifer' stated that she would protest but for the fear of LSE taking disciplinary measures and she cared more about her academic records which may affect her family's financial wellbeing.

In general, survey and interview responses also revealed that international students are less likely to support and accept disruption on campus by protestors. All interviewees who expressed sentiments that they believed legitimate protests should not disrupt studies were international students. 'Jane' felt that it is difficult to support a protest if it would prevent her from going to class. The protests during exam time negatively affects perceived legitimacy. *Inter alia*, protestors "marching into the library during exams" and "playing the drums" were described as "distracting" and felt by her and 'Apple' to be inconsiderate.

7. CONCLUSION

This research paper investigates the perceived legitimacy of various forms of protest within LSE using a mixed-methods approach. The study aims to understand how different protest methods, such as strikes, online petitions, and encampments, are viewed by the student community in terms of their legitimacy, likelihood of engagement, and potential for creating change. While students are less likely to support or participate in protests involving civil disruption, they recognize that a degree of disruption may be necessary to effect real change. For instance, protests involving civil disruption, such as strikes and encampments, were rated higher in their perceived ability to create change compared to their ratings in legitimacy and likelihood of participation. The findings also highlight the influence of religious affiliation on perceptions of protest legitimacy, with Muslim students being more likely to support and engage in various forms of protest, particularly in the context of the ongoing Israel-Palestine conflict and the LSE encampment. International students were generally less likely to protest due to factors such as civic engagement practices in their home countries, scholarship funding, and concerns about potential disciplinary measures. They also expressed a preference for protests that do not disrupt academic activities. The mixed-methods approach, combining quantitative surveys and qualitative interviews, allowed for a more comprehensive understanding of the factors influencing student perceptions of protest legitimacy at LSE. The study contributes to the growing literature on student activism and provides valuable insights into the dynamics of protest within higher education institutions.

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Appendix 1

The following link contains all the statistically significant regressions and relationships that we have found:

https://drive.google.com/drive/folders/1PI6dWfkyYsh-sBzeKAQZRuKHBHu-5WJb?usp=sharing

Polls and Profits: An Analysis of Share Price Performance of Companies Funding Winning US Presidential Parties

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Abstract

The possibility that corporate funding for election may tilt the financial playing field in favour of such firms has been an area of significant attention within the American financial and political space. In this study, we look at the impact of corporate funding of winning candidates on stock prices during six different American presidential elections from 2000 to 2020 and ask whether political financing can be considered "good investments." Based on ROCE, ROE, debt-to-equity ratio, and EPS, we selected 8 cooperation across 4 sectors, including tech, oil, consumable, retail, and extracted their changes of stock prices after the day of election outcome. Using multiple linear regression, controlling for stock momentum and S&P500 index for market regular changes, we found no significant correlation between cooperation's funding choices and their relative changes of stock returns after the reveal of election result. That is, compared to co-operations that have funded the losing candidate, those who funded the winning candidate did not experience a greater change to their stock prices after 1 day or 1 week. Our finding is consistent with our hypothesis and previous studies on congressional election, providing additional evidence to suggest that political funding decisions by cooperation do not yield financially meaningful returns.

Keywords: *corporate political contribution, presidential election, stock prices, fiscal campaign.*

Introduction

The 2020 US presidential election raised more than $4 billion from candidates across the country, breaking a financial record and making it the most expensive election in global history (Federal Election Commission, 2024). The massive influx of funds highlights a crucial trend: the increasing intertwining of corporate finances and political outcomes. While, surprisingly, it is widely believed by corporate investors that supporting the winning presidential or congressional candidate guarantees financial gains (Pan and Tian, 2020), recent research suggests that the relationship between corporate funding and stock performance may be more complex (Kim et al, 2018). Indeed, amongst others, current empirical evidence showed no correlation between the amount of political funding and the result of the election on cooperation's subsequent financial performance (Fowler et al., 2020), but the case of recent presidential election has not been studied yet.

Thus, we wonder to what extent do companies that fund winning political candidates at US presidential elections perform better financially in share prices after the election? Working with stock prices of publicly traded companies divided into four main sectors (retail, consumable, technology, and oil), before and after the election, we observe that funding the winning candidate is not correlated with rising stock prices. Our findings are further confirmed after controlling for adding additional financial metrics (including ROCE, ROE, debt-to-equity ratio, and EPS). Our research provides a new insight on corporate funding strategies and on investors decision-making awareness.

Literature Review

US Presidential elections have been shown to have a significant impact on stock prices. Oehler (2020) finds that, largely as a result of uncertainty over future policy, market volatility has historically been higher during election years, reflected in a 20% increase in the standard deviation of stock returns during these periods on average. It is further found that, when the incumbent party retains power (e.g. when a Democratic president is replaced by another Democratic president), the stock market consistently performs better when the new president is from the opposite party of the incumbent. This is clear from a 10.5% average annual return in the former, and a 7.1% average annual return in the latter (Oehler, 2020).

During presidential terms, evidence linking stock price performance and the party affiliation of the sitting president is mixed. Santa-Clara and Valkanov (2003) document significantly higher excess stock returns during Democratic presidencies than during Republican presidencies, which is explained only in part by unexpected returns which would reflect positively supposed investors during Democratic presidencies. In contrast, analysing across 48 industries, Stangl and Jacobson (2008) do not find any consistent differences in industry performances between Democratic and Republican presidencies. However, Sabherwal et al (2012) find that stocks in businesses related to tobacco, alcohol, and gaming stand out as performing significantly better during Republican presidencies than during Democratic presidencies, while Oehler (2020) finds that stock prices and returns associated with mining and manufacturing industries suffer disproportionately after the election of a Democratic candidate compared to a Republican candidate.

Further, it has been theorised that funding an electoral candidate that goes on to win will produce a financial payoff for the corporation that funded the candidate pre-election, observable in their stock prices. This could be the case for two reasons, which are not mutually exclusive. First, if a candidate supports policies that are beneficial to the corporation, that corporation has a clear incentive to fund that candidate, which will in turn increase the chance that this candidate will be elected, and likely produce a policy change that will create a financial payoff for the corporation (Green and Gerber, 2015). Second, corporations may fund a candidate that would have won independently of the contribution itself, but in doing so influence the policy that is supported by the candidate such that it is more likely to be beneficial for the corporation when it is enacted, resulting in a financial payoff for the corporation (see Hall and Wayman (1990), Austen-Smith (1995)). Kalla and Broockman (2016)). The latter relies on the fact that campaign contributions are systematically guided by the motive of seeking political influence, and that, in most cases, the goal of funding political candidates is to 'buy' access to politicans, rather than seeking to directly buy favourable policies from them directly (Teso, 2023).

However, at the congressional, governor, and state legislative levels, Fowler et al (2020) shows empirically that there is no connection between corporate political funding to candidates and positive financial outcomes when that candidate wins, and thus further suggests that corporate campaign contributions do not buy significant political favors or beneficial policies either directly or indirectly to induce financial payoffs. In explaining this, and in rejecting the causal chains presented above, it has been suggested that the benefits of funding may be too small to be statistically detectable, and that corporations may, on average, 'give a little and get a little' (Ansolabehere et al, 2003), that benefits that companies accrue as a resulting of candidate funding do not actually depend on who wins at the congressional, governor, and state legislative level (Gordon and Hafer (2005) and Schnakenberg and Turner (2020)), or that agency problems within companies allow its leadership to benefit from contributions at the expense of shareholders (Bonica (2016) and Aggarwal et al (2012)).

However, while researchers continue to examine the effects of elections on stock prices, no literature to date has attempted to empirically and holistically investigate the correlation between the corporate funding of presidential election candidates specifically and post-election stock prices. Based on Fowler et al (2020), we hypothesise that, in comparison to corporations that fund the losing candidate in US elections, those that fund the winning candidate would not experience greater positive stock returns, and thus that there is no financial payoff for funding a winning electoral candidate at a US presidential election.

Methodology

To establish causality, we first attempted the Difference-in-Differences (DiD) technique, motivated by its ability to control for unobservable confounding variables. Our initial approach was to compare two firms for which the trends in stock prices and fundamental financial performance before the election exhibited parallel trends, yet which have funded the winning and losing party by random assignment. However, we could not find two firms with parallel trend (see Technical Appendix for further detail), we have therefore resorted to multiple linear regression to control for as many confounding variables as possible, with a caveat for unobservable variables and reverse causality.

The companies under study include **Amazon, eBay, Pepsi, Coca-Cola, Starbucks, Home Depot, BP, and ExxonMobil**. Throughout the 6 presidential election cycles, Amazon, eBay, and Starbucks consistently funded Democrat, ExxonMobil and Home Depot consistently funded Republican, while Pepsi, Coca-Cola, and BP switched parties at least once. In each election year, a firm is considered to be in the treatment group if it had funded the winning presidential candidate. We collect these companies' stock prices 30 days before the election, 1 day before the election, 1 day after the election, and 30 days after the election using the Yahoo Finance database.

Multiple Linear Regression

We perform 2 regressions, varying the length of the examined pre-election and post-election period. In our baseline regression model, we use stock prices 1 month before and 1 month after election day. By using a 2-month time window, we can address potential lags in the market's internalisation of the effects of the election results. The baseline regression model is as follows:

> **Baseline Model**
>
> $$\frac{P_t - P_{t-1}}{P_{t-1}} \times 100 = \beta_0 + \beta_1 D_{tr} + \beta_2 \text{DE\_ratio} + \beta_3 \text{EPS} + \beta_4 \text{ROE} + \beta_5 \text{ROCE} + \epsilon$$

- P_t: stock price 30 days before election day

- P_{t-1}: stock price 30 days after election day

- $\frac{P_t - P_{t-1}}{P_{t-1}} \times 100$: percentage change in stock price pre- and post-election

- β_1: coefficient of interest, indicating the treatment effect

- D_{tr}: dummy variable, 1 if in the treatment group, 0 otherwise

- DE_ratio: debt to equity ratio

- EPS: normalised diluted earnings per share

- ROE: return on equity

- ROCE: return on capital employed

- ϵ: error term

The coefficient of interest β_1 can be interpreted as the average increase in the percentage change in a company's stock price associated with funding the winning presidential candidate, controlling for company fundamentals and market health. We have included 4 variables controlling for the financial health and performance of the individual companies: 2 profitability ratios (ROE and ROCE), 1 long term solvency ratio (DE ratio), and 1 investment ratio (EPS). ROE controls for the efficiency of a company in generating profits from its equity base; ROCE evaluates the overall efficiency in using capital; DE ratio controls for the impact of leverage on stock performance; normalized EPS controls for earnings differences among companies.

In addition to the baseline model, we perform a second regression examining the percentage change in stock price 1 day before and 1 day after the election. With the shorter time frame, we can eliminate non-election related shocks to stock prices and isolate the effect of the election. Apart from the change in the specification of P_t and P_{t-1}, we also control for momentum and overall US stock market performance. In technical analysis, the momentum effect refers to the tendency for an asset that performs well to continue doing so. We use the percentage change in stock price from 30 days before the election to 1

day before the election as an indicator of the momentum effect and control for this (Quantified Strategies, 2024). Additionally, we use the S&P 500 index as an indicator of the overall stock market performance of large US firms, thus eliminating the effect of different macroeconomic conditions between elections (Quantified Strategies, 2024). The second regression is as follows:

> **Improved Model**
>
> $$\frac{P_t - P_{t-1}}{P_{t-1}} \times 100 = \beta_0 + \beta_1 D_{tr} + \beta_2 \text{DE\_ratio} + \beta_3 \text{EPS} + \beta_4 \text{ROE} + \beta_5 \text{ROCE} + \beta_6 \text{S\&P500} + \beta_7 \text{momentum} + \epsilon$$

- P_t: stock price 1 day before election day (Monday)

- P_{t-1}: stock price 1 day after election day (Wednesday)

- S&P500: S&P500 index on election day

- momentum $= \frac{P_{t-1} - P_{t-2}}{P_{t-2}} \times 100$

- P_{t-2}: stock price 30 days before election

Regression Models

Baseline Model

```
lm(formula=D1_perc_diff ~ treatment * (ROCE +ROE +DebtEquity+ Normalised_Diluted_EPS,
    data=reg_data)
```
Listing 1: Baseline Model

treatment is a binary variable representing whether or not a firm has backed the party that will go on to win the presidential election (treatment=1) or not (treatment=0)
D1-perc-diff represents the percentage difference in stock prices between a time period of 1 day before the presidential election and 1 day after the election. (green)
M1-perc-diff represents the percentage difference in stock prices between a time period of 1 month before the presidential election and 1 month after the election.(blue)

Improved Model

Here, we control for two additional variables: *sp500* and *momentum*. The *sp500* index is used to indicate the current market health and landscape. The *momentum* variable accounts for stock price cycles, such as when a stock price is already in the increasing section of a candlestick pattern.

```
lm(formula=D1_perc_diff ~ treatment * (ROCE +ROE +DebtEquity+ Normalised_Diluted_EPS)+
    momentum +sp500, data=reg_data)
```
Listing 2: Improved Model

Event frame

Using data spanning 1 month and 1 day away from the treatment (election day) allows us to provide a more rigorous analysis providing a clearer picture of stock dynamics (Sigma Computing, 2024). We will later exploit this data to calculate stock momentum- a measure of the initial trend of the stock as it approaches election date. (bullish[1]/ bearish[2]/uptrend[3]/downtrend[4]).
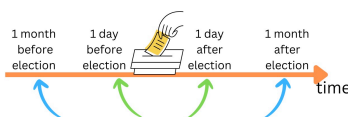

Figure 1: Scraping time of stock prices

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[1]bullish:Expecting price rise
[2]bearish:Expecting price fall
[3]uptrend:Sustained price increase
[4]Sustained price decrease

Results

Overall, we observed no significant difference in stock price changes pre- and post-election when comparing cooperations that have funded the winning and losing candidate across 4 selected elections. However, sector-specific analysis revealed potential effect by policy introductions, such as tech and energy sector.

As shown in Figures 2 to 5, the temporal changes in stock prices do not correspond to cooperation's funding decision and the electoral outcomes. Red segments represents the time in which the cooperation funded Republicans and blue represents funding towards Democrats. The x-axis also shows which party won the elections using their respective party emblems. Figure 6 and 7 show the percentage difference
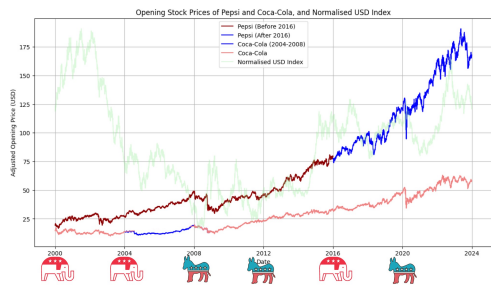
Figure 2: Pepsi and Coca-Cola
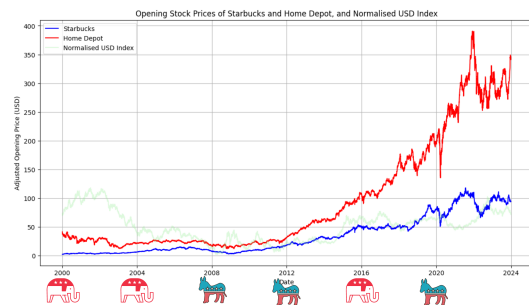
Figure 3: Starbucks and Home Depot

Figure 4: BP and ExxonMobil

Figure 5: Amazon and eBay

in stock price for 1 month and 1 day before and 1 month and 1 day after the elections, respectively. We observe that companies in the same industry have similar long term trends but differ on a daily basis pattern.

Figure 6: 1 Month Percentage Difference over time

Figure 7: 1 Day Percentage Difference over time

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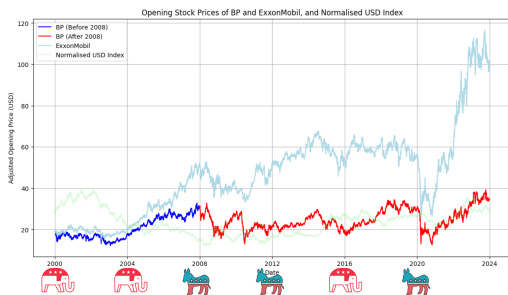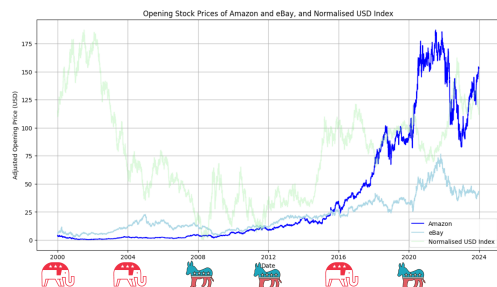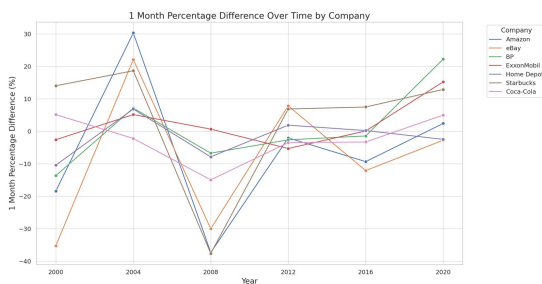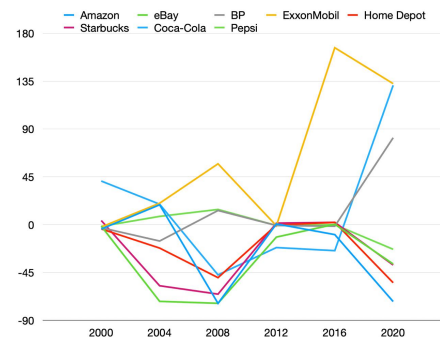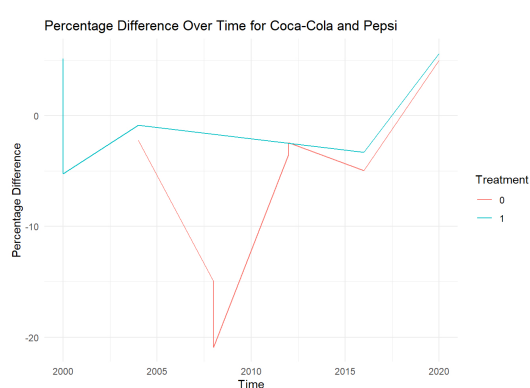| Variables	(1)	(2)	(3)	(4)
Fund Winning Party	-13.73 (14.52)	.58(14.44)	-2.80(14.56)	.33(14.79)
Return On Capital Employed		-1.04(.54)	-.75(.58)	-1.55(.74)
Return On Equity		.01(.07)	.01(.08)	.004(.080)
Debt Equity Ratio		.77(2.08)	1.48(2.22)	1.12(2.25)
Normalised Diluted Earnings Per Share		.54(3.29)	-.84(3.60)	1.20(3.85)
Momentum		-61.67(14.17)	-62.20(15.86)	-62.21(17.36)
GDP Per Capita			.004(.005)	.003(.005)
S&P500			.006(.012)	.004(.012)
Oil Sector				-34.42(25.42)
Tech Sector				-30.45(23.81)
Consumables Sector				7.19(21.29)
Adjusted R-Squared	-0.0023	0.3068	0.3126	0.3132
N	48	48	48	48

Table 1: Linear Regression: Testing the Effect of Funding Winning Party on Growth Rate in Stock Prices after 1 day of Election Outcome

Variables	(1)	(2)	(3)	(4)
Fund Winning Party	-3.53(4.18)	-2.82(4.00)	-3.54(4.08)	-4.04(4.25)
Return On Capital Employed		-.12(.15)	-.05(.16)	-.07(.21)
Return On Equity		.04(.02)	.04(.02)	.04(.02)
Debt Equity Ratio		-.49(.58)	-.27(.62)	-.26(.65)
Normalised Diluted Earnings Per Share		-1.13(.91)	-1.27(1.01)	-1.41(1.11)
Momentum		-16.23(3.92)	-15.47(4.44)	-17.13(4.99)
GDP Per Capita			.0004(.0013)	.0006(.0013)
S&P500			.003(.003)	.002(.003)
Oil Sector				-1.14(7.30)
Tech Sector				-4.77(6.84)
Consumables Sector				-6.26(6.12)
Adjusted R-Squared	-0.0062	0.3327	0.3225	0.2871
N	48	48	48	48

Table 2: Linear Regression: Testing the Effect of Funding Winning Party on Growth Rate in Stock Prices after 1 month of Election Outcome

As shown in Table 1, the adjusted R squared for simple linear regression is negative, suggesting poor fit of the model in explaining the variance in changes of stock price after election outcome. In accordance of our argument to add further controls from the Method section, we added further controls for specification 2 to 4, boosting the adjusted R square to 0.31. Specifically, after controlling for firm's natural stock performances using relevant metrics detailed in the Method section, we found that funding the winning candidate would increase the firm's stock return by 0.33%, suggesting a positive correlation between funding the winning party and the financial outcome. Nevertheless, such correlation is not significant across specifications, agreeing with our hypothesis and findings of prior literature on congressional election.

We then restricted our analysis to within sectors, namely the tech, oil, retail and consumables. It is notable that certain industries, such as retail, have experienced negative impacts on both companies within a pair due to poor financial market conditions (e.g., the 2008 financial crisis), while other industries have seen either one company affected or none at all.

Percentage Difference Over Time for Amazon and eBay

Percentage Difference Over Time for BP and Exxon Mobil

Percentage Difference Over Time for Starbucks and Home Depot

Percentage Difference Over Time for Coca-Cola and Pepsi
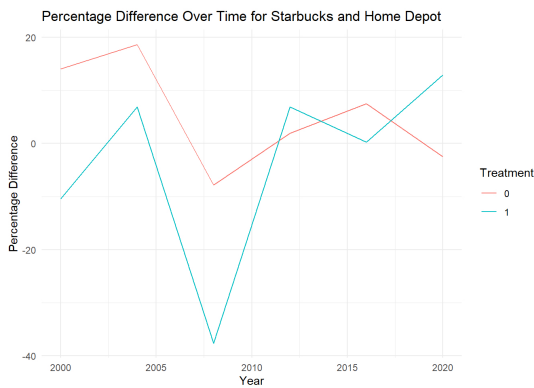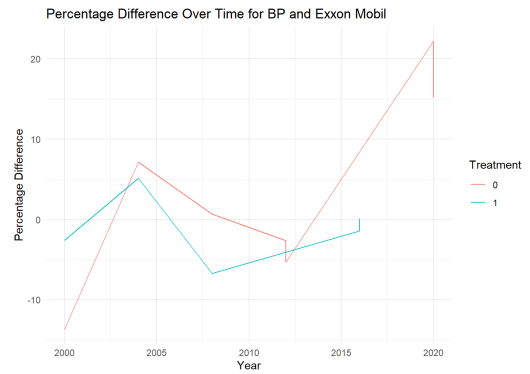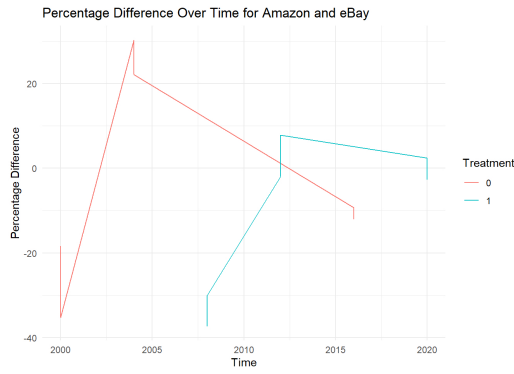
Discussions

Lack of Correlation Explained

Returning to the literature, the lack of a connection between corporate funding and financial payoff in terms of stock prices can be explained in a number of ways. First, significant events like the COVID-19 pandemic in 2020 and the financial crisis in 2008 have profoundly impacted share prices, overshadowing any potential effects of political contributions. These large-scale disruptions introduce substantial volatility into the market, making it challenging to isolate the influence of political contributions on share prices.

Second, the benefits of political contributions might be too minor to detect statistically. Given that many organizations and individuals contribute to political candidates, each contribution represents a small fraction of the total received by all candidates. Consequently, organizations are unlikely to be able to "buy" political favors substantial enough to result in a meaningful or detectable financial payoff. Ansolabehere et al. (2003) suggests instead that corporations 'give a little to get a little', such that relatively small campaign contributions create corresponding small payoffs that are too small to be statistically detectable.

Third, using the logic presented by Green and Gerber (2015), corporations may contribute to help a candidate win, hoping for beneficial policies if the candidate succeeds, rather than contributing to the candidate most likely to win. Although this strategy can produce a financial payoff, it does not guarantee it, as predicting electoral results and subsequent policy changes is inherently uncertain, and as a result not all corporations will fund the same candidate. As a result, in many cases, corporations within sample will inevitably fund candidates in an attempt to increase the chances of that candidate winning, but which will lose regardless, meaning that there can be no financial payoff.

Fourth, agency problems may lead to company leadership benefiting from political contributions rather than shareholders. Studies by Bonica (2016) and Aggarwal et al. (2012) indicate that executives might use corporate funds for political contributions to enhance their personal networks or future career prospects, rather than benefiting the company or its shareholders. Thus, while there may be a financial payoff, it is effectively captured by company leadership, leaving stock prices unaffected.

Reasons for Continued Corporate Donations

Having proven that funding a winning political candidate may not produce a financial payoff, and that it thus may not be a effective investment for the company, it is worth theorising as to why corporations do so at all. First, and most plainly, corporate contributions might reflect the personal convictions of executives rather than a financial strategy. Teso (2023) suggests that some corporate donations are guided by the ideological beliefs of CEO's or other leadership figures, who may direct corporate funds based on personal support for a candidate without considering financial benefits. More broadly, it is also possible that CEOs or those in leadership positions derive personal benefits that are neither financial in their nature nor accrued to the corporation associated with that individual. For example, buying access to politicians through corporations could be used by individuals in leadership positions to advance their own personal careers, without any expected benefit to the company.

Second, corporations might contribute to establish connections with elected officials to gain better insights into potential regulatory changes. Even if contributions do not directly affect elections or policy, they can create valuable connections that help companies anticipate and respond to regulatory developments. Fowler et al. (2020) highlight that corporations are willing to pay for this information, even if it indicates potential financial losses. These strategic connections provide a long-term advantage that may not be immediately reflected in share price performance.

Third, contributions might aim to influence the behavior of sitting incumbents before the next election, regardless of the candidate's chances of winning. This strategy aligns with the logic presented by Hall and Wayman (1990), Austen-Smith (1995), and Kalla and Broockman (2016), where influence occurs during the candidate's term rather than before the election. However, the timing of contributions, often late in an official's term, casts doubt on this explanation as it may be too late to enact meaningful policy changes. Nonetheless, the potential for future influence remains a motivating factor for corporate donations.

Fourth, Gordon and Hafer (2005) theorise that corporate funding may be motivated by a perceived need to signal support (or a lack of support) for particular policies that different candidates are associated with. If a particular candidate in a presidential election is known to support a particular policy which the corporations perceive as being against their interest, they could fund the opposite candidate (even on the assumption that that candidate has very little chance of winning regardless) as a way to show that they would be willing to fight regulatory changes when the former candidate is eventually elected.

Limitations

Our limited sample size presents a significant limitation to our methodology. The 8 selected companies operate in different industries and have highly differentiated products and production processes, which have enabled them to become corporate giants. Their stock prices are therefore impacted by factors unique to each company, for which we are unable to fully control due to a lack of data: in particular, market expectations of changes in cost and profitability are not reflected in the balance sheets of companies and are therefore difficult to quantify. Their important size adds another challenge: reverse causality, or the possibility that firms' change in stock prices over the election cause changes in the explanatory and control variables.

Additionally, data availability requires us to restrain our database to publicly traded companies, thus ignoring financial dark pools, which may influence stock prices. We also do not control for industry-specific trends (e.g. COVID-19 diminishing demand for oil while boosting demand for e-commerce) and among the firms that were badly affected by the 2008 financial crisis, all supported the winning party, leading to an overestimation of the treatment effect. Then, the stochastic behavior of stock prices further the difficulty to control. Finally, it is important to remind that correlation does infer causality, especially with a limited data set.

More generally, the stock market follows complex and unexpected trends, that are difficult, if not impossible, to fully assimilate into a theoretic model.

Conclusion

This study examined the relationship between corporate political funding and post-election stock performance throughout six US presidential elections. Analyzed stock prices across different sectors, there was no significant correlation between funding the winning candidate and stock price increases. Thus, the complexity of factors influencing corporate financial outcomes goes beyond the sole scope of political contributions.

Our research provides empirical evidence on corporate funding and financial results, prompting a reevaluation of investment strategies tied to political outcomes, as their efficiency is actively being challenged. It encourages a more nuanced understanding of political investments' impact on financial performance, advocating for comprehensive approaches that consider broader financial metrics and strategic objectives.

This research is relevant to a number of questions about the role of corporate funding in democratic processes, and gives some indication that corporate influence on presidential elections is smaller than has previously been estimated. Relevant to corporations themselves, it is an indication that the funding of winning political candidates may not have the expected financial payoff on average, and thus that investing in politics in such a way may not be an effective strategy.

Acknowledgements

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Technical Appendix

Parallel Trends Assumption in Difference-in-Differences

> **Parallel Trends Assumption**
>
> The *parallel trends assumption* is a key requirement for the validity of the Difference-in-Differences (DiD) approach. It posits that, in the absence of treatment, the difference between the treatment and control groups would have remained constant over time. Formally, let Y_{it} denote the outcome for unit i at time t, and let D_i be a binary indicator of treatment. The assumption can be expressed as:
>
> $$E[Y_{it} \mid D_i = 1, t = T] - E[Y_{it} \mid D_i = 0, t = T] = E[Y_{it} \mid D_i = 1, t = T-1] - E[Y_{it} \mid D_i = 0, t = T-1]$$
>
> where T denotes the post-treatment period and $T - 1$ denotes the pre-treatment period. This implies that any differences in outcomes between the treatment and control groups are attributable solely to the treatment effect, under the assumption that both groups would have followed parallel paths in the absence of the treatment.

Capital Asset Pricing Model (CAPM)

> **Parallel Trends Assumption**
>
> The CAPM predicts the expected return of an asset based on its systematic risk, also known as beta, and the expected return of the market as a whole. This model follows the Efficient Market Hypothesis (EMH), which posits that financial markets are efficient in that prices reflect all relevant information and adjust instantaneously to new information.
>
> $$E(R_i) = R_f + \beta_i(E(R_m) - R_f)$$
>
> where $E(R_i)$ is the expected return of asset i, R_f is the risk-free rate, β_i is the beta of asset i, and $E(R_m)$ is the expected return of the market.
>
> Critiques of CAPM: Idiosyncratic Risk: This risk is specific to an individual stock or asset and is not related to the overall market. An example is the sudden resignation of a CEO. Diversification can mitigate idiosyncratic risk, but assets typically earn a risk premium based on their exposure to common market risks, not idiosyncratic characteristics. - Momentum Effect: Assets that have performed well in the past tend to continue performing well, and those that have performed poorly tend to continue performing poorly. This effect, discovered by Clifford Asness in the late 1980s, challenges the CAPM assumption that only systematic risk should affect asset returns.

Arbitrage Pricing Theory (APT)

Parallel Trends Assumption

APT extends CAPM by considering multiple factors or sources of risk, offering a more flexible approach to asset pricing. Developed by Stephen Ross in the 1970s, APT is expressed as:

$$E(R_i) = R_f + \beta_{i1}F_1 + \beta_{i2}F_2 + \cdots + \beta_{ik}F_k + \epsilon_i$$

where $E(R_i)$ is the expected return of asset i, R_f is the risk-free rate, β_{ij} are the sensitivities of asset i to the j-th factor F_j, and ϵ_i is the error term.

Alpha Factors

Parallel Trends Assumption

Alpha factors are variables or metrics used to predict the future returns of financial assets. The results of a presidential election, for instance, can serve as an alpha factor by impacting market sentiment, policy expectations, and the macroeconomic outlook. These factors depend on each investor's strategy and can influence market reactions.

Statistical Analysis

For our statistical and exploratory analyses, we employed both R and Stata. Utilizing R allowed us to take advantage of its powerful packages for data manipulation, statistical modeling, and visualization, which were critical for our in-depth exploratory data analysis. Stata, on the other hand, provided robust tools for econometric and statistical analysis, ensuring precise and reliable results. The combination of these two software tools enabled us to leverage their respective strengths, ensuring a comprehensive and rigorous analytical process throughout our research.

Technical Appendix: R statistical analysis

24841

2024-06-04

libraries

```
library(readxl)
library(dplyr)
```

```
##
## Attaching package: 'dplyr'
```

```
## The following objects are masked from 'package:stats':
##
##     filter, lag
```

```
## The following objects are masked from 'package:base':
##
##     intersect, setdiff, setequal, union
```

```
library(tidyr)
library(reshape2)
```

```
##
## Attaching package: 'reshape2'
```

```
## The following object is masked from 'package:tidyr':
##
##     smiths
```

```
library(ggplot2)
library(plotly)
```

```
##
## Attaching package: 'plotly'
```

```
## The following object is masked from 'package:ggplot2':
##
##     last_plot
```

```
## The following object is masked from 'package:stats':
##
##     filter
```

```
## The following object is masked from 'package:graphics':
##
##     layout
```

```
library(corrplot)
```

```
## corrplot 0.92 loaded
```

```
data <- read_xlsx("C:/Users/Hassan/Downloads/workdata.xlsx",sheet=1)
data2 <- read_xlsx("C:/Users/Hassan/Downloads/workdata.xlsx",sheet=2)
data3 <- read_xlsx("C:/Users/Hassan/Downloads/workdata.xlsx",sheet="did")
```

```
## New names:
## • `` -> `...9`
## • `` -> `...10`
## • `` -> `...11`
```

```
data3 <- data3[,1:7]
table(data3$`Party backed`)
```

```
##
## dem rep
##  41  39
```

```
table(data3$`Party won`)
```

```
##
## dem rep
##  41  39
```

identify companies that backed losing party

```
#treated=0
lose_comp <- data3 %>% filter(`Party won` != `Party backed`)
#treated=1
win_comp <- data3 %>% filter(`Party won` == `Party backed`)
nrow(lose_comp)
```

```
## [1] 38
```

```
nrow(data3)
```

```
## [1] 80
```

```
head(win_comp)
```

Ticker	▶
<chr>	
AMZN	
AMZN	
AMZN	
BP	
EBAY	
EBAY	

6 rows | 1-1 of 7 columns

selecting only the companies that have 3 rows of data or more

```
tickers_to_keep <- data3 %>%
  group_by(Ticker) %>%
  filter(n() >= 3) %>%
  pull(Ticker) %>%
  unique()

rep_comp <- data3 %>%
  filter(Ticker %in% tickers_to_keep) %>%
  filter(`Party won` == `Party backed`, Treated == 1)
```

Calculate mean change in opening stock price , small sample size (n=4 or 3) so we use then use a t-test

```
rep_comp <- rep_comp %>%
  mutate(Difference = `1 Month After` - `1 Month Before`,
         PercentageDifference = (Difference / `1 Month Before`) * 100)

# Compute the mean percentage difference for each company
mean_percentage_diff <- rep_comp %>%
  group_by(Ticker) %>%
  summarize(MeanPercentageDifference = mean(PercentageDifference, na.rm = TRUE))

# Display the result
print(mean_percentage_diff)
```

```
## # A tibble: 14 × 2
##     Ticker MeanPercentageDifference
##     <chr>                    <dbl>
##  1 AMZN                     -12.3
##  2 BP                        -4.08
##  3 EBAY                      -8.30
##  4 F                         -0.738
##  5 GM                        42.6
##  6 GOOGL                     -4.71
##  7 HD                        -1.11
##  8 KO                         0.921
##  9 MSFT                      -6.67
## 10 PEP                       -0.160
## 11 SBUX                      -5.95
## 12 TGT                       18.0
## 13 WMT                        6.72
## 14 XOM                        0.889
```

```r
#double check we have 14 companies
unique(rep_comp$Ticker)
```

```
##  [1] "AMZN"  "BP"    "EBAY"  "F"     "GM"    "GOOGL" "MSFT"  "PEP"   "SBUX"
## [10] "TGT"   "WMT"   "HD"    "KO"    "XOM"
```

repeat the above procedure with control companies , treatment=0

```r
rep_comp_cont <- data3 %>%
  filter(Ticker %in% tickers_to_keep) %>%
  filter(`Party won` != `Party backed`, Treated == 0)

rep_comp_cont <- rep_comp_cont %>%
  mutate(Difference = `1 Month After` - `1 Month Before`,
         PercentageDifference = (Difference / `1 Month Before`) * 100)

# Compute the mean percentage difference for each company
mean_percentage_diff_cont <- rep_comp_cont %>%
  group_by(Ticker) %>%
  summarize(MeanPercentageDifference = mean(PercentageDifference, na.rm = TRUE))

# Display the result
print(mean_percentage_diff_cont)
```

```
## # A tibble: 14 × 2
##     Ticker MeanPercentageDifference
##     <chr>                    <dbl>
##  1 AMZN                     -10.3
##  2 BP                         3.28
##  3 EBAY                      -8.42
##  4 F                         12.5
##  5 GM                         5.61
##  6 GOOGL                     15.8
##  7 HD                        -2.82
##  8 KO                        -3.91
##  9 MSFT                      -0.806
## 10 PEP                       -9.33
## 11 SBUX                      13.4
## 12 TGT                       -6.71
## 13 WMT                       -7.25
## 14 XOM                        3.53
```

```r
# Perform a paired t-test
t_test_result <- t.test(mean_percentage_diff$MeanPercentageDifference, mean_percentage_diff_cont$MeanPercentageDi
fference, paired = TRUE)

# Print the result
print(t_test_result)
```

```
##
##   Paired t-test
##
## data:  mean_percentage_diff$MeanPercentageDifference and mean_percentage_diff_cont$MeanPercentageDifference
## t = 0.34509, df = 13, p-value = 0.7355
## alternative hypothesis: true mean difference is not equal to 0
## 95 percent confidence interval:
##  -7.760546 10.711115
## sample estimates:
## mean difference
##        1.475284
```

p-value: The p-value is 0.7355, which is significantly higher than the common significance levels of 0.05 or 0.01. Interpretation: A high p-value suggests that there is not enough evidence to reject the null hypothesis. The null hypothesis in this context is that the mean difference between the two sets of data is zero. simple terms: p value- how likely is the data to take this value/ more extreme values--> basically p: probability that difference in results is caused by random chance.

correlation

```
# Calculate the average stock price before and after for each company
average_prices <- data3 %>%
  group_by(Ticker) %>%
  summarize(
    AvgBefore = mean(`1 Month Before`, na.rm = TRUE),
    AvgAfter = mean(`1 Month After`, na.rm = TRUE)
  )

# Display the result
print(average_prices)
```

```
## # A tibble: 14 × 3
##    Ticker AvgBefore AvgAfter
##    <chr>      <dbl>    <dbl>
##  1 AMZN        36.5     36.2
##  2 BP          42.1     41.5
##  3 EBAY        23.0     22.3
##  4 F           12.2     12.3
##  5 GM          29.3     34.8
##  6 GOOGL       29.0     31.5
##  7 HD          97.6     96.0
##  8 KO          34.2     33.7
##  9 MSFT        62.8     62.8
## 10 PEP         80.0     77.4
## 11 SBUX        31.4     34.3
## 12 TGT         67.7     71.8
## 13 WMT         24.6     25.2
## 14 XOM         63.7     64.0
```

```
# Combine AvgBefore and AvgAfter into a single row for each company
combined_avg_prices <- average_prices %>%
  pivot_longer(cols = c(AvgBefore, AvgAfter), names_to = "TimePeriod", values_to = "AveragePrice") %>%
  pivot_wider(names_from = Ticker, values_from = AveragePrice)

# Display the combined data
print(combined_avg_prices)
```

```
## # A tibble: 2 × 15
##   TimePeriod  AMZN    BP EBAY     F    GM GOOGL    HD    KO  MSFT   PEP  SBUX
##   <chr>      <dbl> <dbl> <dbl> <dbl> <dbl> <dbl> <dbl> <dbl> <dbl> <dbl> <dbl>
## 1 AvgBefore   36.5  42.1  23.0  12.2  29.3  29.0  97.6  34.2  62.8  80.0  31.4
## 2 AvgAfter    36.2  41.5  22.3  12.3  34.8  31.5  96.0  33.7  62.8  77.4  34.3
## # i 3 more variables: TGT <dbl>, WMT <dbl>, XOM <dbl>
```

```
# Calculate the correlation matrix for the transposed data
correlation_matrix <- cor(combined_avg_prices[-1], use = "complete.obs")

# Display the correlation matrix
print(correlation_matrix)
```

```
##        AMZN BP EBAY  F GM GOOGL HD KO MSFT PEP SBUX TGT WMT XOM
## AMZN     1  1    1 -1 -1    -1  1  1   -1   1   -1  -1  -1  -1
## BP       1  1    1 -1 -1    -1  1  1   -1   1   -1  -1  -1  -1
## EBAY     1  1    1 -1 -1    -1  1  1   -1   1   -1  -1  -1  -1
## F       -1 -1   -1  1  1     1 -1 -1    1  -1    1   1   1   1
## GM      -1 -1   -1  1  1     1 -1 -1    1  -1    1   1   1   1
## GOOGL   -1 -1   -1  1  1     1 -1 -1    1  -1    1   1   1   1
## HD       1  1    1 -1 -1    -1  1  1   -1   1   -1  -1  -1  -1
## KO       1  1    1 -1 -1    -1  1  1   -1   1   -1  -1  -1  -1
## MSFT    -1 -1   -1  1  1     1 -1 -1    1  -1    1   1   1   1
## PEP      1  1    1 -1 -1    -1  1  1   -1   1   -1  -1  -1  -1
## SBUX    -1 -1   -1  1  1     1 -1 -1    1  -1    1   1   1   1
## TGT     -1 -1   -1  1  1     1 -1 -1    1  -1    1   1   1   1
## WMT     -1 -1   -1  1  1     1 -1 -1    1  -1    1   1   1   1
## XOM     -1 -1   -1  1  1     1 -1 -1    1  -1    1   1   1   1
```

```
# Create the correlation plot
corrplot(correlation_matrix, method = "circle", type = "upper",
         tl.col = "black", tl.srt = 45, addCoef.col = "black")
```
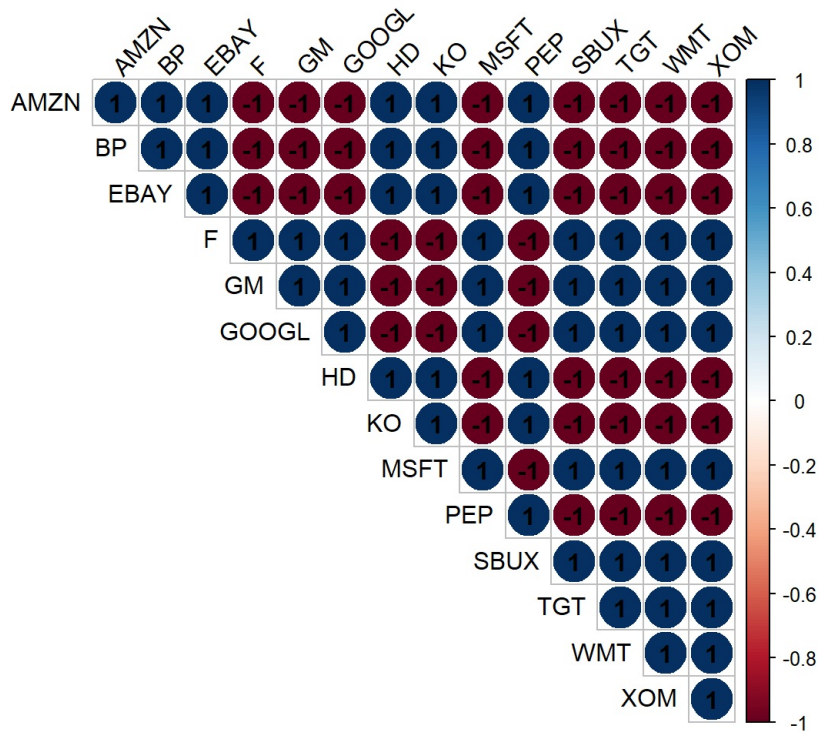
```
# Load necessary libraries



# Create the dataframe from the provided log differences
log_diff_ratio_df <- data.frame(
  Ticker = c("AMZN", "BP", "EBAY", "F", "GM", "GOOGL", "HD", "KO", "MSFT", "PEP", "SBUX", "TGT", "WMT", "XOM"),
  LogDiffRatio = c(0.0024808500, 0.0044016098, 0.0092043015, -0.0042276014, -0.0511808648, -0.0241109206,
                   0.0037213446, 0.0042251062, -0.0001394564, 0.0077461571, -0.0254836013, -0.0139361914,
                   -0.0073428861, -0.0013467369)
)
# Create a dataframe with 4 rows of the same data
log_diff_ratio_repeated <- log_diff_ratio_df[rep(1:nrow(log_diff_ratio_df), each = 6),]

# Transpose the dataframe to get companies as columns
log_diff_ratio_transposed_df <- as.data.frame(t(log_diff_ratio_repeated$LogDiffRatio))
colnames(log_diff_ratio_transposed_df) <- log_diff_ratio_df$Ticker

log_diff_ratio_transposed_df <- log_diff_ratio_transposed_df[rep(1:nrow(log_diff_ratio_df), each = 6),]

# Calculate the correlation matrix using Hmisc
#correlation_matrix <- rcorr(as.matrix(log_diff_ratio_transposed_df))

# Extract the correlation coefficients
#correlation_coeffs <- correlation_matrix$r

# Extract the p-values
#p_values <- correlation_matrix$P

# Display the correlation matrix
#print(correlation_coeffs)

# Visualize the correlation matrix
#corrplot(correlation_coeffs, method = "circle", type = "upper",
#         # tl.col = "black", tl.srt = 45, addCoef.col = "black")
```

```
#k-means clustering
#library(cluster)

#k <- 5  # number of clusters
#clusters <- kmeans(as.vector(log_diff_ratio), centers = k)

# Display clusters
#print(clusters$cluster)
```

```
data4 <- read_xlsx("C:/Users/Hassan/Downloads/workdata8.xlsx",sheet="8 Companies")
```

feature enginering - adding binary variable - whether treatment /no treatment

```
data4$treatment <- ifelse(data4$`Party won`==data4$`Party backed`,1,0)
```

```
reg_data <- data4[,-c(7,8,9,10,11,12)]
names(reg_data)[5] <- "DebtEquity"
names(reg_data)[6] <- "Normalised_Diluted_EPS"
names(reg_data)[7] <- "M1_perc_diff"
names(reg_data)[8] <- "D1_perc_diff"
```

```
# Fit separate regression models for each treatment group

model_treatment_0 <- lm(M1_perc_diff ~ ROCE + ROE + DebtEquity + Normalised_Diluted_EPS, data = reg_data, subset
= (treatment == 0))
model_treatment_1 <- lm(M1_perc_diff ~ ROCE + ROE + DebtEquity + Normalised_Diluted_EPS, data = reg_data, subset
= (treatment == 1))

# Summarize the models
summary(model_treatment_0)
```

```
## 
## Call:
## lm(formula = M1_perc_diff ~ ROCE + ROE + DebtEquity + Normalised_Diluted_EPS,
##     data = reg_data, subset = (treatment == 0))
## 
## Residuals:
##     Min      1Q  Median      3Q     Max
## -37.881  -6.195   1.032   8.793  19.814
## 
## Coefficients:
##                       Estimate Std. Error t value Pr(>|t|)
## (Intercept)            4.57621    5.17022   0.885    0.388
## ROCE                  -0.16505    0.22974  -0.718    0.482
## ROE                    0.04403    0.02805   1.570    0.134
## DebtEquity            -0.39571    0.80975  -0.489    0.631
## Normalised_Diluted_EPS -0.64246   1.33223  -0.482    0.635
## 
## Residual standard error: 14.5 on 18 degrees of freedom
##   (3 observations deleted due to missingness)
## Multiple R-squared:  0.2635, Adjusted R-squared:  0.09979
## F-statistic:  1.61 on 4 and 18 DF,  p-value: 0.215
```

```
summary(model_treatment_1)
```

```
## 
## Call:
## lm(formula = M1_perc_diff ~ ROCE + ROE + DebtEquity + Normalised_Diluted_EPS,
##     data = reg_data, subset = (treatment == 1))
## 
## Residuals:
##     Min      1Q  Median      3Q     Max
## -30.424  -4.826   6.092   9.153  12.147
## 
## Coefficients:
##                       Estimate Std. Error t value Pr(>|t|)
## (Intercept)           -9.00495    7.01310  -1.284    0.220
## ROCE                   0.13251    0.30520   0.434    0.671
## ROE                    0.04342    0.12672   0.343    0.737
## DebtEquity            -2.88228    4.31620  -0.668    0.515
## Normalised_Diluted_EPS 1.09318    2.11095   0.518    0.613
## 
## Residual standard error: 16.03 on 14 degrees of freedom
##   (3 observations deleted due to missingness)
## Multiple R-squared:  0.07151,    Adjusted R-squared:  -0.1938
## F-statistic: 0.2695 on 4 and 14 DF,  p-value: 0.8927
```

#Combined

```
# Combined regression model including treatment as a binary variable
combined_model <- lm(M1_perc_diff ~ treatment * (ROCE + ROE + DebtEquity + Normalised_Diluted_EPS), data = reg_da
ta)

# Summarize the combined model
summary(combined_model)
```

```
##
## Call:
## lm(formula = M1_perc_diff ~ treatment * (ROCE + ROE + DebtEquity +
##     Normalised_Diluted_EPS), data = reg_data)
##
## Residuals:
##     Min      1Q  Median      3Q     Max
## -37.881  -6.685   2.487   9.181  19.814
##
## Coefficients:
##                                   Estimate Std. Error t value Pr(>|t|)
## (Intercept)                      4.576e+00  5.415e+00   0.845    0.404
## treatment                       -1.358e+01  8.572e+00  -1.584    0.123
## ROCE                            -1.651e-01  2.406e-01  -0.686    0.498
## ROE                              4.403e-02  2.938e-02   1.498    0.144
## DebtEquity                      -3.957e-01  8.481e-01  -0.467    0.644
## Normalised_Diluted_EPS          -6.425e-01  1.395e+00  -0.460    0.648
## treatment:ROCE                   2.976e-01  3.762e-01   0.791    0.435
## treatment:ROE                   -6.038e-04  1.236e-01  -0.005    0.996
## treatment:DebtEquity            -2.487e+00  4.177e+00  -0.595    0.556
## treatment:Normalised_Diluted_EPS 1.736e+00  2.439e+00   0.712    0.482
##
## Residual standard error: 15.19 on 32 degrees of freedom
##   (6 observations deleted due to missingness)
## Multiple R-squared:  0.2067, Adjusted R-squared:  -0.01643
## F-statistic: 0.9264 on 9 and 32 DF,  p-value: 0.5158
```

```
# Plot the data and regression lines using ggplot2
ggplot(reg_data, aes(x = ROCE, y = M1_perc_diff, color = as.factor(treatment))) +
  geom_point() +
  geom_smooth(method = "lm", aes(group = treatment), se = FALSE) +
  labs(title = "Regression of M1_perc_diff on ROCE",
       x = "ROCE",
       y = "1 Month Percentage Difference",
       color = "Treatment") +
  theme_minimal()
```

```
## `geom_smooth()` using formula = 'y ~ x'
```


Regression of M1_perc_diff on ROCE
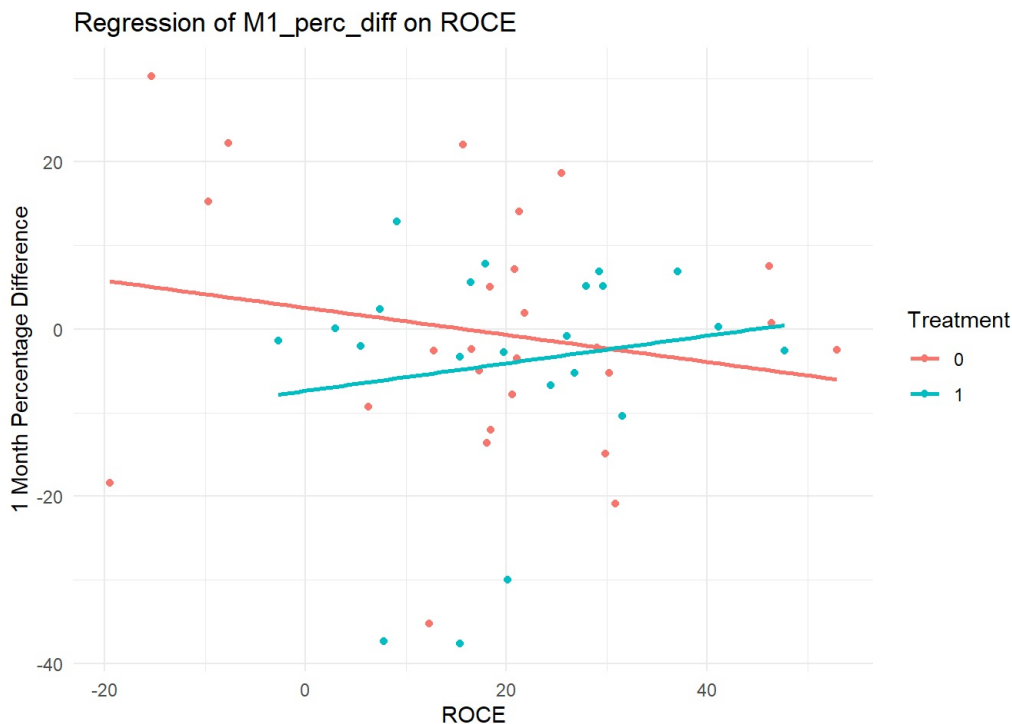
```
ggplot(reg_data, aes(x = ROE, y = M1_perc_diff, color = as.factor(treatment))) +
  geom_point() +
  geom_smooth(method = "lm", aes(group = treatment), se = FALSE) +
  labs(title = "Regression of M1_perc_diff on ROE",
       x = "ROE",
       y = "1 Month Percentage Difference",
       color = "Treatment") +
  theme_minimal()
```

```
## `geom_smooth()` using formula = 'y ~ x'
```


Regression of M1_perc_diff on ROE
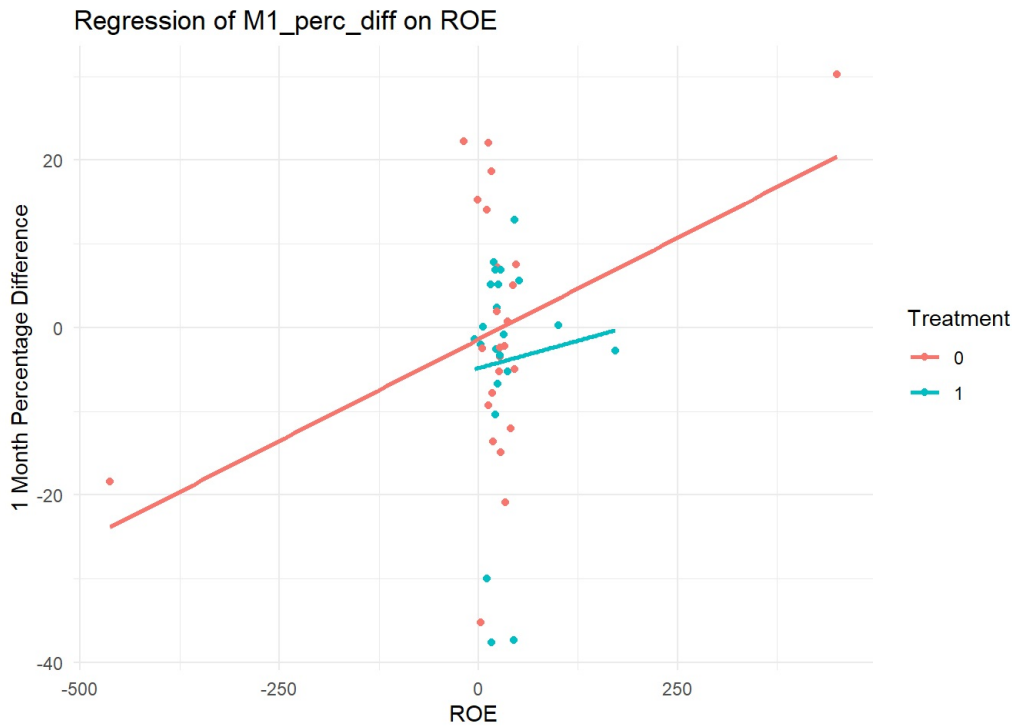
```
ggplot(reg_data, aes(x = DebtEquity, y = M1_perc_diff, color = as.factor(treatment))) +
  geom_point() +
  geom_smooth(method = "lm", aes(group = treatment), se = FALSE) +
  labs(title = "Regression of M1_perc_diff on Debt/Equity",
       x = "Debt/Equity",
       y = "1 Month Percentage Difference",
       color = "Treatment") +
  theme_minimal()
```

```
## `geom_smooth()` using formula = 'y ~ x'
```


Regression of M1_perc_diff on Debt/Equity

```
ggplot(reg_data, aes(x = Normalised_Diluted_EPS, y = M1_perc_diff, color = as.factor(treatment))) +
  geom_point() +
  geom_smooth(method = "lm", aes(group = treatment), se = FALSE) +
  labs(title = "Regression of M1_perc_diff on Normalised Diluted EPS",
       x = "Normalised Diluted EPS",
       y = "1 Month Percentage Difference",
       color = "Treatment") +
  theme_minimal()
```
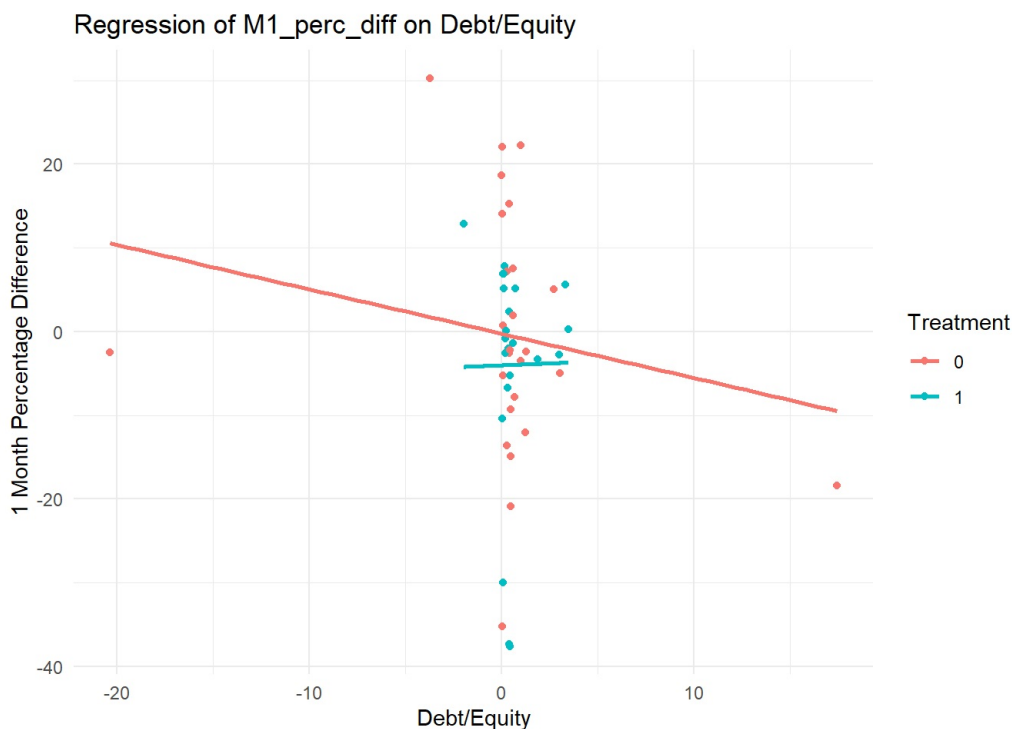
```
## `geom_smooth()` using formula = 'y ~ x'
```

```
## Warning: Removed 6 rows containing non-finite outside the scale range
## (`stat_smooth()`).
```

```
## Warning: Removed 6 rows containing missing values or values outside the scale range
## (`geom_point()`).
```

Regression of M1_perc_diff on Normalised Diluted EPS
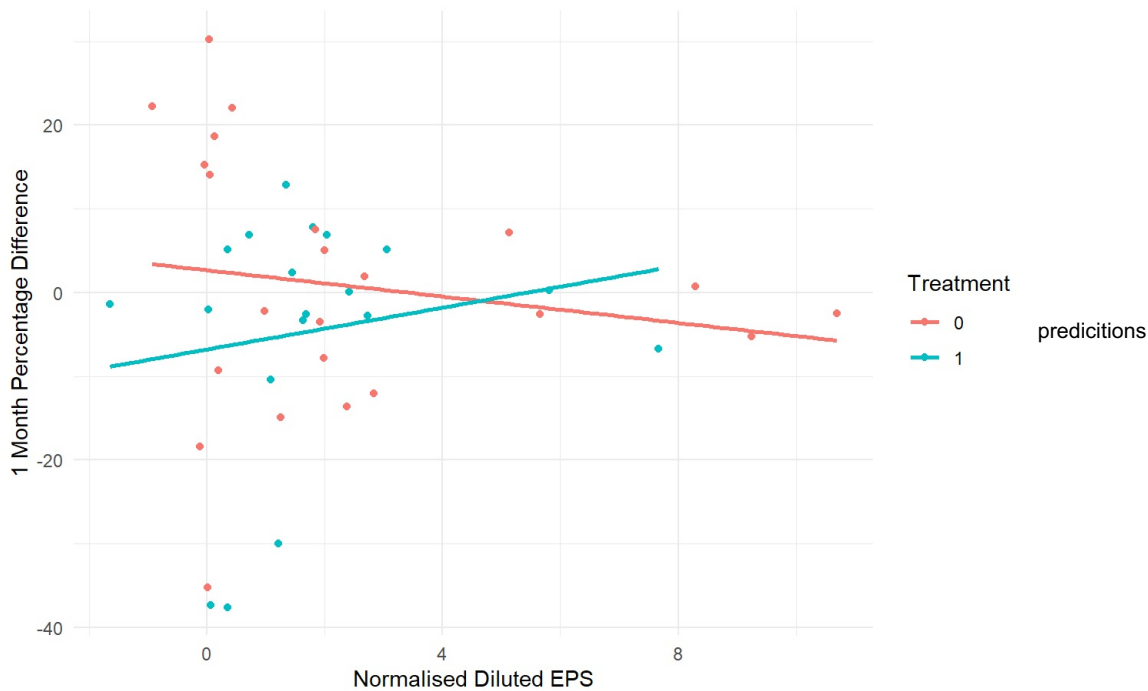

```
reg_data$treatment <- as.factor(reg_data$treatment)

# Predict values using the models

# Plot the regression lines
ggplot(reg_data, aes(x = ROCE, y = M1_perc_diff, color = treatment)) +
  geom_point() +
  labs(title = "Regression of M1_perc_diff on ROCE with Treatment Groups",
       x = "ROCE",
       y = "1 Month Percentage Difference",
       color = "Treatment") +
  theme_minimal()
```

Regression of M1_perc_diff on ROCE with Treatment Groups
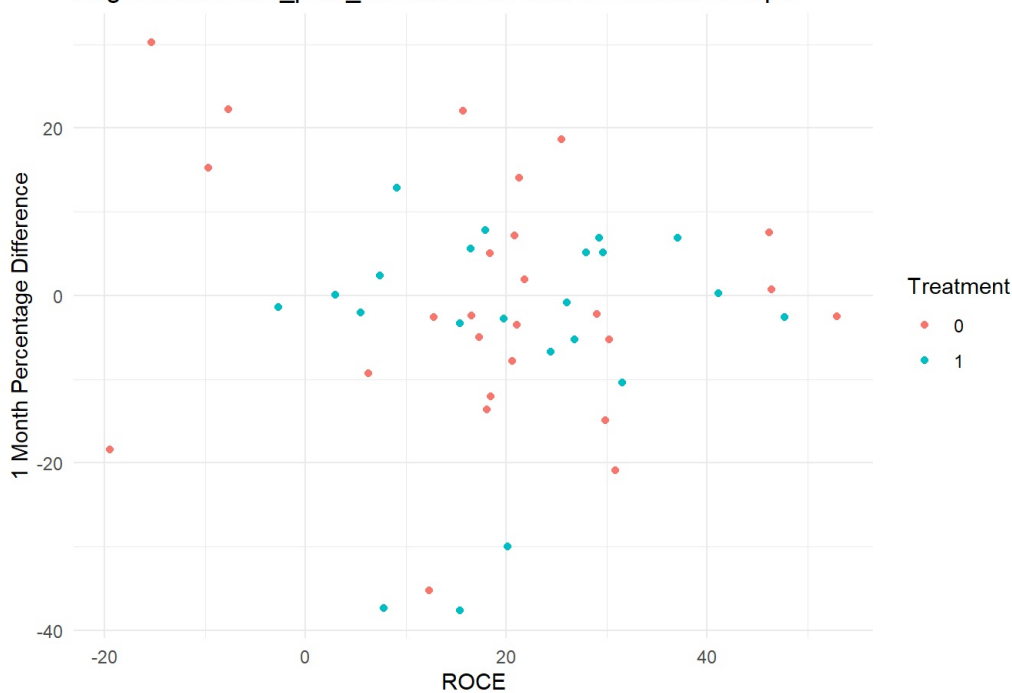
```
plot <- plot_ly(reg_data, x = ~DebtEquity, y = ~Normalised_Diluted_EPS, z = ~M1_perc_diff, color = ~as.factor(tre
atment), colors = c('#1f77b4', '#ff7f0e')) %>%
  add_markers() %>%
  layout(scene = list(xaxis = list(title = 'Debt/Equity'),
                      yaxis = list(title = 'Normalised Diluted EPS'),
                      zaxis = list(title = '1 Month Percentage Difference')),
         title = "3D Scatter Plot of Debt/Equity, Normalised Diluted EPS, and Percentage Difference")

# Display the plot
plot
```

```
## Warning: Ignoring 6 observations
```

) Scatter Plot of Debt/Equity, Normalised Diluted EPS, and Percentage Differen

- 0
- 1

WebGL is not supported by
your browser - visit
https://get.webgl.org for
more info

```
# Select rows where the company is Amazon or eBay
amazon_ebay_data <- reg_data[reg_data$Company %in% c("Amazon", "eBay"), ]

# Display the first few rows of the filtered data
head(amazon_ebay_data)
```

Company <chr>	▶
Amazon	
Amazon	
Amazon	
Amazon	
Amazon	
Amazon	

6 rows | 1-1 of 9 columns

```
ggplot(amazon_ebay_data, aes(x = Year, y = M1_perc_diff, color = factor(treatment))) +
  geom_line() +
  labs(title = "Percentage Difference Over Time for Amazon and eBay",
       x = "Time",
       y = "Percentage Difference",
       color = "Treatment") +
  theme_minimal()
```

Percentage Difference Over Time for Amazon and eBay
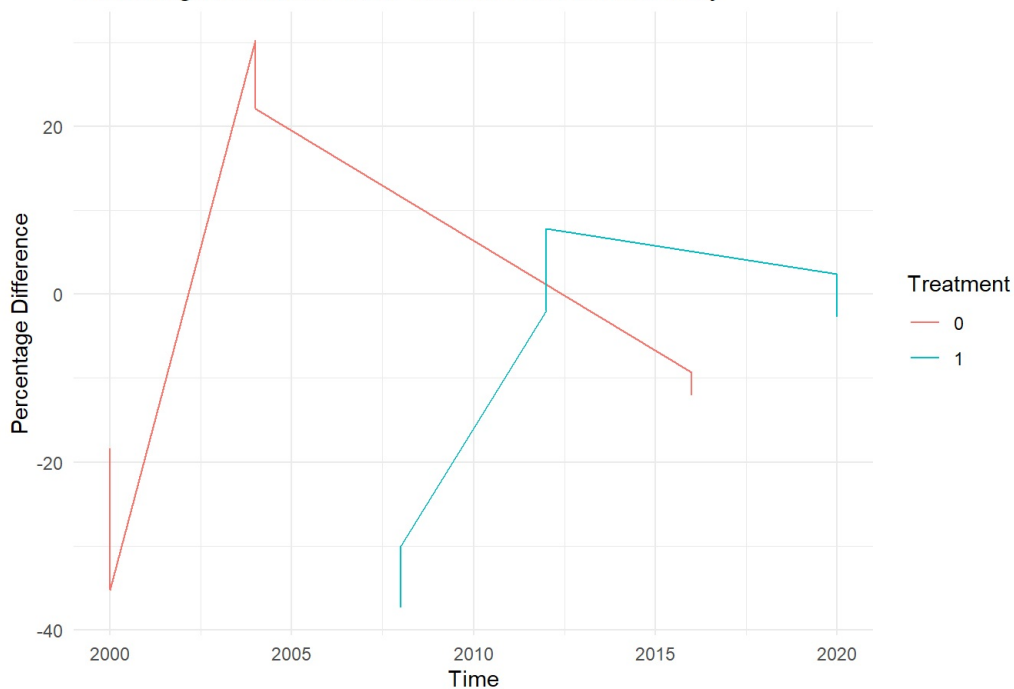
```
# Filter data for BP and Exxon Mobil
bp_exxon_data <- reg_data[reg_data$Company %in% c("BP", "ExxonMobil"), ]

# Plot percentage difference against time with separate lines for treatment groups
ggplot(bp_exxon_data, aes(x = Year, y = M1_perc_diff, color = factor(treatment))) +
  geom_line() +
  labs(title = "Percentage Difference Over Time for BP and Exxon Mobil",
       x = "Year",
       y = "Percentage Difference",
       color = "Treatment") +
  theme_minimal()
```


Percentage Difference Over Time for BP and Exxon Mobil
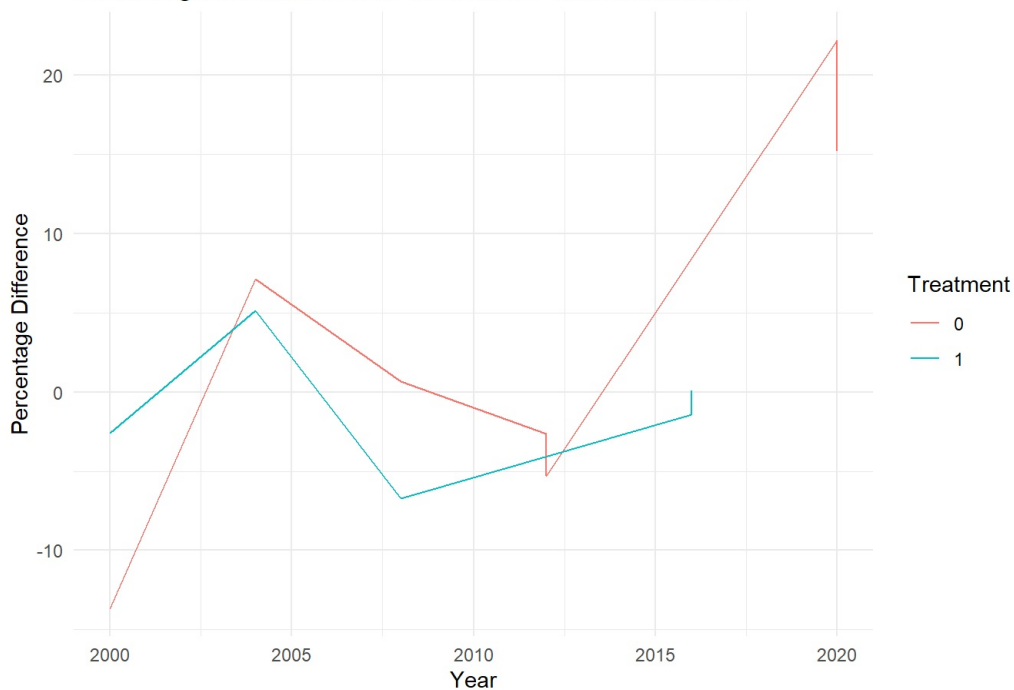
```r
# Filter data for Starbucks and Home Depot
starbucks_homedepot_data <- reg_data[reg_data$Company %in% c("Starbucks", "Home Depot"), ]

# Plot percentage difference against time with separate lines for treatment groups
ggplot(starbucks_homedepot_data, aes(x = Year, y = M1_perc_diff, color = factor(treatment))) +
  geom_line() +
  labs(title = "Percentage Difference Over Time for Starbucks and Home Depot",
       x = "Year",
       y = "Percentage Difference",
       color = "Treatment") +
  theme_minimal()
```


Percentage Difference Over Time for Starbucks and Home Depot

```r
# Filter data for Coca-Cola and Pepsi
coke_pepsi_data <- reg_data[reg_data$Company %in% c("Coca-Cola", "Pepsi"), ]

# Plot percentage difference against time with separate lines for treatment groups
ggplot(coke_pepsi_data, aes(x = Year, y = M1_perc_diff, color = factor(treatment))) +
  geom_line() +
  labs(title = "Percentage Difference Over Time for Coca-Cola and Pepsi",
       x = "Time",
       y = "Percentage Difference",
       color = "Treatment") +
  theme_minimal()
```
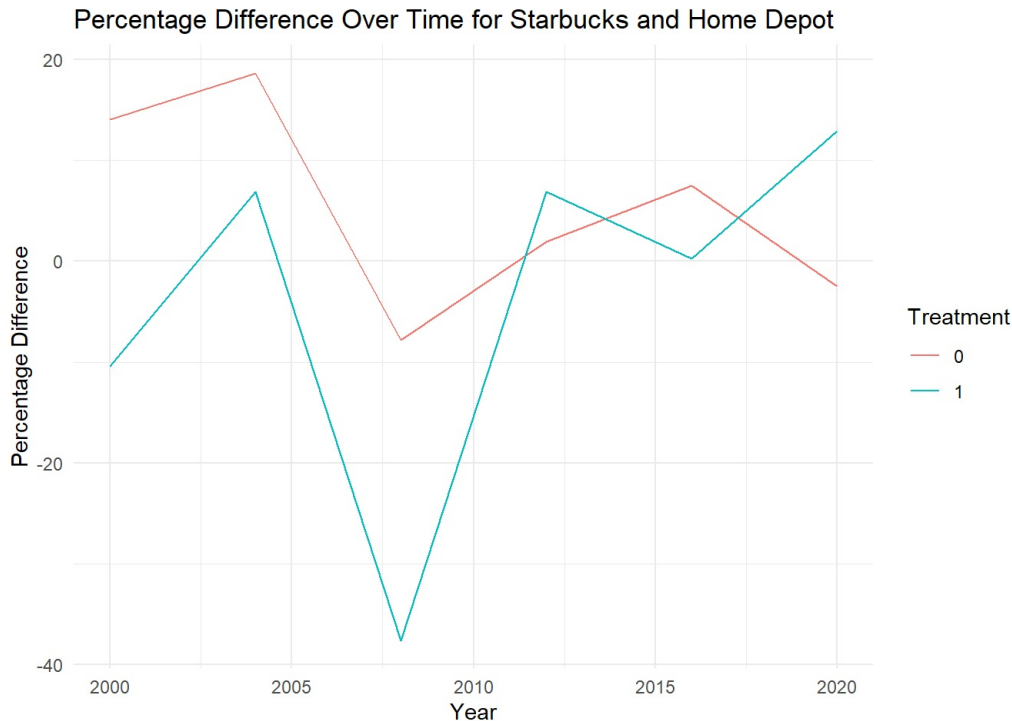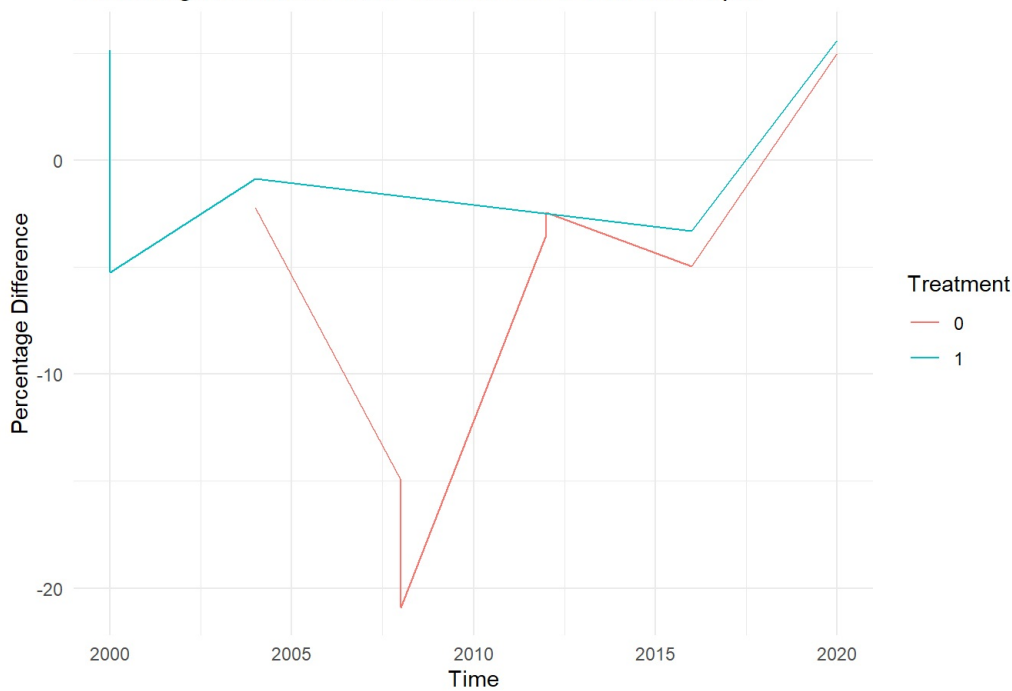
Percentage Difference Over Time for Coca-Cola and Pepsi

adding momentum 1-d regression

```
View(data4)

momentum <- (data4$int_stock_price_1D-data4$int_stock_price_1M)/data4$int_stock_price_1M

data4$momentum <- momentum
reg_data$momentum <- momentum
```

```
# Combined regression model including treatment as a binary variable
combined_model2 <- lm(D1_perc_diff ~ treatment * (ROCE + ROE + DebtEquity + Normalised_Diluted_EPS+ momentum), da
ta = reg_data)

# Summarize the combined model
summary(combined_model2)
```

```
##
## Call:
## lm(formula = D1_perc_diff ~ treatment * (ROCE + ROE + DebtEquity +
##     Normalised_Diluted_EPS + momentum), data = reg_data)
##
## Residuals:
##     Min      1Q  Median      3Q     Max
## -72.778 -16.232  -3.088   9.386 117.749
##
## Coefficients:
##                               Estimate Std. Error t value Pr(>|t|)
## (Intercept)                    4.86317   16.19516   0.300  0.76603
## treatment1                     0.63528   25.64076   0.025  0.98040
## ROCE                          -1.30099    0.71247  -1.826  0.07782 .
## ROE                           -0.04106    0.09587  -0.428  0.67148
## DebtEquity                    -0.71589    2.66336  -0.269  0.78993
## Normalised_Diluted_EPS        -2.63725    4.56463  -0.578  0.56774
## momentum                    -133.33269   44.70210  -2.983  0.00563 **
## treatment1:ROCE                0.61523    1.11790   0.550  0.58616
## treatment1:ROE                -0.38082    0.36961  -1.030  0.31109
## treatment1:DebtEquity          8.65191   12.32325   0.702  0.48804
## treatment1:Normalised_Diluted_EPS   6.50556    7.60807   0.855  0.39928
## treatment1:momentum           84.71686   47.33570   1.790  0.08360 .
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 44.66 on 30 degrees of freedom
##   (6 observations deleted due to missingness)
## Multiple R-squared:  0.4883, Adjusted R-squared:  0.3007
## F-statistic: 2.603 on 11 and 30 DF,  p-value: 0.01853
```

```
new_data <- reg_data
new_data$predicted <- predict(combined_model2, newdata = new_data)

# Plot the regression lines
ggplot(new_data, aes(x = Year, y = D1_perc_diff, color = as.factor(treatment))) +
  geom_point() +
  geom_line(aes(y = predicted), size = 1) +
  facet_wrap(~ treatment, scales = "free") +
  labs(title = "Regression of D1_perc_diff with Treatment Groups",
       x = "Debt/Equity",
       y = "1 Day Percentage Difference",
       color = "Treatment") +
  theme_minimal()
```

```
## Warning: Using `size` aesthetic for lines was deprecated in ggplot2 3.4.0.
## i Please use `linewidth` instead.
## This warning is displayed once every 8 hours.
## Call `lifecycle::last_lifecycle_warnings()` to see where this warning was
## generated.
```

```
## Warning: Removed 1 row containing missing values or values outside the scale range
## (`geom_line()`).
```


Regression of D1_perc_diff with Treatment Groups
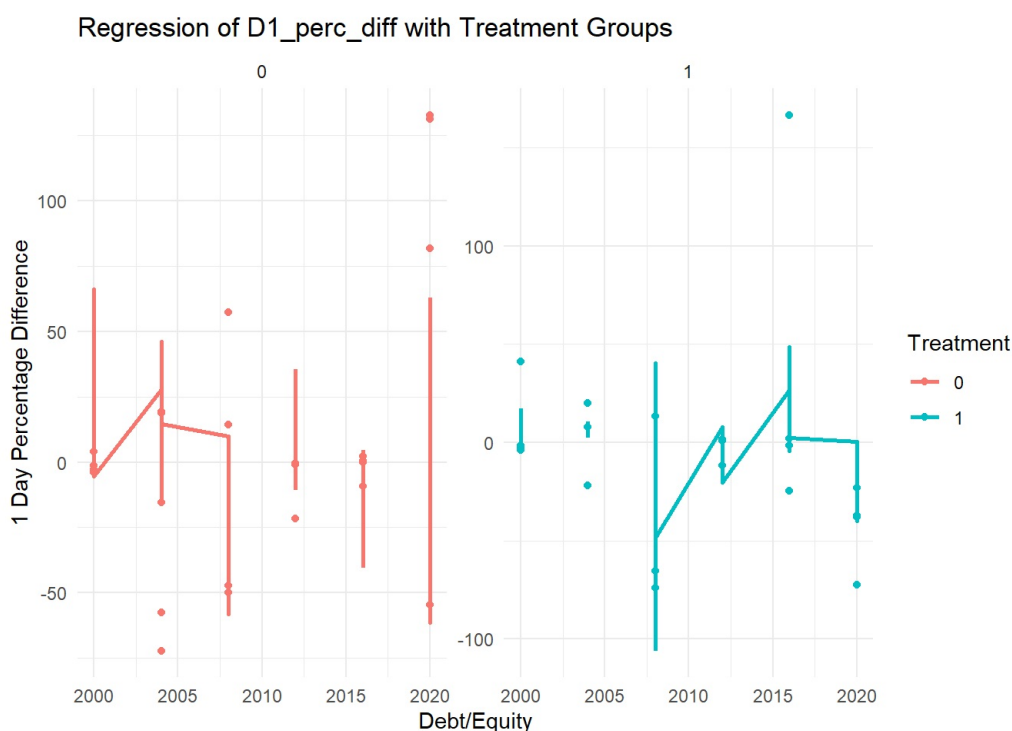
```
# Fit the combined regression model
combined_model2 <- lm(D1_perc_diff ~ treatment * (ROCE + ROE + DebtEquity + Normalised_Diluted_EPS) + momentum, d
ata = reg_data)

# Summarize the combined model
summary(combined_model2)
```

```
##
## Call:
## lm(formula = D1_perc_diff ~ treatment * (ROCE + ROE + DebtEquity +
##     Normalised_Diluted_EPS) + momentum, data = reg_data)
##
## Residuals:
##     Min      1Q  Median      3Q     Max
## -73.846 -25.977  -7.283  16.271 111.096
##
## Coefficients:
##                                  Estimate Std. Error t value Pr(>|t|)
## (Intercept)                       9.85261   16.51055   0.597  0.55501
## treatment1                       -2.20666   26.48528  -0.083  0.93414
## ROCE                             -1.16026    0.73285  -1.583  0.12352
## ROE                               0.02916    0.09052   0.322  0.74950
## DebtEquity                        0.86384    2.60059   0.332  0.74200
## Normalised_Diluted_EPS            0.74301    4.30067   0.173  0.86396
## momentum                        -57.78031   15.21616  -3.797  0.00064 ***
## treatment1:ROCE                   0.39362    1.14982   0.342  0.73441
## treatment1:ROE                   -0.42017    0.38185  -1.100  0.27964
## treatment1:DebtEquity             6.85906   12.71140   0.540  0.59333
## treatment1:Normalised_Diluted_EPS 2.20390    7.47051   0.295  0.76995
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 46.22 on 31 degrees of freedom
##   (6 observations deleted due to missingness)
## Multiple R-squared:  0.4337, Adjusted R-squared:  0.251
## F-statistic: 2.374 on 10 and 31 DF,  p-value: 0.03192
```

```r
# Create a new dataframe for predictions
new_data <- reg_data
new_data$predicted <- predict(combined_model2, newdata = new_data)

# Plot the regression lines
ggplot(new_data, aes(x = Year, y = predicted, color = as.factor(treatment), group = treatment)) +
  geom_point(aes(shape = as.factor(treatment)))  +
  geom_smooth(method = "lm", se = FALSE) +
  labs(title = "Predicted 1 Day Percentage Difference by Year and Treatment",
       x = "Year",
       y = "Predicted 1 Day Percentage Difference",
       color = "Treatment",
       shape = "Treatment") +
  theme_minimal()
```

```
## `geom_smooth()` using formula = 'y ~ x'
```

```
## Warning: Removed 6 rows containing non-finite outside the scale range
## (`stat_smooth()`).
```

```
## Warning: Removed 6 rows containing missing values or values outside the scale range
## (`geom_point()`).
```

Predicted 1 Day Percentage Difference by Year and Treatment
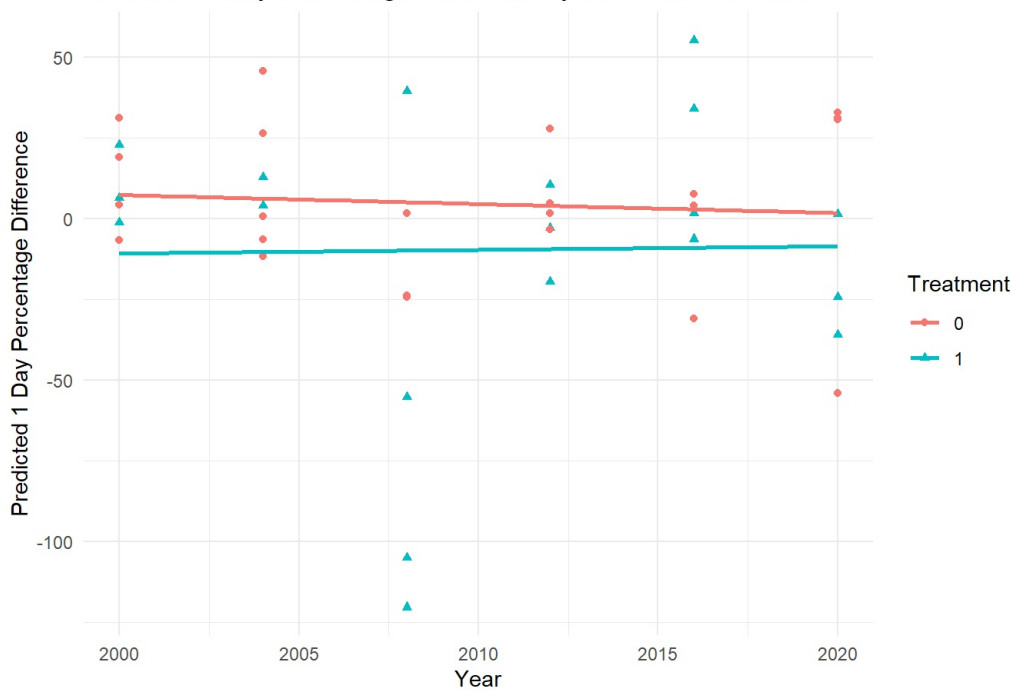
```
# Calculate mean percentage difference for treatment = 0
mean_treatment_0 <- mean(reg_data$M1_perc_diff[reg_data$treatment == 0], na.rm = TRUE)
var_treatment_0 <- var(reg_data$M1_perc_diff[reg_data$treatment == 0], na.rm = TRUE)

# Calculate mean percentage difference for treatment = 1
mean_treatment_1 <- mean(reg_data$M1_perc_diff[reg_data$treatment == 1], na.rm = TRUE)
var_treatment_1 <- var(reg_data$M1_perc_diff[reg_data$treatment == 1], na.rm = TRUE)

# Print the results
mean_treatment_0
```

```
## [1] -0.4337596
```

```
mean_treatment_1
```

```
## [1] -3.960501
```

```
var_treatment_0
```

```
## [1] 224.5619
```

```
var_treatment_1
```

```
## [1] 189.7046
```

```
# Calculate mean percentage difference for treatment = 0
mean_treatment_0 <- mean(reg_data$D1_perc_diff[reg_data$treatment == 0], na.rm = TRUE)
var_treatment_0 <- var(reg_data$D1_perc_diff[reg_data$treatment == 0], na.rm = TRUE)

# Calculate mean percentage difference for treatment = 1
mean_treatment_1 <- mean(reg_data$D1_perc_diff[reg_data$treatment == 1], na.rm = TRUE)
var_treatment_1 <- var(reg_data$D1_perc_diff[reg_data$treatment == 1], na.rm = TRUE)

# Print the results
mean_treatment_0
```

```
## [1] 4.720571
```

```
mean_treatment_1
```

```
## [1] -9.007129
```

```
var_treatment_0
```

```
## [1] 2487.109
```

```
var_treatment_1
```

```
## [1] 2539.894
```

```stata
clear all
import delimited "/Users/apple/Downloads/workdata(8 Companies) (1).csv", clear
//generate var and clean data
generate right_party_dummy = .
replace right_party_dummy = 1 if partywon == partybacked
replace right_party_dummy = 0 if partywon != partybacked
generate dummy_2000 = (year == 2000)
generate dummy_2004 = (year == 2004)
generate dummy_2008 = (year == 2008)
generate dummy_2016 = (year == 2016)
generate dummy_2020 = (year == 2020)
generate GDP_per_capita = 0
replace GDP_per_capita = 5517.1 if year == 2000
replace GDP_per_capita = 6829.8 if year == 2004
replace GDP_per_capita = 9443.2 if year == 2008
replace GDP_per_capita = 10584.4 if year == 2012
replace GDP_per_capita = 10207.5 if year == 2016
replace GDP_per_capita = 10904.1 if year == 2020
drop if company == ""
drop v16 v17
generate oil_dummy = (company == "Amazon" OR "eBay")
generate tech_dummy = (company == "BP" OR "ExxonMobile")
generate beverage_dummy = (company == "Coca-Cola" OR "Pepsi")
generate momentum = (int_stock_price_1d - int_stock_price_1m)/ int_stock_price
> _1m

// simple linear regression, growth rate in stock prices on funding winning pa
> rty
regress d_perc_diff right_party_dummy
// Multiple linear regression, growth rate in stock prices on funding winning
> party, control for roce, roe, debtequity, normaliseddilutedeps, momentum
regress d_perc_diff right_party_dummy roce roe debtequity normaliseddilutedeps
>  momentum
// Multiple linear regression, growth rate in stock prices on funding winning
> party, control for roce, roe, debtequity, normaliseddilutedeps, momentum, GD
> P_per_capita, sp500
regress d_perc_diff right_party_dummy roce roe debtequity normaliseddilutedeps
>  momentum GDP_per_capita sp500
// Multiple linear regression, growth rate in stock prices on funding winning
> party, control for roce, roe, debtequity, normaliseddilutedeps, momentum, GD
> P_per_capita, sp500, oil_dummy, tech_dummy, beverage_dummy
regress d_perc_diff right_party_dummy roce roe debtequity normaliseddilutedeps
>  momentum GDP_per_capita sp500 oil_dummy tech_dummy beverage_dummy

translate "Untitled 7.do" "Stata.pdf", translator(txt2pdf)
```

Power to the students? An Intergenerational Study of Perceptions of Political Agency at the LSE.

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Abstract

The London School of Economics (LSE) is reputed for its politically active student base. However, the impact of higher education, let alone LSE, on perceptions of political agency is chronically understudied, with almost every piece of literature focused on the United States.

This paper seeks to fill this literature gap following the increase of student unrest at educational institutions across the world due to geopolitical events, leading to growing political activism such as protests and encampments. This paper questions whether 'the LSE Experience' (including education, social life and community) can impact perceptions of political agency from an intergenerational perspective, focusing on quantitative comparisons amongst current students and qualitative analysis of alumni. The quantitative data investigates individual political perceptions and the impact of the LSE 'experience' on current students, meanwhile the qualitative data explores specific experiences of graduates from the mid-1960's, a politically active period (including the Civil Rights Movement, the nascency of the Vietnam War, and strikes against an LSE Director, Walter Adams). Analysing generational perspectives on political agency is important to understand the impact of LSE on these views, alongside the influence of wider societal factors. This paper indicates no significant correlation between the LSE 'experience' and perceptions of political agency for current students, although alumni hinted at the important effects of the LSE 'experience' on their political agency.

Key Words: Political Agency, Perception, LSE, Intergenerational

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1. Introduction

Universities are considered hotspots for political movements and discussion, with literature indicating a relationship between the university experience and the political activity of students, especially in the United States. (Mayer, 2011; Nie et al., 1996; Willeck & Mendelberg, 2022). However, there is minimal attention on the effects of university education on students' perception of their political agency, and thus acting to influence politics. This research focuses on the impact of university education changing students' perceptions of their political agency.

Previous literature establishes students' tendency to be politically active, and those who study politics are more likely to participate politically (Denver and Hands, 2009). This explains the selection of the London School of Economics and Political Science (LSE) for the research conducted for this paper, to closely focus on whether this politically oriented academic institution, known for its strong history of political activism, influencing students' perception of their political agency (Webster, 2015). By focusing on political agency, existing literature is expanded to consider the issue holistically, combining variables from across previous academic studies which individually fixate on the impact of university education on voting, political orientation or protesting capabilities. This paper hypothesises that the LSE 'experience' does change students' perceptions of their political agency, utilising quantitative and qualitative data across a survey and in-depth interviews of current students and alumni to test this hypothesis and fill this literature gap. The researchers looked at current students and alumni from the 1960's.

2. Literature Review

2.1 Context

The association between higher education and political participation is one of the most "replicated and cited findings in political science" (Willeck & Mendelberg, 2022, 90 (see also: Nie et al., 1996; Mayer, 2011; Colby et al., 2007)). Data suggests that the institutional role of encouraging political participation stems from the exposure to political discussion that university provides, which, in turn, is associated with higher political activity. Universities may be unique in their efficacy and action (Klofstad, 2015; Shulman & Levine, 2012), speaking to the wider perception that university students are highly active in politics, particularly in the United States (US) (Williams, 2020). Within the US, there is a strong and established correlation between college attendance and civic engagement or the enactment of political agency (Hillygus, 2005; Simmons & Lilly, 2010). The UK is severely under-researched in this area, specifically in how UK-based universities change political agency, leading to a key shortfall in existing academic literature and niche that this paper begins to fill.

Studies suggest that an environment of political discussion can also encourage political engagement and awareness through information provision and discussions of existing levels of political agency in campus communities (Glynn et al., 2009; Klofstad, 2015; Williams, 2020). Acts such as voting, protesting, and engaging in political discussion across previous literature are also typically explored in isolation, and current literature 'neglects the diverse forms of active political participation' beyond voting (Pritzker et al., 2012. 4). Hence, this research paper explores the university 'experience' as incorporating the academic, institutional community and student community's impact on political influence, and considers the impact of the university experience on 'political agency' for mass political engagement.

2.2 Definitions

The unit of study for this paper is an individual, in this case, an LSE student or alum, believing (or not) that they hold some sort of power within the political space - 'political agency'. This paper draws 'political agency' from the work of Craig, Niemi, and Silver and 'internal efficacy', defined as 'beliefs about one's own competence to understand and to participate effectively in politics' (Craig et al., 1990, 290). This paper rejects the initial definition of political agency as a unidimensional factor, as proposed in the early works of Campbell et al., as too narrow, and the focus on 'external efficacy' of Converse and Balch as excessively broad (Balch, 1974; Campbell et al., 1954; Converse, 1972).

Evidence shows that academic and extracurricular activities that encourage political engagement have been associated with increases in political engagement (Colby et al., 2007, 8). Further, Webster (2015, 75) asserts that any research into British student protest 'must engage with the history and reputation of the ['infamously radical'] LSE' over other institutions - this highlights

that an LSE-specific study may have paradigm-determining qualities, thus emphasising the importance of this paper to the general literature.

Thus, considering the LSE's reputation for its politically active student base, this study seeks to fill current research gaps by investigating the impact of the 'LSE experience' on changes in students' perceptions of their political agency.

3. Research Design

3.1 Mixed Method Analysis

Mixed methods was chosen to gain insights from different generations, notably current students (2020's) and alumni (1960's). This is a non-comparative discussion, attempting to understand the impact of the LSE 'experience' on political agency within different generations. Information about current students (2020's) were gathered via quantitative analysis, with a survey. Qualitative was used for the alumni, with semi-structured interviews, allowing for more depth regarding the 1960's historical context.

3.2 Analysis of Current Students and 1960's Alumni

The examination of current students stems from a currently heightened period of political activity at LSE which has also involved forced changes to university operations (Elgueta et al., 2024).

The 1960's were a volatile period for Western societies generally, but especially so on the LSE campus. In October 1966, amidst degenerating student conditions, Dr Walter Adams became Chancellor to great opposition from students, who staged sit-ins, hunger strikes, and protests (Kidd, 1969). These would turn violent in a period known as the 'LSE Troubles', resulting in over thirty students being arrested, an LSE porter's death, and the closure of LSE for 25 days in 1969 (Donnelly, 2019b; Donnelly, 2019a, 1). Thus, the impact these events had upon shaping the LSE lead the researchers to question the reasoning behind the political activism of students during this time, and the differentiating nature of LSE for current students. To do this, researchers looked at the perceptions of political agency amongst these two generations: 1960's and current students.

3.3 Research Question

Does the LSE 'experience' have an influence on perceptions of political agency amongst current students and alumni?

3.4 Hypotheses

$H1_0$: The LSE 'experience' has no influence on perceptions of political agency amongst students.
$H1_1$: The LSE 'experience' has an influence on perceptions of political agency amongst students.
$H2_0$: The LSE 'experience' had no influence on perceptions of political agency amongst alumni.
$H2_1$: The LSE 'experience' had an influence on perceptions of political agency amongst alumni.

4. Methodology

The mixed methods design is composed of an online survey and semi-structured interviews. As the research question relates to personal perception, both the quantitative and the qualitative methods offer important insight - using mixed methods 'offers the chance to fill any data gaps, compared to using a single research method' (Tzagkarakis & Kritas, 2023, 551). As the researchers sought to gain perceptions of political agency from different generations, this was the most ideal method: maximized responses from current students through a survey and in-depth interviews of alumni's experiences from the 1960's.

4.1 Quantitative Analysis of Perceptions of Political Agency in Current Students

4.1.1 Survey

Participants: The survey's randomised sample was 125 student volunteers from LSE, of whom 49.60% had been at LSE for up to one year.

Materials: The materials used were two surveys designed by the researchers: one for current students (Appendix A) and one for Alumni (Appendix B), differing only in tense and both with no time constraints.

Design: The survey took inspiration from Craig, Niemi, and Silver's question set, and the prior integration work done by various authors (Acock et al., 1985; Clarke & Acock, 1989; Craig et al., 1990). One question was lifted from the text (Appendix A, Question 12) and three further questions were adapted (Appendix A, Questions 10, 11, 13).

An additional question was included to assess students' perceived change in their political agency over the course of their studies. Respondents were asked to rate their answers from a 1-7 scale, ranging from "Extremely Disagree" to "Extremely Agree".

Procedure: The link to the survey, with an accompanying informative message, was sent to LSE societies and departments. The data was then collected via Microsoft Forms, cleaned in Excel, and exported to Stata for analysis.

Univariate and multivariate regression analysis were conducted on the data to explore if meaningful correlations were found between variables. Such regression analysis was based on a strong assumption that the distances between all the ordinal scores (e.g., 1 to 2) from the survey were the same, in order to treat them as continuous variables.

Ethical Considerations: The survey was conducted following LSE's code of ethics.

4.2 Qualitative Analysis of Perceptions of Political Agency in 1960's Students

4.2.1 Interviews

Participants: The interviewees are six alumni who attended LSE in the 1960's. They were recruited via the LSE alumni centre and were interviewed voluntarily after participating in an LSE Campus Tour. The researchers acknowledge the potential bias accompanied by interviewing alumni who choose to come back to LSE after 60 years. Beyond researching the then self-perceived political engagement of the interviewees, the researchers sought to find out additional nuance, such as, 'if so, how and why'.

Materials: The material used was a topic guide outlining questions and process for a semi-structured interview (Appendix C).

Design: The topic guide was inspired by the survey and included six sections. Through this, understanding of interviewee experience and perception was achieved beyond quantitative data's limitations. The expected time of completion was 15-30 minutes, depending on saturation of information.

Procedure: Consent forms were signed before interviews (Appendix D). Each interview was completed in-person, using the topic guide, with one researcher asking the questions and one taking notes. The data was then anonymised with participants choosing pseudonyms, digitised, and subjected to thematic analysis by multiple researchers. Using Braun and Clarke's (2006) framework, thematic analysis was employed with both bottom-up and top-down coding from different researchers to ensure blind-coding and limit researcher bias.

Ethical Considerations: The interviews were conducted following LSE's code of ethics.

4.2.2 Archival Research

Archival material was used to supplement and corroborate the qualitative data.

5. Results and Interpretations

5.1 Perceptions of Political Agency Amongst Current Students

Out of 125 survey responses, 114 were valid. Although the initial aim was to control for the departments in regressions, there was not satisfactory number of samples for each department; thus, this control could not be incorporated into the analysis.

Regressing the four independent aspects of political agency and demographic and non-demographic variables confirmed that there is no sufficient evidence to conclude years spent at the LSE has any effect on students' level of political agency. Thus, the researchers failed to reject the null hypothesis ($H1_0$).

However, a statistically significant correlation was found with perceptions of influence over policy change within LSE (Appendix A, Question 14) with both the number of years students have spent at LSE (Appendix A, Question 3) and the degree to which they feel connected to the LSE community (Appendix A, Question 7). This finding was consistent regardless of the controls of the dummy variables for educational levels (i.e. Masters, PhD). The information regarding this regression is displayed in Table 1. Appendix E shows the specifications of the multivariate regressions.

Table 1: Regression between students' perceived level of influence over policy changes within LSE and other variables

	(1)	(2)	(3)
years_lse	0.3797*	0.3616*	0.3986*
	(0.176)	(0.171)	(0.181)
connected_student_community		0.2694**	0.2641**
		(0.933)	(0.937)
dummy_master			0.27204
			(0.394)
dummy_phd			-0.94339
			(1.14)
Adjusted R-squared	0.0331	0.0909	0.0848

**p < 0.01, *p < 0.05, Standard Errors are shown in the brackets

There was no statistically significant correlation between current students' political agency in a wider society context and their demographic information. Yet, students' perceived influence over policy changes within LSE increases as they spend longer at the university and feel more connected to the community. This suggests that the LSE 'experience' does not significantly enhance students' political agency because their perceptions toward politics and willingness for political involvement are largely formed before university. Alternatively, entering university could increase students' political agency, but this cannot be confirmed as no samples were collected from individuals before they entered the university (e.g., LSE offer holders). This latter possibility is supported by data showing that 53% of LSE students think their political agency has changed since they entered the university (Appendix A, Question 20; Appendix G), yet years spent at LSE are not correlated with

changes of political agency. On the other hand, students feel they have more influence over policy changes at LSE and feel more connected to the student body with more years at LSE, perhaps because they understand how administrative systems and student bodies' (e.g., Student Union) work with policy changes at LSE, forming new political opinions.

Overall, the paper does not have enough evidence to reject the null hypothesis ($H1_0$), meaning that the LSE 'experience' has no statistically significant influence on perceptions of political agency amongst current students.

5.2 Perceptions of Political Agency Amongst 1960's Students

Thematic Analysis (Appendix F) led to the following organising themes with the basic codes in brackets: Perceptions of LSE and LSE community (social life, demanding curriculum, and top institution), self-perception (active individuals and collective power), LSE 'experience' (political atmosphere and transferable political skills), circumstantial factors (1960's and other periods) and actions (political involvement and volunteering).

The respondents spoke about their perceptions of the LSE Community and their LSE 'experience', especially in feelings of belonging and connectedness. Many highlighted the international nature of LSE alongside their involvement in societies and interactions with peers which enhanced integration. A heightened political interest was a driving theme behind interviewee's reflections. According to Kathy, the wider community of LSE was "imbued with revolutionary politics", and Albert concurred that students felt that they could "change the world" through a united student body. The rigorous academic environment also strengthened the connection, exemplified by Kathy saying that academics gave "more depth" to current politics, alongside the activism desire.

Self-perception of political agency varied amongst interviewees but generally indicated a high level of political awareness and activity within LSE. Albert and Caroline felt they did not hold much political influence in LSE, supporting the assertion that "the students had little voice" in the university (Kidd, 1969, 10). According to the *Letter Issued by the Students Union* in 1967, students were "branded irresponsible" by LSE staff and deprived of political stance. However, all interviewees described this as a driving factor for active involvement in political activities, such as protests and discussions, both during and after their time at LSE. Albert, Caroline, Mary, and Kathy all conveyed feeling power in the "masses", reflecting their ideals on possessing political influence through the student body. Jacqueline and Paul viewed their individual political agency through voting, indicating they would have voted if eligible. Caroline's statement, "what is the point of studying economics and politics if you don't vote?", encapsulates this sentiment.

These trends convey that all the interviewees from the 1960's have an extremely strong desire for political influence.

The historical context, such as the Walter Adams controversy and voting age of 21, played a vital role in shaping views on political agency of this generation, with interviewees like Mary noting that "many of my peers went on a hunger strike" due to the lack of care for the student voice. Similarly, concerns over inequality, after the Lionel Robbins report, resulted in student action and LSE policy change, with Alfred noting that it "increased the diversity of LSE by 1966, as working-class students were given financial support to study here". *The Directors Letter to all Students in 1967* stated that the protests gave the director a "strong impression" that students had "too little information about the way the school is run, its problems and its policies", thus leading a memorandum to give students a better understanding of intra-school politics (Director Sydney Caine in 1967, via Kidd, 1969).

The overall perception of the 1960's alumni can be summed up within LSE fostering a community whereby perception of political agency was created within a collective body, which was otherwise not present on an individual level. Thus, the results lean towards $H2_1$, that the LSE 'experience' influences perceptions of political agency, amongst alumni

6. Limitations and Implications

The researchers acknowledge that limitations in timescale, scope, and funding for this project leave this study with inherent disadvantages. Critically, a lack of engagement with the qualitative and quantitative studies of current students and alumni, respectively, hampered this paper's ability to draw strong comparative conclusions about the Research Questions. This could be solved through improving vectors of outreach and implementing participatory incentives. This study also struggles with uncontrolled confounding variables, such as age, gender, and race, lending our results to risk reductivity. Finally, psychological biases, such as positive memory bias (in which people remember more pleasant than unpleasant events), may impact our results as Alumni may have overestimated LSE's impact on them (Adler & Pansky, 2020). Future researchers should aim to adapt our methods with a longer timescale to better control for these variables, especially through increasing sample sizes.

7. Conclusions

This paper has questioned whether, amongst Students and Alumni from the 1960's, the LSE 'experience' has had an impact on individuals' perceptions of political agency. This paper does suggest that the LSE 'experience' provided a platform for individuals to enact the political agency that they perceive themselves as having, particularly in the 1960's.

This paper has employed a mixed methodology research design in order to answer each of the four stated hypotheses, utilising quantitative surveys and qualitative interviews to begin to understand the inner machinations of an LSE student or alum's mind and to determine whether this educational environment, in particular, was a driving force behind the perceptions of political agency which they held at the time of providing data.

This work contributes to political agency literature and to heightened levels of protests and encampments on UK and US university campuses relative to historical averages. The researchers hope to shed light, especially at LSE, on how a given institution impacts an individual's perception of political agency and encourage further study with a focus on securing an independent control sample, rather than the dependent (intra-LSE) control which this paper utilises on account of time limitations. There is especially scope to expand research to other universities to test Webster's hypothesis about centrality of the 'infamously radical' LSE to studies of British student agency (Webster, 2015, 75).

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9. Appendices

Appendix A
Online Survey for Current LSE Students

Power to the Students? LSE GROUPS 5 SURVEY

Dear participant,

Thank you for your interest in this project investigating the perceived power of students at LSE. In this survey, we hope to understand views on student agency in shaping political affairs and involvement.

Requirements

- Aged 18 or over
- An LSE Student
- *Not already completed this survey*

If you are LSE Alumni, *please access this survey tailored to your experience:* *https://forms.office.com/e/MzaR9nj9V2*

Information and consent

The information below is regarding the use of data collected for this survey and consent for participation. Please tick 'yes' if you agree to the statements below and the use of information for the study.

Involvement. This survey should take between 5-15 minutes, depending on the speed completed. The experiment includes a questionnaire where participants will be asked to select an answer from the questions below.

Participation is voluntary. There are no negative consequences for you if you decide not to take part in this study. You can also start the survey and withdraw at any point, without explanation. If you'd like to withdraw your data after taking part, contact us before 9am UK time on 12th June 2024 - you will not have to give any explanation why.

Information use. The reported study is part of a research project at the London School of Economics and Political Sciences approved by the LSE Eden CENTRE, for LSE groups.

Anonymous. Your participation will be anonymous - your name will not be used in any reports or publications resulting from the study.

Ethics. This research project has received ethics approval from the EDEN Centre.

Point of contact: Ellie Flaherty
e.flaherty@lse.ac.uk

If you agree to take part in the research, please select 'yes' below.

1. Do you consent to taking part in this research? *

   ◯ Yes

   ◯ No

Background questions

2. Are you currently studying at the London School of Economics (LSE)? *

   ◯ Yes

   ◯ No but I am an alumnus/a

   ◯ No

3. How many years have you studied at the LSE? *

   ◯ Up to 1

   ◯ Up to 2

   ◯ Up to 3

   ◯ Up to 4

   ◯ Up to 5 or more

4. What level of study are you undertaking/ have undertaken at the LSE? (Please select all that apply) *

   ☐ Level 6 (Bachelor's degrees)

   ☐ Level 7 (Master's degrees, postgraduate certificates)

   ☐ Level 8 (PhDs)

5. What department do you belong to (for the majority of your LSE studies)? *

○ Department of Accounting

○ Department of Anthropology

○ Data Science Institute

○ Department of Economics

○ Department of Economic History

○ European Institute

○ Department of Finance

○ Firoz Lalji Institute for Africa

○ Department of Gender Studies

○ Department of Geography and Environment

○ Department of Government

○ Department of Health Policy

○ Department of International Development

○ Department of International History

○ International Inequalities Institute

○ Department of International Relations

○ Language Centre

○ LSE Law School

○ Department of Management

○ Marshall Institute

○ Department of Mathematics

○ Department of Media and Communications

○ Department of Methodology

○ Department of Philosophy, Logic and Scientific Method

○ Department of Psychological and Behavioural Science

○ School of Public Policy

○ Department of Social Policy

○ Department of Sociology

○ Department of Statistics

◯ Other

6. If you clicked other, what was/is the name of your department?

[   ]

LSE Presence

In the following section, please rate how much you agree/disagree with the statements.

7. I feel connected to the student community within the LSE (such as LSE events, society activities, etc.) *

◯ 1-Extremely Disagree

◯ 2-Moderately Disagree

◯ 3-Slightly Disagree

◯ 4-Neutral

◯ 5-Slightly Agree

◯ 6-Moderately Agree

◯ 7-Extremely Agree

8. I perceive the LSE as an institution in a positive light *

◯ 1-Extremely Disagree

◯ 2-Moderately Disagree

◯ 3-Slightly Disagree

◯ 4-Neutral

◯ 5-Slightly Agree

◯ 6-Moderately Agree

◯ 7-Extremely Agree

9. I would be likely to take part in a protest during my time at LSE *

◯ 1-Extremely Disagree

◯ 2-Moderately Disagree

◯ 3-Slightly Disagree

◯ 4-Neutral

◯ 5-Slightly Agree

◯ 6-Moderately Agree

◯ 7-Extremely Agree

Political Agency

In the following section, please rate how much you agree/disagree with the statements.

10. I consider myself able to hold political power within the LSE community (e.g through participating in SU elections, being in committees, being a representative) *

○ 1-Extremely Disagree

○ 2-Moderately Disagree

○ 3-Slightly Disagree

○ 4-Neutral

○ 5-Slightly Agree

○ 6-Moderately Agree

○ 7-Extremely Agree

11. I feel that I have a good understanding of the important political issues facing the LSE *

○ 1-Extremely Disagree

○ 2-Moderately Disagree

○ 3-Slightly Disagree

○ 4-Neutral

○ 5-Slightly Agree

○ 6-Moderately Agree

○ 7-Extremely Agree

12. I often don't feel sure of myself when talking with other people about politics and government *

  ○ 1-Extremely Disagree

  ○ 2-Moderately Disagree

  ○ 3-Slightly Disagree

  ○ 4-Neutral

  ○ 5-Slightly Agree

  ○ 6-Moderately Agree

  ○ 7-Extremely Agree

13. I feel the need of representing myself in the political field because others cannot or will not represent my opinions accurately *

  ○ 1-Extremely Disagree

  ○ 2-Moderately Disagree

  ○ 3-Slightly Disagree

  ○ 4-Neutral

  ○ 5-Slightly Agree

  ○ 6-Moderately Agree

  ○ 7-Extremely Agree

Political Participation in Policy Change

In the following section, please rate how much you agree/disagree with the statements.

14. I feel I have influence over policy change within LSE *

- ◯ 1-Extremely Disagree
- ◯ 2-Moderately Disagree
- ◯ 3-Slightly Disagree
- ◯ 4-Neutral
- ◯ 5-Slightly Agree
- ◯ 6-Moderately Agree
- ◯ 7-Extremely Agree

15. I feel I have influence over political change in wider society *

- ◯ 1-Extremely Disagree
- ◯ 2-Moderately Disagree
- ◯ 3-Slightly Disagree
- ◯ 4-Neutral
- ◯ 5-Slightly Agree
- ◯ 6-Moderately Agree
- ◯ 7-Extremely Agree

16. I feel I have influence over political change in wider society because... *

	1-Extremely Disagree	2-Moderately Disagree	3-Slightly Disagree	4-Neutral	5-Slightly Agree	6-Moderately Agree	7-Extremely Agree
I believe my vote makes a difference	◯	◯	◯	◯	◯	◯	◯
I am part of a government body that has policy influence	◯	◯	◯	◯	◯	◯	◯
I actively contact my representatives with the aim of influencing policy	◯	◯	◯	◯	◯	◯	◯
I actively protest	◯	◯	◯	◯	◯	◯	◯

17. Please select '4-Neutral' to show you have been accurate with your answers in this survey *

◯ 1-Extremely Disagree

◯ 2-Moderately Disagree

◯ 3-Slightly Disagree

◯ 4-Neutral

◯ 5-Slightly Agree

◯ 6-Moderately Agree

◯ 7-Extremely Agree

Political Participation in Other Domains

In the following section, please rate how much you agree/disagree with the statements.

18. I consider myself to have taken part in political activism (such as protesting, petitioning, etc.).
*

- ◯ 1-Extremely Disagree
- ◯ 2-Moderately Disagree
- ◯ 3-Slightly Disagree
- ◯ 4-Neutral
- ◯ 5-Slightly Agree
- ◯ 6-Moderately Agree
- ◯ 7-Extremely Agree

19. If my country or institution (e.g., European Union) were to hold an election tomorrow and I was eligible to vote in it, I would do so. *

- ◯ 1-Extremely Disagree
- ◯ 2-Moderately Disagree
- ◯ 3-Slightly Disagree
- ◯ 4-Neutral
- ◯ 5-Slightly Agree
- ◯ 6-Moderately Agree
- ◯ 7-Extremely Agree

Effect of LSE

In the following section, please rate how much you agree/disagree with the statements.

20. Since beginning my studies at LSE, my perceptions on having political agency have changed in which way? *

○ 1-Extremely diminished

○ 2-Moderately diminished

○ 3-Slightly diminished

○ 4-Neutral/No change

○ 5-Slightly enhanced

○ 6-Moderately enhanced

○ 7-Extremely enhanced

21. I largely attribute these changes to be a result of my time at LSE *

○ 1-Extremely Disagree

○ 2-Moderately Disagree

○ 3-Slightly Disagree

○ 4-Neutral

○ 5-Slightly Agree

○ 6-Moderately Agree

○ 7-Extremely Agree

22. I largely attribute the change of perception to... (if you do not attribute the change of perception to any, please select Neutral)

	1-Extremely Disagree	2-Moderately Disagree	3-Slightly Disagree	4-Neutral	5-Slightly Agree	6-Moderately Agree	7-Extremely Agree
The LSE curriculum	○	○	○	○	○	○	○
The LSE student community (Societies, SU, Halls, Friendships)	○	○	○	○	○	○	○
The LSE institutional community (events, talks, campus roles)	○	○	○	○	○	○	○

Follow-up Interview Request

All interviews will take place until the Wednesday 12th June, at your convenience.

23. If you would like to participate in a follow-up interview (≤30mins), please kindly leave your email address. Also please feel free to leave any additional comments and feedback here. Thank you!

Appendix B

Online Survey for LSE Alumni

Power to the Students? LSE GROUPS 5 SURVEY ALUMNI ⅋

Dear participant,

Thank you for your interest in this project investigating the perceived power of students at LSE. In this survey, we hope to understand views on student agency in shaping political affairs and involvement.

Requirements

- Aged 18 or over
- An LSE Alumni
- *Not already completed this survey*

*Please reflect on your experiences **whilst you were still a student** at the LSE and answer accordingly.*

* Required

Information and consent

The information below is regarding the use of data collected for this survey and consent for participation. Please tick 'yes' if you agree to the statements below and the use of information for the study.

Involvement. This survey should take between 5-15 minutes, depending on the speed completed. The experiment includes a questionnaire where participants will be asked to select an answer from the questions below.

Participation is voluntary. There are no negative consequences for you if you decide not to take part in this study. You can also start the survey and withdraw at any point, without explanation. If you'd like to withdraw your data after taking part, contact us before 9am UK time on 12th June 2024 - you will not have to give any explanation why.

Information use. The reported study is part of a research project at the London School of Economics and Political Sciences approved by the LSE EDEN Centre, for LSE groups.

Anonymous. Your participation will be anonymous - your name will not be used in any reports or publications resulting from the study.

Ethics. This research project has received ethics approval from the EDEN Centre.

Point of contact: Ellie Flaherty
e.flaherty@lse.ac.uk

If you agree to take part in the research, please select 'yes' below.

1. Do you consent to taking part in this research? *

○ Yes

○ No

Background questions

2. Did you study at the London School of Economics (LSE)? *

○ Yes

○ No

3. When did you leave the LSE? *

○ 0-5 years ago

○ 6-10 years ago

○ 11-20 years ago

○ 21-30 years ago

○ More than 30 years ago

4. How many years of study did you undertake at the LSE? *

○ Up to 1

○ Up to 2

○ Up to 3

○ Up to 4

○ Up to 5 or more

5. What level of study did you undertake at the LSE? (Please select all that apply) *

☐ Level 6 (Bachelor's degrees)

☐ Level 7 (Master's degrees, postgraduate certificates)

☐ Level 8 (PhDs)

6. What department did you belong to (for the majority of your LSE studies)? *

○ Department of Accounting

○ Department of Anthropology

○ Data Science Institute

○

○ Department of Economics

○ Department of Economic History

○ European Institute

○ Department of Finance

○ Firoz Lalji Institute for Africa

○ Department of Gender Studies

○ Department of Geography and Environment

○ Department of Government

○ Department of Health Policy

○ Department of International Development

○ Department of International History

○ International Inequalities Institute

○ Department of International Relations

○ Language Centre

○ LSE Law School

○ Department of Management

○ Marshall Institute

○ Department of Mathematics

○ Department of Media and Communications

○ Department of Methodology

○ Department of Philosophy, Logic and Scientific Method

○ Department of Psychological and Behavioural Science

○ School of Public Policy

○ Department of Social Policy

○ Department of Sociology

○ Department of Statistics

○

7. If you clicked other, what was the name of your department?

[   ]

LSE Presence

In the following section, please rate how much you agree/disagree with the statements.

8. During my time at the LSE, I felt connected to the student community within the LSE (such as LSE events, society activities, etc.) *

    ◯ 1-Extremely Disagree

    ◯ 2-Moderately Disagree

    ◯ 3-Slightly Disagree

    ◯ 4-Neutral

    ◯ 5-Slightly Agree

    ◯ 6-Moderately Agree

    ◯ 7-Extremely Agree

9. I perceived the LSE as an institution in a positive light *

    ◯ 1-Extremely Disagree

    ◯ 2-Moderately Disagree

    ◯ 3-Slightly Disagree

    ◯ 4-Neutral

    ◯ 5-Slightly Agree

    ◯ 6-Moderately Agree

    ◯ 7-Extremely Agree

10. I would have been likely to take part in a protest *

    ◯ 1-Extremely Disagree

    ◯ 2-Moderately Disagree

    ◯ 3-Slightly Disagree

    ◯ 4-Neutral

    ◯ 5-Slightly Agree

    ◯ 6-Moderately Agree

    ◯ 7-Extremely Agree

Political Agency

In the following section, please rate how much you agree/disagree with the statements.

11. During my time at the LSE, I considered myself able to hold political power within the LSE community (e.g through participating in SU elections, being in committees, being a representative) *

  ◯ 1-Extremely Disagree

  ◯ 2-Moderately Disagree

  ◯ 3-Slightly Disagree

  ◯ 4-Neutral

  ◯ 5-Slightly Agree

  ◯ 6-Moderately Agree

  ◯ 7-Extremely Agree

12. I felt that I had a good understanding of the important political issues facing the LSE *

  ◯ 1-Extremely Disagree

  ◯ 2-Moderately Disagree

  ◯ 3-Slightly Disagree

  ◯ 4-Neutral

  ◯ 5-Slightly Agree

  ◯ 6-Moderately Agree

  ◯ 7-Extremely Agree

13. I often didn't feel sure of myself when talking with other people about politics and government *

  ◯ 1-Extremely Disagree

  ◯ 2-Moderately Disagree

  ◯ 3-Slightly Disagree

  ◯ 4-Neutral

  ◯ 5-Slightly Agree

  ◯ 6-Moderately Agree

  ◯ 7-Extremely Agree

14. I felt the need to represent myself in the political field because others could or would not represent my opinions accurately *

  ◯ 1-Extremely Disagree

  ◯ 2-Moderately Disagree

  ◯ 3-Slightly Disagree

  ◯ 4-Neutral

  ◯ 5-Slightly Agree

  ◯ 6-Moderately Agree

  ◯ 7-Extremely Agree

Political Participation in Policy Change

In the following section, please rate how much you agree/disagree with the statements.

15. During my time at the LSE, I felt I had influence over policy change within LSE *

- ◯ 1-Extremely Disagree
- ◯ 2-Moderately Disagree
- ◯ 3-Slightly Disagree
- ◯ 4-Neutral
- ◯ 5-Slightly Agree
- ◯ 6-Moderately Agree
- ◯ 7-Extremely Agree

16. I felt I had influence over political change in wider society *

- ◯ 1-Extremely Disagree
- ◯ 2-Moderately Disagree
- ◯ 3-Slightly Disagree
- ◯ 4-Neutral
- ◯ 5-Slightly Agree
- ◯ 6-Moderately Agree
- ◯ 7-Extremely Agree

17. I felt I had influence over political change in wider society because... *

	1-Extremely Disagree	2-Moderately Disagree	3-Slightly Disagree	4-Neutral	5-Slightly Agree	6-Moderately Agree	7-Extremely Agree
I believed my vote makes a difference	○	○	○	○	○	○	○
I was/am part of a government body that has policy influence	○	○	○	○	○	○	○
I actively contacted my representatives with the aim of influencing policy	○	○	○	○	○	○	○
I actively protested	○	○	○	○	○	○	○

18. Please select '4-Neutral' to show you have been accurate with your answers in this survey *

○ 1-Extremely Disagree

○ 2-Moderately Disagree

○ 3-Slightly Disagree

○ 4-Neutral

○ 5-Slightly Agree

○ 6-Moderately Agree

○ 7-Extremely Agree

Political Participation in Other Domains

In the following section, please rate how much you agree/disagree with the statements.

19. During my time at the LSE, I considered myself to have taken part in political activism (such as protesting, petitioning, etc.). *

   ○ 1-Extremely Disagree

   ○ 2-Moderately Disagree

   ○ 3-Slightly Disagree

   ○ 4-Neutral

   ○ 5-Slightly Agree

   ○ 6-Moderately Agree

   ○ 7-Extremely Agree

20. If my country or institution (e.g., European Union) held an election during my time at the LSE and I was eligible to vote in it, I would have done so/did so. *

   ○ 1-Extremely Disagree

   ○ 2-Moderately Disagree

   ○ 3-Slightly Disagree

   ○ 4-Neutral

   ○ 5-Slightly Agree

   ○ 6-Moderately Agree

   ○ 7-Extremely Agree

Effect of LSE

In the following section, please rate how much you agree/disagree with the statements.

21. During my studies at the LSE, my perceptions on having political agency changed in which way? *

- ○ 1-Extremely diminished
- ○ 2-Moderately diminished
- ○ 3-Slightly diminished
- ○ 4-Neutral/ No change
- ○ 5-Slightly enhanced
- ○ 6-Moderately enhanced
- ○ 7-Extremely enhanced

22. I largely attributed these changes to be a result of my time at the LSE *

- ○ 1-Extremely Disagree
- ○ 2-Moderately Disagree
- ○ 3-Slightly Disagree
- ○ 4-Neutral
- ○ 5-Slightly Agree
- ○ 6-Moderately Agree
- ○ 7-Extremely Agree

23. I largely attributed the change of perception to... (if you do not attribute the change of perception to any, please select Neutral)

	1-Extremely Disagree	2-Moderately Disagree	3-Slightly Disagree	4-Neutral	5-Slightly Agree	6-Moderately Agree	7-Extremely Agree
The LSE curriculum	○	○	○	○	○	○	○
The LSE student community (Societies, SU, Halls, Friendships)	○	○	○	○	○	○	○
The LSE institutional community (events, talks, campus roles)	○	○	○	○	○	○	○

Follow-up Interview Request

All interviews will take place until the Wednesday 12th June, at your convenience.

24. If you would like to participate in a follow-up interview (≤30mins), please kindly leave your email address. Also please feel free to leave any additional comments and feedback here. Thank you!

[   ]

Interview Topic Guide

Interview Topic Guide

Interviewer:

Notetaker:

DO NOT SAY THE THINGS IN ITALICS and adjust questions for alumni accordingly

Note: These are just guiding questions relating to the RQ. Also, not all questions need to be asked and they can/should be reworded, make sure to adjust tone accordingly.

RQ: Power to the students? To what extent does the 'LSE experience' change students' perceptions of having political agency? (do not share with interviewees)

Hello, thank you for volunteering to take part in this interview and for completing the survey. By agreeing, you consent to your data being used in research conducted by LSE GROUPS as part of the EDEN center at the LSE. Your participation is voluntary, and you have the right to stop at any time, without reason and withdraw your consent. Additionally, after the interview, you can still withdraw your data until the 12th of June at 12pm. I will be asking the questions, and my colleague will take notes to collect data which will be analyzed later, you will NOT be recorded.

Do you consent to taking part in the interview?

If no: Thank you for taking the time to come to the interview, we appreciate your effort!

Proceed only if YES

Icebreaker

Thank you for giving your consent, how are you today?

Do you have a pseudonym you would like us to use in our academic paper (e.g, Batman)?

Background Questions

1. Are you currently studying, or have you finished your studies? *If alumni:* What do you do?

2. How long have you/were you at the LSE?

3. Could you give an overview of your experience at LSE? *If alumni:* Do you miss it?

LSE Experience

We are interested in understanding the effects of an LSE 'experience' on certain things. By LSE 'experience', we include education (department, degree, level of study), community (societies, involvement in the student life/student union) and social life (halls/home).

4. Could you tell me a bit about your LSE 'experience'? *Make sure they talk about each aspect: education, community and social life (if they don't, probe them and directly ask about each of the three categories).*

5. *Choose one of the categories to expand on (ideally their category most relevant to the RQ) OR* Which of these do you think had the biggest impact on you?

6. Did *category X* help you feel connected to the LSE community? Why or why not?

Political Agency

7. In the political sphere, how do you perceive yourself? (*Knowledgeable? Active? Involved?*)

8. During your time at LSE, has the university and/or its students been politically active? If yes, can you name specific instances (i.e., encampment)?

9. How connected do you feel to these political movements/how involved are you?

10. Do you think your time at LSE affected your perception and/or involvement in politics? (*Positive/negative, etc...*) Why or why not? *If yes:* How?

11. Do you think the political environment of LSE influenced this? Why or why not?

12. Have you attended any other universities? If yes, which?

13. Relative to the way it affected your political perception, how would you compare the two?

14. Lastly, do you have any questions or comments or anything you would like to share?

We appreciate your time and responses. It will help our research by gaining explanatory reasons of LSE's effect on students' perception of political agency. Thank you for your answers, and please contact me if you have more questions or want to withdraw your data.

Appendix D

Example Consent Form

Interview Consent Form

Thank you for agreeing to be interviewed as part of our project, examining the impact of LSE on perceptions of political agency.

By writing on this document, you indicate your consent to this interview and to us using the collected interview data in our forthcoming research project.

You reserve the right to withdraw your consent at any time up until Wednesday, 12th June 2024 at 11:59PM BST. Consent cannot be withdrawn after this time due to the publication timeline of our research project.

This interview, and the project overall, is ethics-approved by the LSE EDEN Centre for LSE GROUPS.

This interview will remain anonymous, and you have the right to choose a pseudonym. If you do not want to choose a pseudonym, or we decide that the pseudonym is not viable, we will choose one for you.

Point of contact: Ellie Flaherty – e.flaherty@lse.ac.uk

Chosen pseudonym: _____
I would like the Research Team to choose a pseudonym for me: Yes/No

Signed: _____
Name: _____

Signed by researcher: _____
Name: _____
Date: __ /__ /2024

Appendix E

Multivariate regressions

Linear Regression for years spent at the LSE:
$$Y_i = \alpha + \beta_1 years\_lse$$

Where:

Y_i =   level of students' "NOSAY" aspect of the political agency within the LSE context

$years\_lse$ =   years students have spent at the LSE

Multivariate regression with a student community variable:
$$Y_i = \alpha + \beta_1 years\_lse + \beta_2 connected\_student\_community$$

Where:

$connected\_student\_community$ =   level of how students feel connected to the LSE student community.

Multivariate regressions with controls for educational levels:
$$Y_i = \alpha + \beta_1 years\_lse + \beta_2 connected\_student\_community + \beta_3 dummy\_master + \beta_4 dummy\_phd$$

$dummy\_master$ =   A binary variable identifying whether students are at the master's level

$dummy\_phd$ =   A binary variable identifying whether students are at the PhD level

Appendix F

Codebook

Research Question: Does LSE have an impact on perceptions of political agency across generations?			
Global Theme: Perceptions of Political Agency in the 1960s			
Organizing Themes	**Basic Codes**	**Description**	**Evidence (examples and quotations)**
Perceptions of LSE and LSE community	Social	Interviewees were asked to talk about how involved they felt within LSE and the LSE community, specifically focusing on social aspects. This includes friends, societies, halls and whatever the interviewee felt sharing in relation to this.	- Caroline mentioned how they felt connected to the student community and made lifelong friends. - Jacquoline talked about LSE as a place to meet "fascinating people" and how they felt "absolutely part of the LSE community", including how diverse and international the university is. - Albert felt close to the LSE community through societies
	Education	Interviewees were asked about their involvement with LSE and the LSE community, considering academics. This includes their degree, department, public events, etc.,,,,	- Mary talked about how they could learn from other students in their course who were older than them. - Albert felt connected through academics. - Kathy found LSE academia "chaotic and challenging", but it was very enriching. - Paul stated how great LSE is academically.
	Institution	Interviewees reflected on the perception of LSE as an institution, and its political presence.	- Caroline, Jacquoline, Mary, Albert and Paul all talked about LSE in a positive light. - Albert mentioned LSE's political positioning (left-wing/right-wing) in their perception of the institution and
Self-Perception	Personal	Interviewees were asked about how they self-evaluated their political influence. This is interpreted in three levels: knowledgeable, involved and active.	- Caroline, Jacquoline, Kathy and Paul stated their political agency as active or actively involved. - Mary felt they are not active anymore but used to be involved even after graduation. - Albert did not go into politics as there was no access/ they didn't think it would make a difference / they didn't think about political issues at all.
	Community	Interviewees were asked about how they	- Caroline talked about their willingness to see changes and

		self-evaluated their communities' political influence, including friends, family members and volunteering. This is interpreted in three levels: knowledgeable, involved and active.	calls for social equality, in the context of post-war, society crumbling. - Jacqueline talked about their parents actively involved in political parties and their partner was a local councilor.
LSE 'Experience' (as a factor of political agency)	Political	Interviewees were asked about how LSE's political background and atmosphere acting as a factor influenced their political agency.	- Jacquoline stated they weren't involved in marching as a student but affected by that atmosphere so felt more interested in politics. - Mary deeply resonated with the movements at 1960s, and felt empathy for students who are currently protesting. - Albert felt that LSE didn't directly change their political perceptions, because they had these before he came into it, from their working-class background. However, it gave the platform to elicit change. Big expansion of student demographics at LSE following Robbins Report. - Kathy talked about "power in masses/collectivity" and "Entire life (at LSE) was ensued with revolutionary ideals". The whole community is based upon it. They are glad to see the encampment as it gave them a glimpse of the campus used to be.
	Academic	Interviewees were asked about how LSE's academic curriculum and education acting as a factor influenced their political agency.	- Kathy and Paul felt their political agency enhanced because of LSE curriculum. - Kathy talked about academics and community had an equal hold on shaping her views, both massive contributions.

Circumstantial factors (for political agency)	1960's	Interviewees were asked about the specific contextual background during the 1960s. This includes hunger strikes and protests, amid Civil Rights Movements, anti-Vietnam War, and opposition of Walter Adams.	- Mary and Kathy stated it was more about the time in which the events took place rather than the university experience, as protests/revolutions were also prevalent in other universities. - Caroline reflected when they were sixth form students, were told to write "all plagues" on voting sheets to show their opinions - the very politicized and radical nature of this generation. - Mary, Caroline and Kathy mentioned many of their peers went on a hunger strike against the new principle at the time, and students were radical in the 1960s. They attribute their political agency to activist ideological trends in the 1960s. - Kathy mentioned that the general feel of wider society was about solving inequalities, post war babies had a lot of views.
	Other periods	Interviewees were asked about other contextual backgrounds which affect their political agency. This includes the 1970s, 1990s and 2020s.	- Jacquoline felt more worried about the present period, as "interesting times" "there must be a change". - Albert mentioned the students at LSE during this time thought they could "change the world". In the 1970s, voting changed so 18–21-year-olds could vote, before this they couldn't so they didn't have a say.
Actions	Political	Interviewees were asked about their political actions during/after their time at LSE. This includes protesting, voting, contacting representatives.	- Caroline mentioned that the voting age was 21 so students did not hold much political agency in wider society. The only way was to be collective and in unison with other students. - Caroline, Jacquoline, Albert and Kathy stated that they always vote.
			- Mary participated in anti-Vietnam war marching in the 1968. - Kathy talked about political views reinforced, confidence gained in speaking in political rooms. - Paul actively contacted representatives with the aim of influencing policy, actively protest.
	Volunteering	Interviewees reflected on their volunteering actions after their time at LSE.	- Caroline stated their volunteer experience of teaching English to achieve equity.

Appendix G

A graph indicating changes in perceived agency, per results from quantitative data
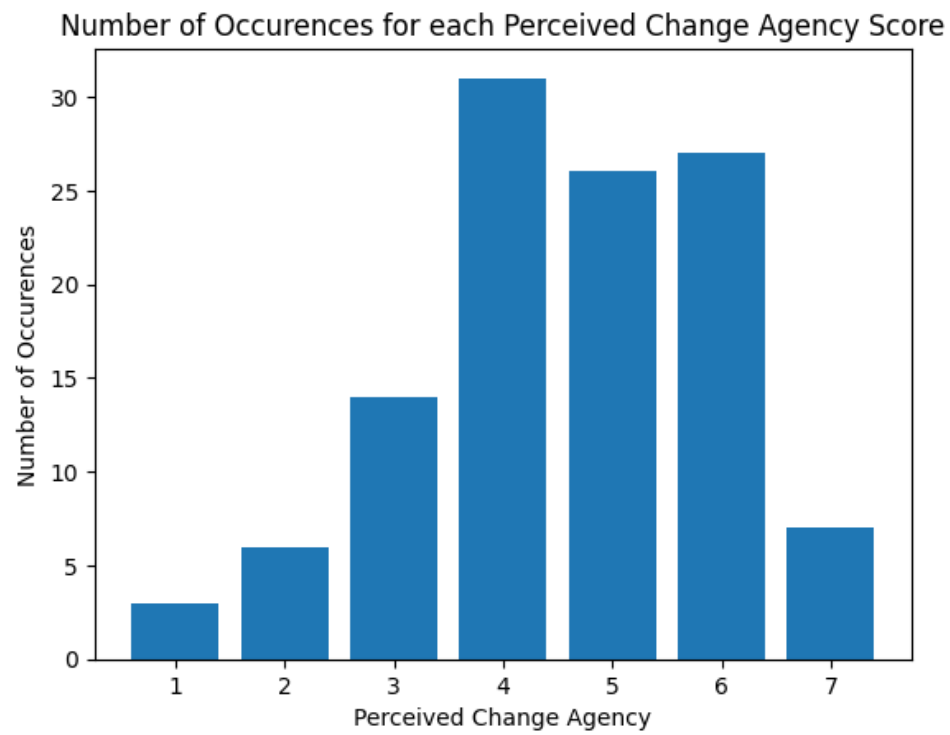
Appendix H
Survey Ethics Form – Quantitative Research

LSE GROUPS
Condensed ethics review form

You need to complete this form as a group and share it with your supervisor.

They'll send it on to the GROUPS coordinator, we'll discuss it together and approve it, or ask you for more information.

You need to do this **before you start recruiting any live participants for your work, and/or you start work with any pre-existing data** (e.g. online content, media, datasets).

For any of these answers, you can cut and paste material from the Research Ethics Overview. We want to know you've read it and understood it – but you don't need to put it into a new, original wording.

Do add in anything else that your group have identified, either additional risks or other solutions. We'v described the essentials - they're not the only problems, or the only precautions you can take!

Group number: 5

Supervisor: Julie Lespinasse

What's your research question?

To what extent does the "LSE experience" change students' perceptions of having political agency?

How are you planning to research this? (e.g. what methods are you using, what resources)

We are planning to conduct mix-method research, using quantitative modelling and qualitative analysis. We designed a survey and plan to hold in-depth interview afterwards.

Participants will be anonymized, and any data linked to them will also be anonymized. This is also stated in the survey: "**Anonymous.** Your participation will be anonymous - your name will not be used in any reports or publications resulting from the study."

G7. Describe any other potential risks that your project might pose to participants, and what safeguards will you put in place to address or mitigate these. Note that harm could be physical, emotional, psychological or reputational.

There will be an introductory screen explaining all the above points and it is made clear that the participant can withdraw at any point in the beginning of the survey.

G8. Describe how you intend to handle issues of confidentiality and anonymity, both in your collection of data and in your study outputs.

As outlined in the LSE GROUPS ethics overview, we will follow all the points there.

"All data will be stored on LSE servers with two-factor authentication enabled.

Materials will be shared using OneDrive only to other named individuals (not 'all at LSE').

Any printed and completed information/consent forms will be passed to the project coordinator (Ellis Saxey) and stored in a locked container in Kingsway offices.

Any personal details of participants (including contact details) will be kept separately to transcripts/survey data.

Participants will be required to confirm that they have destroyed all personal information on completion of the projects."

G9. Describe any potential risks that your project might pose to you as the researcher, or any other researchers involved in study. How will you mitigate these?

Researchers attempted to minimize risks but if there are any issues, supervisors and coordinators will help and accommodate towards issues.

G11. Might the dissemination of the study results adversely affect (directly or indirectly) any individuals or groups? If so, are there ways you can mitigate this?

We do not expect any harm.

H3. Is there a potential risk that participants might disclose information indicating that they or someone else is at risk of significant harm? If so, how would you deal with this

The probability of this is very low, especially as the questions are all multiple choice, with only one question allowing open response

Have you – as a group - read the overview of research ethics for LSE GROUPS?
Yes, we have.
Did you understand the promises that the GROUPS organisers made to the research ethics committee, on behalf of all projects?
Yes, we did.
Have you asked your supervisor about anything that didn't make sense?
Yes, we did.

Which of these promises specifically apply to the research method(s) you've chosen to use?
F6. For primary data collection, will you be collecting written consent from all participants?

The beginning of our survey will start with an explicit and informed question about voluntary participation: "Do you consent to taking part in this research?" with the only responses being yes/no. If the respondent answers no, the form immediately ends. We have also made them away they can withdraw at any point.

G2. If you need to recruit participants via a gatekeeper*, please give details. (Might this raise issues of whether participants' involvement is truly voluntary? Might the gatekeeper influence potential participants in some other way?)

We inform at the beginning of the survey that participation is voluntary: "Participation is voluntary. There are no negative consequences for you if you decide not to take part in this study. If you decide to take part but then later you change your mind, you can let me know by 12/06/24 - you will not have to give any explanation why."

G5. Outline how participants will be given information about the study and what their involvement will be, and how you will record consent. If you will not be obtaining informed consent you must explain why.

The beginning of our survey outlines broadly our research and the importance of their responses: "Thank you for your interest in this project investigating the perceived power of students at LSE. In this survey, we hope to understand views on student agency in shaping political affairs. The information below is regarding the use of data collected for this survey and consent for participation. Please tick 'yes' if you agree to the statements below and the use of information for the study. "

G6. Will participants be fully anonymized in your research outputs (dissertation, thesis, publications)? If not, please provide a rationale as to why.

Interview Ethics Form – Qualitative Research

LSE GROUPS
Condensed ethics review form

You need to complete this form as a group and share it with your supervisor.

They'll send it on to the GROUPS coordinator, we'll discuss it together and approve it, or ask you for more information.

You need to do this **before you start recruiting any live participants for your work, and/or you start work with any pre-existing data** (e.g. online content, media, datasets).

For any of these answers, you can cut and paste material from the Research Ethics Overview. We want to know you've read it and understood it – but you don't need to put it into a new, original wording.

Do add in anything else that your group have identified, either additional risks or other solutions. We've described the essentials - they're not the only problems, or the only precautions you can take!

Group number: 5

Supervisor: Julie Lespinasse

What's your research question?
To what extent does the "LSE experience" change students' perceptions of having political agency?

How are you planning to research this? (e.g. what methods are you using, what resources)

We are planning to conduct mix-method research, using quantitative modelling and qualitative analysis. We designed a survey and plan to hold in-depth interview afterwards.

This form is specifically for the Qualitative Interview section of our research

AB, AC [...] BA, BB, BC. Participants cannot be anonymised during data collection due to the need to contact them to arrange interviews.

G7. Describe any other potential risks that your project might pose to participants, and what safeguards will you put in place to address or mitigate these. Note that harm could be physical, emotional, psychological or reputational.

There will be an introductory speech explaining all the above points and it is made clear that the participant can withdraw at any point in the beginning of the interview. As it is an online interview, physical harm should not be an issue or part of our responsibility.

Emotional or psychological concerns are out of our control at the Point of Offence, but questions are structured to be neutral and to enable the Interviewee to decide what they do and do not want to share with us

Reputational issues are not a concern, as the interviews are anonymised for Report purposes

G8. Describe how you intend to handle issues of confidentiality and anonymity, both in your collection of data and in your study outputs.

As outlined in the LSE GROUPS ethics overview, we will follow all the points there.

"All data will be stored on LSE servers with two-factor authentication enabled.

Materials will be shared using OneDrive only to other named individuals (not 'all at LSE').

Any printed and completed information/consent forms will be passed to the project coordinator (Ellis Saxey) and stored in a locked container in Kingsway offices.

Any personal details of participants (including contact details) will be kept separately to transcripts/survey data.

Participants will be required to confirm that they have destroyed all personal information on completion of the projects."

G9. Describe any potential risks that your project might pose to you as the researcher, or any other researchers involved in study. How will you mitigate these?

Researchers attempted to minimize risks but if there are any issues, supervisors and coordinators will help and accommodate towards issues.

See G7 for additional information

G11. Might the dissemination of the study results adversely affect (directly or indirectly) any individuals or groups? If so, are there ways you can mitigate this?

We do not expect any harm. The data is anonymised.

Have you – as a group - read the overview of research ethics for LSE GROUPS?
Yes, we have.
Did you understand the promises that the GROUPS organisers made to the research ethics committee, on behalf of all projects?
Yes, we did.
Have you asked your supervisor about anything that didn't make sense?
Yes, we did.

Which of these promises specifically apply to the research method(s) you've chosen to use?
F6. For primary data collection, will you be collecting written consent from all participants?

During the process of contacting the participants for interview, we will make certain that participants agree to take a part in the research. At the begging of the interview, we will ask the participants whether they want to take a part in the research, after explaining how their data will be anonymized and will not be misused. If the respondent answers no, the interview will terminate immediately. We have also made them away they can withdraw consent at any point.

G2. If you need to recruit participants via a gatekeeper*, please give details. (Might this raise issues of whether participants' involvement is truly voluntary? Might the gatekeeper influence potential participants in some other way?)

We inform at the beginning of the interview that participation is voluntary: We will say something such as: "Participation is voluntary. There are no negative consequences for you if you decide not to take part in this study. If you decide to take part but then later you change your mind, you can let me know by 12/06/24 - you will not have to give any explanation why." It was also optional to offer to take part in the survey and we have written communication about their consent.

G5. Outline how participants will be given information about the study and what their involvement will be, and how you will record consent. If you will not be obtaining informed consent you must explain why.

Information about the study will be provided verbally, and an opportunity for further questions will be provided to the subject. Consent is explicit and implied in the arranging of the interview, and can be withdrawn by any means at any time.

G6. Will participants be fully anonymized in your research outputs (dissertation, thesis, publications)? If not, please provide a rationale as to why.

Participants will be anonymized in the final report and analysis, and will be designated as Interview A, B, C, and so forth. If the alphabet is exhausted, we will continue in the fashion of AA,

H3. Is there a potential risk that participants might disclose information indicating that they or someone else is at risk of significant harm? If so, how would you deal with this

The probability of this information being shared is low - the interview subject is highly unlikely to bring to light such information. The interviews are also anonymised for the Report

If you're working with live participants, what might go wrong with your research method, for participants? How can you minimise the chance of that? (Think of recruitment; during data gathering; storing data)
Since some interviews may be conducted online, there could be technical difficulties. However, we will maintain a stable internet connection throughout; thus, the chance of this occurring will be minimized.

If you're working with preexisting data, what ethical responsibilities do you have?
N/A

What might go wrong for you, as researchers? How can you minimise the chance of that?
Nothing other than the technical difficulties that were previously mentioned.

Could sharing your findings have negative impacts? Think about: for your participants, or wherever you obtained the data; for yourselves as researchers; for LSE.
All the participants will be anonymized, and the participants' identities will not be revealed. No individual will be personally identifiable to have taken part in the research.

Battles Beyond Borders: Investigating the Effect of the US-China Trade War on Favourability of Trump[1]

Authors: Priyadarshan Logeswaran, Oli Kowalska Ahmed, Sophie Hau Yin Fung, Leena Safareeni, Linxuan Wang, Yilin Wang

Abstract

In 2018, the US imposed tariffs on China over multiple waves in the US-China trade war, to which China retaliated by imposing its own tariffs. By December 2018, 65.5% of US exports and 46.9% of Chinese exports were subject to trade war tariffs by the other country. Our research question aims to investigate to what extent US-imposed tariffs and retaliatory tariffs influenced voters' favourability of Trump. Using an Instrumental Variable Design with a Differences-in-Difference methodology, we find that US import tariffs significantly increased voters' cost of living; however, there were no significant changes in voters' favourability of Trump. Instead, favourability is better explained by prior foreign policy stances and/or actions by Trump in 2016. Next, we use a Krugman Model of International Trade to analyse the effects of retaliatory tariffs. We mathematically show that the average cost of agricultural producers increases, theoretically resulting in an exit of producers from the industry and greater unemployment. However, the introduction of large protectionist subsidies negated the theoretical effects established in our model, demonstrating political intent by Trump to protect his favourability. These findings demonstrate the trend that we are likely to observe should Trump come to power in the 2024 US presidential elections and impose his proposed tariffs. Our research is the first to suggest the above mechanisms through which the trade war impacted Trump's favourability.

Key words: *Trade war, Trump, favourability, tariffs, international trade*

Introduction

In 2018, the US and China entered a trade war, with the USA imposing 25% tariffs on $50 billion worth of Chinese imports and additional 10% tariffs on $200 billion, which later increased to 25%; China retaliated with equivalent tariffs on US imports (Liu, 2018).

Academic literature primarily focuses on the impact of Chinese retaliatory tariffs on US outcomes (Chyzh & Urbatsch, 2021; Blanchard et al., 2024; Fetzer & Schwartz, 2021; Kim & Margalit, 2021); we bridge this gap by directly focusing upon the effect of US-imposed tariffs on the favourability of Trump. This is important as Trump has announced a 60% blanket tariff on imports from China for the upcoming 2024 Presidential election (Wolff, 2024), and voter attitudes towards his proposed tariffs will heavily influence economic outcomes for the US throughout Trump's presidential term should he come to power. We also establish a missing link that literature on Chinese retaliatory tariffs does not capture; that is, how would the favourability of Trump have differed if protectionist subsidies were not rolled out to agricultural producers.

Firstly, we analyse the political aftershock from US imposed tariffs on China on voters' favourability. We establish a causal chain using an instrumental variable and a differences-in-difference design. We show the importance of time trends over the introduction of tariffs by Trump in explaining the decline in favourability towards Trump, utilising ANES survey data, where favourability is measured using a feelings thermometer. Secondly, we aim to analyse the effect of Chinese retaliatory tariffs. Focusing on the agricultural industry within the US, we use a modified Krugman model to show the effect of tariff introduction. We show that the number of US firms theoretically decreases. Our analysis reveals the motivation for Trump's protectionist subsidies towards the agricultural sector as a response to the retaliatory tariffs.

1. Literature Review

Tariffs influence electoral support through countless mechanisms. Literature has shown that protectionist sentiments have grown in the US since the start of the century; Trump's 2016 electoral victory has been partially attributed to rising Chinese competition spurring protectionist sentiments among voters, especially in key battleground states, such as Pennsylvania, Michigan, and Wisconsin (Autor et al., 2017). Therefore, the increase in US-imposed tariffs in 2018, which reduced Chinese import competition (Zheng et al., 2022); this raised Republican electoral support in protected counties during the 2018 mid-election, as demonstrated by Li et al. (2019).

The economic impact of tariffs in international trade has attracted much academic attention; it suggests strong economic mechanisms underlying the link between tariffs and the favourability towards the incumbent. For instance, import tariffs lead to increased costs of production in the long run (Huang, 2023), lowering domestic employment and triggering significant relocation of global trade (Fajgelbaum et al., 2020). Higher prices of imports immediately heighten the cost of living and lowered welfare, which in the case of the USA, led to an estimated cumulative deadweight welfare loss of approximately $8.2 billion in 2018 due to tariffs imposed on China (Amiti et al., 2019).

On the other hand, tariffs imposed by other countries damage domestic industries and the incumbent's favourability. As these tariffs increase, corporations seek to offshore production overseas to avoid the cost of additional tariffs, resulting in an increase in domestic unemployment (Rickard, S. J., 2022). In the US-China trade war, Waugh (2019) estimated that agricultural and manufacturing employment growth after Chinese retaliatory tariffs to be 1.70% lower in counties that are exposed by a higher proportion to foreign tariffs. This is considered a relatively small impact given the size of the tariffs. Those suffering from unemployment due to offshoring experience significantly greater financial difficulties (Epstein et al., 2014). This reduced their favourability of Trump (Bachmann & Braun 2011; Görg & Hanley 2005). Indeed, counties most affected by Chinese retaliatory tariffs experienced declines in the Republican vote share in the 2018 mid-election (Blanchard et al., 2024; Fetzer & Schwartz, 2021; Kim & Margalit, 2021).

According to prior literature, we hypothesized that: H1: The change in the cost of living due to US-imposed tariffs and rising import expenditure led to a reduction in voters' favourability of Trump.

H2: Chinese retaliatory tariffs should result in a significantly higher number of firms forced to exit their industries in the US had protectionist subsidies not been introduce

2. Method

2.1 US-imposed tariffs on China

2.1.1 Data
Check appendix 2

2.1.2 Method
[Appendix 2.1.2.a shows why a regular OLS regression would not work]

We first analyse the effect of US-imposed tariffs on the favourability of Trump using an Instrumental Variables (IV) with a Differences-in-Difference (DD) design. We assume that the US-imposed tariffs are exogenous, as there was no expectation of the implementation of the tariffs (Amiti et al, 2019). We use the IV of average import expenditures by state from China, where we construct a causal chain suggesting that the increase in the cost of importing from China due to the introduction of tariffs directly led to an increase in the average consumption expenditure across states, implying an increase in the cost of living. We hypothesize that this change in consumption expenditure led to a reduction in favourability of Trump.

The DD estimation uses the IV to exploit the differential increase in consumption expenditure across different states — states that imported a higher quantity of products from China (due to being larger in size, or other relevant reasons) would have suffered a larger change in consumption expenditure from the tariff. Our treatment is continuous, not binary. Hence, we test whether states

with larger changes in consumption expenditure changed their favourability of Trump by a significantly higher proportion than the states that experienced smaller reductions in the quantity of imports. This is representative of the reduced form of our final regression.

The regression specifications are as follows:

First Stage:
$$ConsExp_{i,t} = \beta_0 + \beta_1 ImportExp_{i,t} + \beta_2 GDPgr_{i,t} + \beta_3 Jobprop_{i,t} + \gamma_i + \delta_t + \varepsilon$$

Second Stage:
$$VoterFav_{i,t} = \alpha_0 + \alpha_1 \widehat{ConsExp}_{i,t} + \alpha_2 GDPgrow_{i,t} + \alpha_3 JobProp_{i,t} + \gamma_i + \delta_t + \epsilon_i$$

All variables above are in logarithm terms. In the first stage, we regress state-level consumption expenditure $ConsExp_{i,t}$ on state-level import expenditure from China $ImportExp_{i,t}$ to find the fitted values $\widehat{ConsExp}_{i,t}$. Then, we regress state-level favourability of Trump $VoterFav_{i,t}$ on $\widehat{ConsExp}_{i,t}$ in our second stage. We include state-level GDP growth $GDPgrow_{i,t}$, and state-level proportion of US jobs $JobProp_{i,t}$ in both stages to account for any confounding variation that may be created by the two variables. We conduct Hausmann tests on confounding variables and show these are good controls. We include state fixed effects [2]γ_i and time fixed effects[3] δ_t to account for any state and time invariant factors between the two periods. Standard errors ε are robust.

[In appendix 2.1.2.b, we show that the assumptions for DD and IV are fulfilled.]

2.2 Chinese Retaliatory Tariffs

2.2.1 Setup of Model

In this section, we analyse the effect of Chinese retaliatory tariffs on the US on the favourability of Trump. Proving a causal effect using this chain is empirically difficult. This is due to two reasons. Firstly, Chinese retaliatory tariffs were accompanied by retaliatory tariffs by the other nations, such as the EU, India and Russia (International Trade Administration, 2023). Literature shows that there is a lagged supply-side response by US firms, implying that the economic response of US firms concerned all retaliatory tariffs, not just China (Zeng, 2023), making it difficult to isolate a causal chain using Chinese retaliatory tariffs only.

Secondly, Trump provided large subsidies to heavily affected sectors, especially the agricultural sector. Subsidies by the federal government to farmers increased by approximately $9 billion in 2019, and $23 billion in 2020 (Economic Research Service, 2024). Thus, empirical estimation will

---

[2] State-fixed effects: time-invariant effects of states (for example: size). If it's correlated with a regressor, then it induces bias as a confounder. By controlling for them, we remove time-invariant endogeneity across states.

[3] Time-fixed effects: the difference in demographics within states across time. By controlling for them, we remove the time trend effects between 2016 and 2018 across the same state.

underestimate the true effects and hide the mechanisms that a pure causal chain studying the effect of Chinese retaliatory tariffs on economic outcomes and the favourability of Trump may show.

Hence, we aim to analyse the impact of Chinese retaliatory tariffs by mathematically modelling industry-level responses to the tariffs. We combine existing literature with a Krugman Model of International Trade (KMIT) (New Trade Model). The KMIT utilizes New Trade Theory, pioneered by Paul Krugman (The Library of Economics and Liberty); we model the US and China as two countries with similar factor endowments and technologies. In this model, industries engage in monopolistic/imperfect competition.

This model requires that industries within both countries fulfil three assumptions: increasing returns to scale (IRS), differentiation of goods and many firms within the industry. We demonstrate that these assumptions are fulfilled by restricting our analysis the agricultural sector in the US by using existing literature. For further details, see appendix 2.2.1.a.

The KMIT has two equations/curves that determine outcomes in our stylized monopolistic competition world. The two curves below are similar to a Demand and Supply curve, although not the same.

First, we have the PP curve, which shows average price as a function of the number of firms in the agricultural industry:

$$P = c + \frac{1}{bn}$$

shows marginal costs for all firms within the industry; it is assumed that is constant across all firms. refers to the weighted average price elasticity of demand for agricultural products.

On the other hand, we have the CC curve, which shows average cost as a function of the number of firms in the agricultural industry:

$$AC = c + \frac{nF}{S}$$

refers to the fixed cost of entering the agricultural industry, such as the upfront costs of setting up a farm and purchase of required capital such as machinery. refers to the total market size of the agricultural industry in the USA.

The derivations of the two functions above are shown in appendix 2.2.1.b.

2.2.2 Model Method

Under this model, we show the effects of introducing Chinese retaliatory tariffs. We introduce a tariff t in the Total Cost function TC. This is motivated by Amiti et al. (2019); they stated that the cost of the tariff was partially passed on to US exporters, with an aggregate cost of $2.4 billion. The parameter of interest is n.

$$TC = F + cQ + tQ$$

$$AC = \frac{F}{Q} + c + t$$

Using the Symmetric Equilibrium condition (justified in the appendix)

$$Q = \frac{S}{n}$$

We substitute the function above in the AC function

$$AC = \frac{nF}{S} + c + t$$

This represents our new AC function. Under the assumption that all firms aim to maximize profits, we solve the equilibrium condition below where average price equals to average cost at the industry level. Note that b, F and S are fixed in the short run.

$$P = AC$$

$$c + \frac{1}{bn} = c + \frac{nF}{S} + t$$

$$\frac{1}{bn} = \frac{nF}{S} + t$$

$$S = n^2(bF) + n(bSt)$$

$$(bF)n^2 + (bSt)n - S = 0$$

Using the quadratic formula:

$$n = \frac{-bSt + \sqrt{(bSt)^2 + 4bFS}}{2bF}$$

3. Findings

3.1 US-Imposed Tariffs

This study tests the null hypothesis that an increase in consumption expenditure has no effect on favourability of Trump. To examine this, we conducted two two-stage least squares (2SLS) regressions of favourability towards Trump on consumption expenditure, using US imports from China as an instrument for consumption expenditure. In the first regression, we controlled for time-fixed effects and did not for the other regression.

First, we will compare findings from the regressions on Trump's favourability on fitted values of consumption expenditure, using state-level imports from China as an instrument.

Table 1: First Stage

	Consumption Expenditure	Consumption Expenditure
Import Expenditure	0.270** (0.101)	0.470*** (0.089)
State Fixed Effects?	Yes	Yes
Time Fixed Effects?	No	Yes

Table 1 shows our first stage regression, including and excluding time-fixed effects. Both regressions give positive and significant estimates of the effect of total consumption expenditure on US imports from China, satisfying the relevance assumption needed to use Chinese imports as an instrument for total consumption expenditure.

Table 2: Second Stage

	Favourability of Trump	Favourability of Trump
Import Expenditure	-2.219** (0.832)	-0.002 (0.101)
State Fixed Effects?	Yes	Yes
Time Fixed Effects?	No	Yes

Table 2 shows our second stage results. When time-fixed effects are not controlled for, a 1% increase in total consumption expenditure is on average associated with a 2.219% decrease in Trump's favourability, *ceteris paribus*. This estimate is significant, with a p-value of 0.028. However, once we control for time-fixed effects, as shown in Table 3, all significance disappears; 1% increase in total consumption expenditure is on average associated with 0.002% decrease in Trump's favourability, *ceteris paribus*.

Therefore, we fail to reject our null hypothesis; there is insufficient evidence to suggest a causal effect on Trump's favourability due to the US-imposed tariffs on imports from China. The stark

contrast between the estimates in Table 2 shows that the inclusion of time-fixed effects significantly alters the results.

[Full Stata code and Stata-generated regression tables can be found in Appendix 3.1]

4. Discussion

4.1 US-Imposed Tariffs

Our results suggest that there are unobserved factors due to time-trends which primarily explain the decline in favourability towards Trump; these trends were likely established during his 2016 presidential campaign. There are two driving reasons for this: firstly, Trump announced his tariff policy towards China during his 2016 campaign (Needham 2016). Secondly, Trump was involved in many controversies in 2016; an example includes widespread criticism from within his own party for questioning the ability of a federal judge of Mexican descent to fairly preside over a fraud lawsuit against his now-defunct real estate investment course known as Trump University (McCammon, 2016).
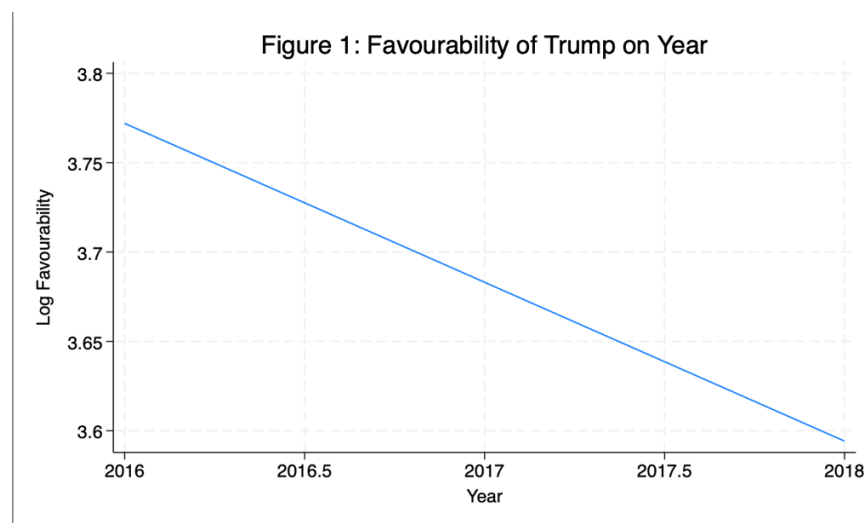
Figure 1: See Appendix 4.1 for Stata code

Hence, the downward trend in public favourability towards Trump followed a trajectory as voters likely made up their opinions on Trump; according to our findings, any controversial foreign policy action and the start of the trade war in 2018 perfectly fit voters' expectations, thereby not marginally changing their favourability of Trump over the course of Trump's term.

4.2 Chinese Retaliatory Tariffs

There is a strictly negative relationship between n and t; the introduction of a tariff will always reduce the number of firms in the agricultural industry in this model. We graphically show this by illustrating a parallel shift in the CC curve in an Average Price/Cost vs Number of Firms graph. In the appendix, we construct a hypothetical scenario that shows exactly the change illustrated below.

PP and CC Curves under the New Trade Model
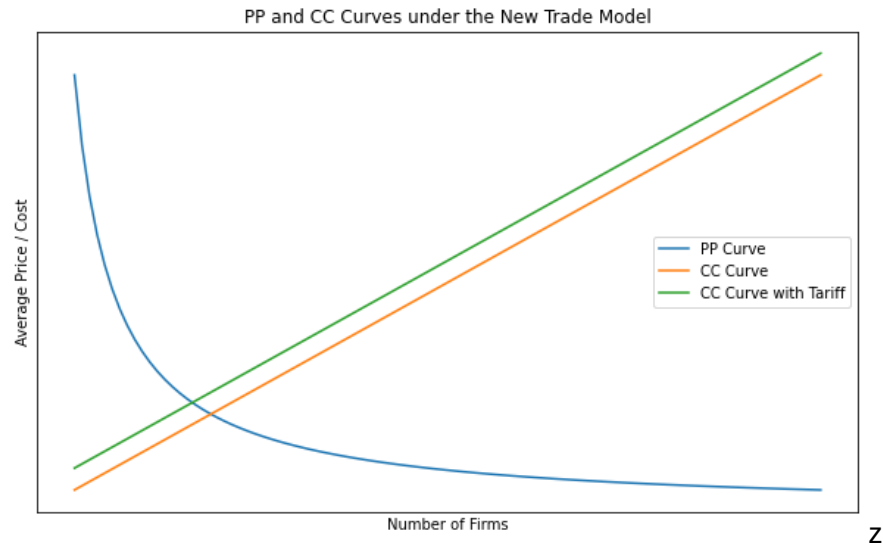
Figure 2: See Appendix 4.2 for python code.

In the absence of any corrective measures by the Trump and the US government, this is the expected impact on the agricultural sector. We argue that this is the primary mechanism through which short-term unemployment would be created; farms or other entities within the agricultural sector exit the market due to the higher average cost of production. Those who exit are usually the least productive or can offshore agricultural production to neighbouring countries.

This underlines Trump's intent for the introduction of higher subsidies, and the drive in expansionary fiscal policy by the US government. These measures cancel out t in our AC equation. While we did observe insignificant effects of US-imposed tariffs on China in our first analysis, we argue that an increase in the cost of living has a less tangible effect on livelihoods than the unemployment that would have created by Chinese retaliatory tariffs. Literature has shown that mental health indicators deteriorate significantly more with an increase in unemployment than the cost of living; we can extend this analysis to the current scenario (Pappas, 2020). Had corrective policies not been introduced, we hypothesize that this would have significantly reduced favourability of Trump, as the economic impacts on the US economy would have been far more disastrous than the increase in the cost of living shown in our first analysis.

5. Limitations

5.1 US-Imposed Tariffs on China

The primary limitation with the DD analysis is the low sample size of competitive states; there are only 12. However, standard errors are small, which helps achieve significance in our findings.

Data is only available on the favourability of Trump in 2016 and 2018 at the state level; hence, our analysis is limited in terms of its granularity. However, this data is available at the county level at regular time periods between 2016 and 2018. However, given the report's word and time constraints, a county-level analysis is extremely difficult.

5.2 Chinese Retaliatory Tariffs on US

The primary limitation of the Krugman Model is its simplified nature. The assumption of constant marginal costs c may not be fulfilled, and firms may not be profiting maximizers. Further, factor endowments and technologies may be different between the US and China.

However, despite the simplifications, we argue that there is much to be learned from utilizing this model. By restricting our analysis to the agricultural sector, the above limitations can be relaxed although not completely eliminated. This is because we expect firms within the agricultural sector to be reasonably similar to one another, and we do not expect large differences in production technologies between the US and China in technologies.

6. Conclusion

To conclude, we find no statistically significant effect of US-imposed tariffs on favourability of Trump. Instead, we suggest that the observation in the decrease of favourability is due to time trends which were pre-determined in Trump's 2016 presidential campaign. In addition, we propose that the Chinese retaliatory tariffs would have detrimental impacts on favourability of Trump had he not introduced protectionist subsidy.

We use our findings above to provide expectations for 2024 US presidential elections. For context, Trump has pledged to impose large additional tariffs if he is re-elected, with a 60 percent tariff on Chinese goods and a 10 percent tariff on products from other countries (Wolff, 2024).

As suggested by Li (2020) and as shown in our first stage regression analysis, additional tariffs will clearly decrease welfare in the US and hurt economic outcomes. However, we do not expect this to differentially reduce favourability of Trump. Jackson and Newall (2024) suggest that recent trends of voter opinions of Trump seem to be unaffected by the guilty verdict on 34 felony counts of falsifying business records, even though two-thirds of Americans believe that the verdict was correct (Ipsos, 2024). This mirrors our findings on favourability of Trump from the trade war; except in this case, time trends reflect a larger favourability of Trump. The driving reasons for this in 2024 is beyond the scope of our study; however, we expect that this is because of recent US

foreign policy stances with the Israel-Palestine war and a social media war in the run-up to the 2024 presidential elections.

By extension, if tariffs are introduced by Trump should he come to power, China will likely retaliate with similar political targeting as observed in 2018. The pattern of subsidy provision and expansionary fiscal policy must continue if Trump chooses to preserve his favourability, especially since the US cannot afford to have mass unemployment from a trade war post-COVID. However, the current federal government budget deficit is enormous, with the 2024 year-to-date shortfall reaching $1.2 trillion (Cang & Zhou, 2024). The federal government may be constrained if it chooses to use a mass protectionist subsidy approach. (See appendix 6 for further research recommendations).

Appendix

Appendix 2.

2.1.1.a

Data

We use annualised data compiled from International Trade Association, 2024; American National Election Studies [ANES], 2019; American National Election Studies [ANES], 2016; (BEA Interactive Data Application, n.d.); World Integrated Trade Solution, 2016; Bown, 2023 and Election 2016: Results by State, 2017.

Using 2016 presidential election voting data ("Election 2016: Results by State," 2017), we selected a sample of competitive swing states, limiting the difference between votes for Trump and Hillary Clinton to 5%. This controls for pre-existing strong beliefs and biases for/against Trump, therefore minimizing the skew in our results since it makes the states in our sample more similar and thus gives a more unbiased estimate for the effect of the introduction of US-imposed tariffs on Trump's favourability.

We collected data on Trump's favourability using a "feelings thermometer" measure included in our election data (ANES, 2019; ANES, 2016).

We collected data on total consumption expenditure (BEA Interactive Data Application, n.d.). This data is presented in real dollar value amounts.

We also collected data on the dollar value of imports from China for each state in our sample (International Trade Association, 2024). We constructed our "imports from China" variable by calculating the proportion of each state's imports from China relative to the total imports from China into the US.

We also collect data on GDP growth per state and each state's proportion of total US jobs (U.S. Bureau of Economic Analysis, 2024) to use as controls in our regression analysis. GDP growth by state reflects changes in economic performance, and each state's proportion of US jobs

accounts for changes in Trump's favourability resulting from fluctuations in unemployment between 2016-2018.

After plotting the raw data of favourability of Trump against total consumption expenditure, we observe a logarithmic trend. Therefore, all our variables are log-linearized to fit our data better.
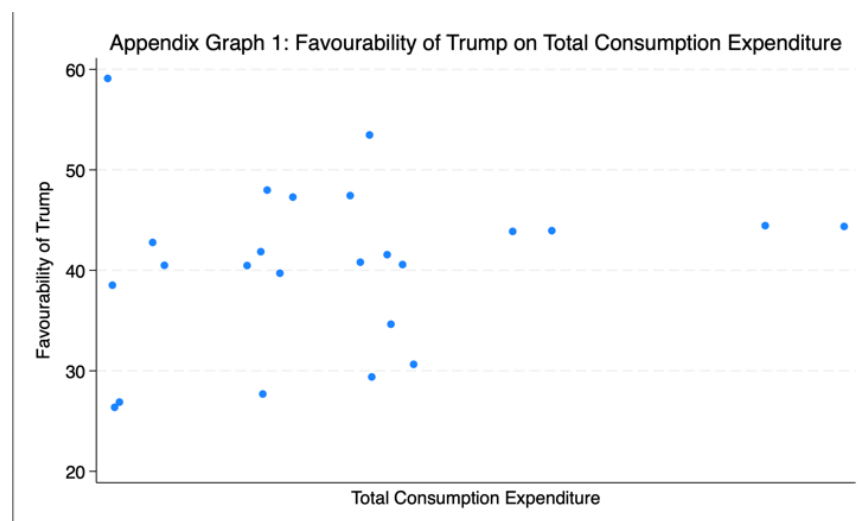
Figure 3: See Appendix 2.1.1.b for Stata code

Stata code for generating graph

```
twoway scatter fav totalPCE
```

*totalPCE is our variable for consumption expenditure

2.1.2.a

Addressing the above question using a regular OLS will not yield accurate results. The main limitation of this approach is endogeneity, caused by other confounding economic and foreign policy stances that Trump endorsed during the same period. This includes tensions worsening throughout 2017 with the DPRK and the Middle East (specifically Iran, where Trump accused Iran of destabilizing the Middle East). A majority of the US population was critical of Trump's actions; this would contribute to an overestimation of a decline in voter favorability in an OLS regression.

2.1.2.b

The DD estimation method requires two assumptions to be fulfilled. Firstly, parallel trends must exist between states in terms of voter favourability for Trump. Since we are using a two-way fixed effects interpretation of the DD estimation method, we can relax the requirement of parallel trends as we control for state fixed effects and time fixed effects.

Secondly, there must not be other exogenous shocks that occur at the same time as the US Tariffs on China. There is a lag in response to the tariffs from stakeholders such as multinational corporations (MNCs) and workers; this delayed any supply-side responses to the tariffs (Zeng,

2023). Hence, all immediate shocks originate from the demand side; Amiti et al. (2019) also shows there was an almost instant change in prices due to tariffs, implying that our variables of interest likely changed quickly. This satisfies our second assumption.

Further, the IV must satisfy three conditions to be valid: relevance, exogeneity, and random assignment. Proving relevance involves running a first-stage regression, which is shown in our findings. Secondly, exogeneity requires that only affects through the channel described above and is uncorrelated with any other factors affecting voter favourability. We argue that this is fulfilled by restricting our analysis to 'competitive' states[4], as the confounding political bias channel is eliminated on an aggregate level. Lastly, random assignment is fulfilled, as the tariffs implemented reliably within the first wave are reliably random (Amiti et al., 2019). We also use state fixed effects to help eliminate differences across states, such as unobserved political bias and other endogenous factors.

2.2.1.a

Kim and Margalit (2021) show that China politically targeted industries in Republican-leaning counties; one of the major industries within such counties is the agricultural industry. For the sake of simplicity, the agricultural industry also cleanly fulfils the assumptions required by the Krugman Model, making it ideal for this analysis.

Firstly, evidence has shown that the US agricultural industry exhibits significant IRS, due to high levels of public research investment and learning-by-doing (Yang & Shumway, 2020). Secondly, goods produced in the industry are horizontally differentiated, with farms' production ranging from livestock, including meat and poultry, to crops, such as corn and soybeans (Economic Research Service, 2024). Thirdly, there are over 2 million farms that compete with one another in the USA (National Agricultural Statistics Service, 2019). Although farms are not exclusively the only type of firm in the agricultural sector, it is the simplest metric of the number of firms and hence competitiveness. All assumptions are fulfilled.

2.2.1.b

i) PP curve derivation

The demand function is:

$$Q = S\left(\frac{1}{n} - b\left(P - \overline{P}\right)\right)$$

---

[4] Refer to appendix 2 for the definition of competitive states.

Rearranging this equation gives us:

$$P = \bar{P} + \frac{1}{bn} - \frac{Q}{bS}$$

Taking the First Order Condition and finding MR :

$$MR = P - \frac{Q}{bS}$$

Where MR refers to the marginal revenue.

Since firms maximize profits, $MR = c$

$$c = P - \frac{Q}{bS}$$

Using the symmetric equilibrium condition where $Q = \frac{S}{n}$

$$P = c + \frac{1}{bn}$$

ii) CC curve derivation

$$TC = F + cQ$$

$$AC = \frac{F}{Q} + c$$

Using the Symmetric Equilibrium condition

$$AC = \frac{nF}{S} + c$$

Appendix 3.

3.1

Full Stata code:

```stata
drop if missing(log_import, log_govexpend, log_inflation, log_gdpgrowth)


egen post = anymatch(year), values(2018)

gen postlogcons = log_total_cons*post

gen postlogchinaim = log_chinaimports*post

gen postlogrowim = log_rowimports*post



*second stage - ivregress 2sls with time FE for china vs row
xi: ivregress 2sls log_fav log_gdpgrowth log_jobsprop (postlogcons = postlogchinaim) i.state_num i.year, robust cluster(state_num)
etable, title("Table 3: Instrument is Chinese Imports + Time FE ")


**second stage - ivregress 2sls withOUT time FE for china vs row
xi: ivregress 2sls log_fav log_gdpgrowth log_jobsprop (log_total_cons = log_chinaimports) i.state_num, robust cluster(state_num)
etable, title("Table 4: Instrument is Chinese Imports + No Time FE ")


// first stages
*with time FE
xi: reg postlogcons postlogchinaim log_gdpgrowth log_jobsprop i.year i.state, robust
etable, title("Table 1: First stag regression + Time FE ")
*without time FE
xi: reg log_total_cons log_chinaimports log_gdpgrowth log_jobsprop i.state, robust
etable, title("Table 2: First stage regression + No Time FE ")

// Step 2: Verify the data
browse
describe

rename A state
rename B year
rename C rpp
rename D import
rename E govexpend
rename F inflation
rename G gdpgrowth
rename H totalPCE
rename I tarrifs
rename J fav
rename K jobs
rename L jobsprop
rename M rowimports
rename N rowimportsprop
rename O chinaimports
rename P chinaimportsprop

encode state, gen(state_num)


destring inflation, replace ignore(",") force
destring gdpgrowth, replace ignore(",") force

destring chinaimportsprop, replace ignore(",") force
destring rowimportsprop, replace ignore(",") force



misstable summarize rpp import govexpend inflation gdpgrowth totalPCE

sort state_num


xtset state_num year

// Log transformation
gen log_import = log(import)
gen log_govexpend = log(govexpend)
gen log_inflation = log(inflation)
gen log_gdpgrowth = log(gdpgrowth)
gen log_tariffs = log(tarrifs)
gen log_total_cons = log(totalPCE)
gen log_fav = log(fav)
gen log_jobs = log(jobs)
gen log_jobsprop = log(jobsprop)
gen log_rowimports = log(rowimports)
gen log_rowimportsprop = log(rowimportsprop)
gen log_chinaimports = log(chinaimports)
gen log_chinaimportsprop = log(chinaimportsprop)
```

First-stage regression (including time fixed effects) Stata-generated regression table:

```
i.year          _Iyear_2016-2018    (naturally coded; _Iyear_2016 omitted)
i.state         _Istate_1-12        (_Istate_1 for state==Arizona omitted)

Linear regression                        Number of obs    =        24
                                         F(15, 8)         =   1823.93
                                         Prob > F         =    0.0000
                                         R-squared        =    0.9995
                                         Root MSE         =    .25915
```

postlogcons	Coefficient	Robust std. err.	t	P>|t|	[95% conf. interval]	
postlogchinaim	.4702441	.0885427	5.31	0.001	.2660642	.6744239
log_gdpgrowth	-.1940812	.065691	-2.95	0.018	-.3455651	-.0425974
log_jobsprop	6.6593	4.379956	1.52	0.167	-3.440898	16.7595
_Iyear_2018	9.741872	.7771323	12.54	0.000	7.949802	11.53394
_Istate_2	-7.471245	5.035576	-1.48	0.176	-19.0833	4.140813
_Istate_3	-3.562958	2.114003	-1.69	0.130	-8.437857	1.311942
_Istate_4	9.639533	6.486149	1.49	0.176	-5.317554	24.59662
_Istate_5	-3.208852	1.846759	-1.74	0.120	-7.467485	1.049781
_Istate_6	-.5597569	.1888449	-2.96	0.018	-.995234	-.1242797
_Istate_7	4.51362	3.289099	1.37	0.207	-3.071056	12.0983
_Istate_8	8.947062	6.25292	1.43	0.190	-5.472199	23.36632
_Istate_9	-3.300262	2.012955	-1.64	0.140	-7.942145	1.34162
_Istate_10	-4.994307	3.143517	-1.59	0.151	-12.24327	2.254656
_Istate_11	-2.377561	1.478668	-1.61	0.147	-5.787377	1.032255
_Istate_12	-.4249017	.1514539	-2.81	0.023	-.774155	-.0756485
_cons	25.94542	17.21346	1.51	0.170	-13.74889	65.63973

First-stage regression (excluding time fixed effects) Stata-generated regression table:

```
i.state         _Istate_1-12        (_Istate_1 for state==Arizona omitted)

Linear regression                        Number of obs    =        24
                                         F(14, 9)         =    767.59
                                         Prob > F         =    0.0000
                                         R-squared        =    0.9980
                                         Root MSE         =    .05695
```

log_total_cons	Coefficient	Robust std. err.	t	P>|t|	[95% conf. interval]	
log_chinaimports	.270043	.1008302	2.68	0.025	.0419492	.4981367
log_gdpgrowth	.0033887	.0390587	0.09	0.933	-.0849683	.0917456
log_jobsprop	1.320369	.6645444	1.99	0.078	-.1829346	2.823673
_Istate_2	-.7035647	.6758961	-1.04	0.325	-2.232548	.8254184
_Istate_3	-.7838115	.2466232	-3.18	0.011	-1.341712	-.2259109
_Istate_4	1.064313	.8882888	1.20	0.261	-.9451358	3.073762
_Istate_5	-.4278721	.2097893	-2.04	0.072	-.9024484	.0467042
_Istate_6	-.3988879	.1677982	-2.38	0.041	-.7784738	-.019302
_Istate_7	.0640633	.5245821	0.12	0.905	-1.122624	1.25075
_Istate_8	.8538405	.916467	0.93	0.376	-1.219352	2.927033
_Istate_9	-.5885762	.2383056	-2.47	0.036	-1.127661	-.0494915
_Istate_10	-.6352421	.3736304	-1.70	0.123	-1.480453	.2099686
_Istate_11	-.3695631	.1726031	-2.14	0.061	-.7600184	.0208923
_Istate_12	-.3229967	.1243201	-2.60	0.029	-.6042282	-.0417652
_cons	16.96669	3.27685	5.18	0.001	9.553945	24.37944

Second-stage regression (including time fixed effects) Stata-generated regression table:

```
i.state_num      _Istate_num_1-12    (naturally coded; _Istate_num_1 omitted)
i.year           _Iyear_2016-2018    (naturally coded; _Iyear_2016 omitted)


Instrumental variables 2SLS regression          Number of obs   =         24
                                                Wald chi2(15)   =      21.09
                                                Prob > chi2     =     0.1340
                                                R-squared       =     0.8858
                                                Root MSE        =     .06997

                                      (Std. err. adjusted for 12 clusters in state_num)
```

log_fav	Coefficient	Robust std. err.	z	P>|z|	[95% conf. interval]	
postlogcons	-.002002	.1014351	-0.02	0.984	-.2008111	.1968071
log_gdpgrowth	.0576292	.0700019	0.82	0.410	-.0795719	.1948303
log_jobsprop	3.932894	1.618139	2.43	0.015	.7613998	7.104389
_Istate_num_2	-4.598134	1.830647	-2.51	0.012	-8.186137	-1.010131
_Istate_num_3	-1.948162	.7850521	-2.48	0.013	-3.486836	-.4094885
_Istate_num_4	5.946979	2.341485	2.54	0.011	1.357752	10.53621
_Istate_num_5	-1.771173	.7414689	-2.39	0.017	-3.224425	-.3179206
_Istate_num_6	-.0708194	.0880305	-0.80	0.421	-.2433561	.1017172
_Istate_num_7	2.776222	1.170254	2.37	0.018	.4825664	5.069877
_Istate_num_8	5.183577	2.233417	2.32	0.020	.8061591	9.560995
_Istate_num_9	-2.00675	.7580915	-2.65	0.008	-3.492583	-.5209183
_Istate_num_10	-2.829941	1.179243	-2.40	0.016	-5.141215	-.5186669
_Istate_num_11	-1.516505	.5505926	-2.75	0.006	-2.595646	-.4373631
_Istate_num_12	-.2144288	.0842717	-2.54	0.011	-.3795983	-.0492594
_Iyear_2018	-.1928766	1.396511	-0.14	0.890	-2.929988	2.544235
_cons	19.73654	6.308977	3.13	0.002	7.371169	32.10191

```
Endogenous: postlogcons
Exogenous:  log_gdpgrowth log_jobsprop _Istate_num_2 _Istate_num_3
            _Istate_num_4 _Istate_num_5 _Istate_num_6 _Istate_num_7
            _Istate_num_8 _Istate_num_9 _Istate_num_10 _Istate_num_11
            _Istate_num_12 _Iyear_2018 postlogchinaim
```

Second-stage regression (excluding time fixed effects) Stata-generated regression table:

```
i.state_num        _Istate_num_1-12    (naturally coded; _Istate_num_1 omitted)

Instrumental variables 2SLS regression          Number of obs   =         24
                                                 Wald chi2(14)   =      10.84
                                                 Prob > chi2     =     0.6984
                                                 R-squared       =     0.8659
                                                 Root MSE        =     .07581

                                   (Std. err. adjusted for 12 clusters in state_num)
```

log_fav	Coefficient	Robust std. err.	z	P>|z|	[95% conf. interval]	
log_total_cons	-2.219143	.8324309	-2.67	0.008	-3.850678	-.5876087
log_gdpgrowth	.0592251	.0515051	1.15	0.250	-.041723	.1601732
log_jobsprop	4.260565	1.368787	3.11	0.002	1.577792	6.943338
_Istate_num_2	-2.267417	.8846091	-2.56	0.010	-4.001219	-.5336155
_Istate_num_3	-1.233907	.4272377	-2.89	0.004	-2.071277	-.3965363
_Istate_num_4	3.138612	1.181898	2.66	0.008	.8221345	5.455089
_Istate_num_5	-.9298201	.3351202	-2.77	0.006	-1.586644	-.2729965
_Istate_num_6	-.1661902	.0739105	-2.25	0.025	-.3110521	-.0213283
_Istate_num_7	1.23056	.5605829	2.20	0.028	.1318371	2.329282
_Istate_num_8	2.650979	1.168528	2.27	0.023	.3607057	4.941252
_Istate_num_9	-1.353163	.4059211	-3.33	0.001	-2.148754	-.5575726
_Istate_num_10	-1.363911	.5517812	-2.47	0.013	-2.445383	-.2824402
_Istate_num_11	-.9257975	.2703725	-3.42	0.001	-1.455718	-.3958771
_Istate_num_12	-.4741133	.1073736	-4.42	0.000	-.6845618	-.2636649
_cons	51.73757	16.43647	3.15	0.002	19.52269	83.95245

```
Endogenous: log_total_cons
Exogenous:  log_gdpgrowth log_jobsprop _Istate_num_2 _Istate_num_3
            _Istate_num_4 _Istate_num_5 _Istate_num_6 _Istate_num_7
            _Istate_num_8 _Istate_num_9 _Istate_num_10 _Istate_num_11
            _Istate_num_12 log_chinaimports
```

Appendix 4.

4.1

Stata code to generate graph

```
twoway lfit log_fav year
```

4.2

```python
import matplotlib.pyplot as plt
import numpy as np

# Number of firms (n)
n = np.linspace(1, 20, 100)

# Plotting the PP Curve
# Let c = 2, b = 0.1
Average_P = 1 / (n * 0.1) + 2

# Plotting the CC Curve
# Let c = 2, F = 10, S = 20
Average_C = 2 + (10 * n) / 20

# Plotting the CC Curve with an added tariff
# Let t = 0.25
CC_and_t = 2 + (10 * n) / 20 + 0.5

# Create the plot
plt.figure(figsize=(10, 6))

# Plot the PP curve
plt.plot(n, Average_P, label='PP Curve')

# Plot the CC curve
plt.plot(n, Average_C, label='CC Curve')

# Plot the new steeper CC curve
plt.plot(n, CC_and_t, label='CC Curve with Tariff')

# Add labels and title
plt.xlabel('Number of Firms')
plt.ylabel('Average Price / Cost')
plt.title('PP and CC Curves under the New Trade Model')
plt.legend()
plt.grid(True)

# Hide y and x axis numbers
plt.xticks([])
plt.yticks([])

# Display the plot
plt.show()
```

Appendix 5.

Appendix 6.

For further research, we recommend studies on the effects of the US-China Trade war on other countries and the international shift of power. The US and China are both in the process of decoupling from each other; this has resulted in developing countries such as Vietnam receiving large inflows of foreign investment and trade from the US with China. The trade war has also sped up China's agenda of expanding its influence through the Belt and Road Initiative. International

organizations have lost significant amounts of power due to the war; for example, the 'Most Favored Nation' has been violated many times by both countries, with little punishment for either country exercising their economic power[5]. This reduces the WTO's power of precedent, and potentially undoes decades of trade talks in reducing trade barriers.

Economic power – in the context of our analysis, the capacity of a country to affect another country's economic outcomes. For example, the ability of China to change macroeconomic outcomes of the USA using tariffs.

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[5] Economic power – in the context of our analysis, the capacity of a country to affect another country's economic outcomes. For example, the ability of China to change the macroeconomic outcomes of the USA using tariffs.

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(Non)-Belonging to India: Investigating the Impact of BJP's Populist Discourse on Sense of National Identity in Students at LSE

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Abstract

The 2024 Lok Sabha elections have amplified 'nation-talk' across India and its diaspora, with Bharatiya Janata Party's right-wing populism taking the front stage of Indian media. This research paper investigates how the impact this political climate has had on Indian students at LSE, in particular on their sense of national identity and belonging to their national community. We seek to address the triangular relationship between populism, Indian LSE students, and social media thereby addressing the lack of literature on this topic. Through semi-structured interviews and the use of digital ethnography, we find that geographical distance from India has caused a disconnect in students regarding their sense of national belonging. By contrast, a sense of cosmopolitanism resonates better with Indian students at LSE. We believe that this research serves as an impetus for further work to be done on the relationship between international students and national belonging in other national contexts, as well as offering important implications for diaspora studies.

Keywords: populism, BJP, national identity, national belonging, Indian elections, online platforms

Table of contents

Introduction

In attempting to uncover how populist discourses of the BJP influence the national identity of Indian students in LSE, first definitional frameworks must be drawn up to the heavily contested nature of 'populism' and 'national identity', while also providing justification for the sample chosen, and purpose of study. Populism in this study will be defined by Brubaker (2017)'s study which characterised it as 'a rhetorical and stylistic repertoire' from which leaders can draw as they wish in order to pursue specific political aims. This repertoire functions to position the utilizer as not only 'speaking for the people', but also aims to fashion and reshape what this 'people' is by producing vertical and horizontal cleavages. 'National identity', this 'object' that populism seems to be trying to shape, must also be understood. According to Anderson (1983), the nation is an 'imaginary community' where individuals feel and imagine a shared comradeship among each other. Hence, national identity in this study is understood as an individual's conception of the qualities and boundaries of this 'imagined community', defined by contested cultural narratives. This research will attempt to answer the question, "How does populist discourse by the BJP during the 2024 Lok Sabha election influence the sense of national identity and belonging of Indian international students in LSE?" We take this issue of national identity of Indian students to be important for study due to two factors. The first posits the exalted station of students within the socio-political life of a country, as both future leaders and current activists. The other recognizes the contested and unsettled nature of Indian nationhood, and finds these qualities as representative of postcolonial societies in general. Therefore, the focus on Indian students, especially at elite educational institutions like the LSE, is of high value to understand Indian politics. Hence, with the definitional work and rationale of the study laid out, an overview of the literature can be conducted below.

Literature Review

The heavily contested nature of identity and belonging in modern India provides us with a rich terrain of literature, rife with contradictory arguments and conclusions. Dutt (1998) instructively presents an overview of nationalisms in India, arguing for the existence of a perennial tension between national and sub-national identifications. These sub-national identities consist of ethnic, as well as caste and religious affiliations. When placed in the context of the diaspora, certain competing images emerge within the literature. While Pande (2013) discovered that the main trend within the Indian diaspora is an increase in the salience of regional and local belonging (such as Tamil, Punjabi, or Bengali), others argue for the opposite. Leidig (2020) contradictorily argues that the Indian diaspora in the UK and US instead share a heightened sense of 'nationhood' compared to that of 'regionalism'. Arguing that differences considered relevant in India take a back seat in the West, Leidig (2020) highlights that members of the Indian diaspora engage in a collective process of identification. He further emphasises that essentializing and homogenising understandings of the 'motherland' within this collective process increases vulnerability to Hindutva nationalism within these communities. While Pande (2013) makes a sweeping analysis of overseas Indians all over the world, Leidig (2020) investigates social media and conducts interviews with individuals from advantaged backgrounds in the US and UK. The discrepancy in the conclusions of the two projects makes our research valuable, as it could serve to reconcile, or further complicate this debate.

An additional aspect of the question calls for the exploration of social media. Distance in the contemporary digitised world no longer means isolation from one's motherland. The proliferation of social media translates into the ability to stretch across geography and immerse oneself in discourse across the world. Narasimhamurthy (2014) argues for the profound and growing importance of social media in India for socialisation and connection. However, social media is not only a platform for socialisation and entertainment, as Neog (2023) has done profound work that has demonstrated that social media in India has been a fertile ground for 'nation talk'. Hence, while specific areas of our question have been explored previously, all the moving parts have not been placed together. While conceptions of national identity of the diaspora have been investigated, the specific population of Indian international students in the UK have been forgotten. To investigate this gap within the

literature, this study aims to model itself on a similar investigation carried out by Mahmod (2019) which looked at Kurdish diaspora communities.

Methodology

Interviews

Semi-structured interviews were used as the primary mode of data collection. Having an interview guide (See Appendix 1) allowed each interview to be flexible (Pathak et al., 2013), giving the interviewer the opportunity to ask follow-up questions. Questions were intentionally phrased with neutral tones to avoid leading on the participants (See Appendix 1). Participants were also given the space to talk about an aspect of their experience that had not been covered by the interview guide; this autonomy yielded interesting results. Considering the short time-frame of the research, participants were selected through convenience sampling methods - the researchers contacted friends who fit the criteria. Ethics approval through the LSE Eden Centre was obtained before any research was carried out. After the consent form (See Appendix 2) had been signed, interviews were conducted in-person or over the phone.

Digital Ethnography

Due to the preeminence of digital media, conducting a digital ethnography allows us to explore the impacts of the presence of digital media in shaping processes and opinions globally (Pink et al., 2016). Employing this methodology alongside interviews provides an in-depth understanding of how students interacted with social media content. For this research, we conducted content analysis on posts from X and Facebook. This decision was due to Indian Prime Minister Narendra Modi posting actively on both these platforms, generating the most political discourse. In setting criteria for measuring the degree of populist discourse on social media, we employ Brubaker's (2017) 5 characteristics of populism: antagonistic repoliticisation and anti-elitism, majoritarianism, anti-institutionalism, protectionism, and the populist style itself. Posts were analysed from the 19th of April 2024 (start of the election period) to the 4th of June 2024 (election results day). Selected texts were then quantitatively analysed to find the mean level of engagement.

As qualitative research can change slightly depending on context, the steps of data collection and analysis often occur simultaneously (Busetto et al., 2020). Data was analysed through

coding (Noble & Smith, 2014) - repeated themes in the data were identified and a keyword was assigned to them, allowing the researchers to form linkages between concepts to support the research. To see deductive and inductive codes formed, see Appendix 3.

Challenges

Motivation bias (Stratton, 2021) and social desirability bias was mitigated by researchers presenting a non-judgemental front during the interviews, reiterating that participants could talk about whatever they wanted within the scope of the topic. In the digital ethnography, researchers only analysed media that was in English due to a lack of fluency in Indian regional language, which limited our sample. However, statistical analysis shows that English posts fare well in terms of engagement compared to its Hindi counterparts (See Table 1).

Data Analysis

All participants are new to London, with 4 out of 5 in their first with the other being in their second year of study at the LSE. However, they had varying experiences with the Indian community in London, with Participant 1, who speaks Tamil, noting the language barrier between themselves and others as an obstacle in their ability to connect with the community. Participants thus found it easier to connect to those who came from similar regions as them, "because I can communicate and relate better" (Participant 1). The move to London made participants more aware of "how different India is to the rest of the world" and helped put their national identity into perspective regarding how it was constructed and brought into populist discourse (Participant 4). Participant 2 mentioned 'privilege' as an obstacle in their ability to connect with the community, specifically the community's unawareness of their own privilege. Participants were of the belief that coming to London to study meant that they would not return home immediately after graduation, to "make the most of this opportunity" as stated by Participant 2, and believed that "it is more liberating to be [in London]" (Participant 3). All participants mentioned that their connection to India was mainly cultural and believed it to be a place where long-term settlement is more comfortable. Participants connected more to their local regions than India as a whole, due to the vast cultural and linguistic differences between each state, and had a sense of pride attached to their heritage.

"After going abroad, I have noticed how much culture India has. It has so much history and it forms us as people because we have been brought up with those values."

- Participant 5

Others went further to disavow their political belonging to India, such as Participant 4, who notes that ideas of nationalism and patriotism "have become meshed and lost meaning" to them. They go further to say that since starting LSE, they see India more for its cultural significance than as a state. Participant 3, on the other hand, who has spent the longest time (2 years) in London, said that they don't feel any connection with India at all, and see themselves as a 'global citizen'. This change to a cosmopolitan perception of their identity came about through "firstly recognising the different perspective from how things are in India, and secondly, making an active choice to broaden horizons and make friends from

other cultures". Having participants that had spent more than 2 years in London would have offered interesting comparatives into whether time influenced their sense of belonging.

"When in doubt, go left. I'm definitely not into religion politics but I also disagree with the villainising of BJP supporters."

-     Participant 1

Almost all participants did not support the BJP. Participants 1 through 4 cited identity politics and religion as their reason for not supporting the BJP, while Participant 5 supported the BJP on the basis that they were the "best out of the other bad options". Due to their geographical distance from India, all participants reported feeling removed from the context of the elections, and thus less involved. "When you are in India, you are constantly surrounded by it." According to Participant 2, "Here I need to actively search for information". Participants from other disciplines might not have had a similar level of interest and could have had negligible engagement. Their main source of information was through social media, complementing our digital ethnography analysis.

Statistical analysis on our data revealed that although there were fewer English posts on X in general, there was a higher level of engagement when compared to the most spoken language in India, Hindi (Rathore, 2023). The following table showcases the average varied level of engagement in posts made by Narendra Modi during the 2024 election period. Most notably, there was a 172.7% increase in engagement on English posts in the 5 days before the results were announced. Hence, looking at media in a single language still provides us with a rich understanding of public opinion during the election season.

Table 1: A statistical comparison of engagement with Modi's posts on X on average.

Language	Comments	Shares	Likes	Views
English	1.2 thousand	7.7 thousand	44.3 thousand	2.5 million
Hindi	1 thousand	5.2 thousand	24.8 thousand	1.05 million

"Our Prime Minister, Shri Narendra Modi, serving the people of India by following the path of valiant monk Swami Vivekananda."

- Facebook post by the BJP on 1st June, 2024

The invocation of national pride through the reference of Hindu historical figures like Swami Vivekananda - shows that the BJP party understands the importance of culture in Indian politics. This demonstrates 'cultural nationalism' which aims to create a new national identity based on 'one nation, one people, one culture' (Dutt, 1998). Indeed, as Dutt (1998) continues, this is manifested in the form of Hindutva ideology, which is one that exemplifies itself in the imagery behind the phrase 'following the path'. Participant 3 stated how the BJP had been gradually evolving into a Hindu nationalist party since gaining power in 2014, with this rhetoric now coming into centre-stage in the 2024 election campaign. This inherently places spiritualism on a pedestal and establishes a religious boundary where other faiths, in contrast to the valiance of Hindu figures, may be juxtaposed as inferior. As participant 5 states, "People say that India is a secular state, but there is nothing secular about it". The narrative that this Facebook post tells is one that champions majoritarianism - favouring the majority over the minority - and thereby is telling of the BJP's populist attempts to pander to the Hindu majority while marginalising what they attempt to present as 'others'. On an individual level, furthermore, this post frames Modi as somewhat an inheritor of Vivekananda's legacy; this resonates with interviewees' perceptions of the BJP's Hindu nationalist rhetoric, with participant 2 stating that the BJP chooses to idolise Modi as a figurehead of the party.

"On one hand, they (Congress) try to divide the society on the basis of caste. On the other hand, they look for ways to keep a strong vote bank by uniting it.

- PM Narendra Modi"

- Facebook post by the BJP on 31st May 2024

Anti-elitism has centred itself in the BJP's addressing of the Indian National Congress (INC) throughout the election period. Specifically, it supports Cas Mudde's (2004) argument that populism defines society as a distinction between the 'pure people' and the 'corrupt elite'. Modi juxtaposes the BJP with the INC as a defender of the people. This 'us vs. them' dichotomy is prevalent in the other quotes mentioned in the Facebook post, featuring quotes from Modi's interview with the Hindustan Times:

> "The Congress today is completely cut off from its roots. It is not able to understand what the culture of this country is. [...] it is not able to grasp the basic elements of Indian democracy. Congress are not able to come out of divisive rhetoric, personal attacks, and abusive language."

By attempting to delegitimise the Congress' moral authority through saying that they rely on 'personal attacks' and 'abusive language', the BJP's electioneering on social media once again finds itself on the populist spectrum. This takes a juxtaposing effect, placing Modi in a comparatively positive light, pairing well with the framing of Modi as a spiritual leader. Anti-institutionalist and anti-elitist rhetoric is prevalent in the suggestion that Congress is not in touch with Indian culture and encourages the idea that they are only a party that works for themselves. This post weaponises what Brubaker (2017) calls 'antagonistic repoliticisation' - the claim that the BJP intends to protect democratic control over de-democratised parts of politics and Indian life. This is seen when Modi suggests that while Congress is not able to "grasp the basic elements of Indian democracy". Participant 1 supports this narrative by stating that due to a lack of a strong opposition, the masses end up voting for the BJP. These findings support the work of McDonnell and Cabrera (2018) who, through interviews with BJP representatives, found that they see the INC as corrupt and elitist, and threaten the security of what they perceive to be 'true Indian people': a homogeneous and patriotic Hindu community.

> "They [INC] want us to deny rights to SC, ST and OBC communities, preferring UNCONSTITUTIONAL Muslim reservation instead.
>
> Modi will not let them trample over Pujya Babasaheb's Constitution."

>   - A post on X by Narendra Modi on 20th May 2024

The appeal to directly marginalised groups (Scheduled Castes, Scheduled Tribes, and Other Backward Classes) demonstrates the BJP's attempts to mobilise support by addressing the grievances and aspirations of the masses. This supports Participant 2's perception of the BJP's rhetoric being 'hyper-nationalist'. Furthermore, directly referring to Dr. Ambedkar ('Pujya Babasaheb') again invokes cultural nationalism. The cultural basis of populism by the BJP is proved by interview findings - all participants stated that they felt connected to

India as a cultural identity, more than a national or political one. When the BJP invokes cultural nationalism, they reiterate ideas of a homogenous society. By calling the constitution 'Pujya Babasaheb's Constitution', it narrates a story of Modi, committed to the Constitution and aligned with Dr. Ambedkar's legacy, as a defender against the 'unconstitutional' others. This post brings with it marks of majoritarianism: "unconstitutional Muslim reservation" frames Muslims as inherently acting against Indian values and Indian law itself. Participant 4 feels distraught at such claims, "My family background makes it such that I have to live in communal disharmony". Modi here also conveys that the Congress works ultimately against the interests of the common people for the sake of the minority.

As such, we find that the BJP's Hindu nationalism lends itself to right-wing populism. Through projecting the idea that India's culture should mirror the beliefs of the Hindu majority in spite of its marginalised communities, the BJP uses social media to present Modi as a spiritual, morally legitimate leader for the nation. This thread of majoritarianism arguably is a watermark of BJP populism which continues to prey on the idea of the 'other' - often being the INC and marginalised communities such as Muslims.

Conclusion

The research revealed that unlike the previous literature which saw either an increase in regional or national belonging in diasporic communities, within the LSE's Indian students, a new form of identification emerges. In the face of growing Hindutva nationalist discourse during the election season, cosmopolitan identification took centre stage as individuals described themselves as 'global citizens'. While it is possible that the cosmopolitanism observed in the student is a reflection of LSE's idiosyncratic nature, it is still relevant for thought. Diasporic communities do not have to identify with their new locations or their areas of origin, and instead may adopt a cosmopolitan identification due to their internationalisation. Further to this research, expanding our scope to include a wider sample on Indian international students beyond students at the LSE, while allowing a comparative perspective on other universities in the UK.

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Appendix 1

Interview Guide

Before I start this interview, I wanted to preface this and say that if there are any questions that make you feel uncomfortable or you would rather not answer, please feel free to let me know.

Question 1: Can you tell me a bit about your background? Where did you grow up in India, what language/s did you speak at home, what kind of school did you attend? How long have you been living abroad?

Question 2: Are you thinking of returning to India after graduating? Why or why not?

Question 3: What does 'being Indian' mean to you? Do you identify more with your region/city or more with the greater country? Has your relationship with your national identity changed since you left India? How so? Do you feel connected with the Indian community here in London? Has distance affected your sense of belonging to India?

Question 4: Have you followed the Indian Lok Sabha elections this year? To what extent?

Question 5: What was your main source of information this election season?

Question 6: How would you describe your political leanings this election season? Who did you support and why?

Question 7: How would you characterise the BJP's rhetoric this past election season? Was there any theme in particular that caught your attention either positively or negatively?

Question 8: How have you reacted to the kind of media coming out of this election cycle? Have you had heated discussions in your family? How have you reacted to the tone/nature of the political rhetoric during the past election?

Question 9: As an Indian living abroad, how did the political climate surrounding the elections affect your perception of belonging to India?

Appendix 2

Participant Consent Form

Research Question: How does populist discourse by the BJP during the 2024 Lok Sabha elections influence the sense of national identity and belonging of Indian international students in central London?

Name of Interviewer:

Department of [...], LSE

Contact of Interviewer:

Thank you for agreeing to be a participant in this study. This information sheet outlines the purpose of the study and provides a description of participant involvement.

1. What is the research about?

The research being conducted in the form of a semi-structured interview is to learn more about digital consumption in the context of the 2024 Lok Sabha elections and how students perceive national identity and a sense of belonging in accordance with the posts they interact with.

2. Voluntary Participation

It is up to you to decide whether or not to take part. You do not have to take part if you do not want to. If you agree, please sign below.

3. What will your involvement be?

You will be asked to take part in an interview which will take approximately 10-15 minutes.

4. Withdrawing from the study

You can withdraw from the study at any point of data collection. Although care has been taken to mitigate any potential risks, participants have the right to stop the interview at any time, and all recorded data up to that point will be deleted and not used in the study.

5. What will your information be used for?

The researcher will use the gathered data only for their LSE Groups research project. The interview will be audio-recorded and a transcript will be produced. If desired, a copy of the transcript can be sent to the participant with the opportunity to correct any errors. Errors might occur due to translation issues if the interview is not predominantly conducted in English. The transcript will not be seen by anyone other than the researcher (named above). Once the data analysis has been completed, all data will be deleted.

6. Data confidentiality

The records from this study will be kept as confidential as possible. Participants will remain anonymous and any identifiable details will not be mentioned in the study. All digital files, transcripts, and summaries will be given codes and stored separately from any names or other direct identification of participants. Any hard copies of research information will be kept in locked files at all times.

7. Ethical Review

The study has undergone ethical review in accordance with the LSE Eden Centre, and this consent form is necessary to ensure that participants understand the purpose of their involvement and agree to the terms of the interview. In the case of any complaints, please contact research.ethics@lse.ac.uk.

By signing below, the participant agrees that:

I have read and understood the study information, or it has been read to me. I have been able to ask questions about the study and my questions have been answered to my satisfaction.	YES/NO
I consent voluntarily to be a participant in this study and understand that I can refuse to answer questions and that I can withdraw from the study at any time without having to give a reason.	YES/NO
I agree to the interview being audio recorded.	YES/NO

I understand that the information I provide will be used for the researcher dissertation and that the information will be anonymised.	YES/NO
If quotations are used in the research, I agree that my anonymised information can be used.	YES/NO
I understand that any personal information that can identify me will be kept confidential and not shared with anyone.	YES/NO

Please do not hesitate to contact the researcher for any clarifications.

Participant Name:

Preferred Pseudonym (if any):

Participant Signature:

Researcher Signature:

Date:

Appendix 3

Interview analysis	1	2	3	4	5
Being indian	cultural habits, sense of family, national connection, easier to connect with people of similar regions	dont identify with indian as all, think of myself as a global citizen, some attachment to immediate local area	dont identify with indian as all, think of myself as a global citizen, some attachment to immediate local area	more of a cultural link than a national one, ive never been the most nationalist person, growing up i was a bit of a patriot but ever since the ideas of nationalist and patriot has become meshed its lost meaning to me, ever since starting lse i start thinking more of the cultural significance than the state	culture, pride in ones heritage, after going abroad i have noticed how much culture india has, so much history and it forms us as people because weve been brought up with those values, being up children in india is better, proud of where you come from, connect more with being from delhi because cultures in every place in india is different
Indian community in uk	not a lot similar to me, havent participated in societies, not really special friends, cannot understand hindi so shared language is still going to be english, better to have friends with same languages as it is more comfortable and can make jokes etc- relatability is important	not at all, they come from a very privileged part of india, even though im a part of that, they are not aware of their privilege and that bothers me sometimes		definitely, im part of societies, i dont think my involvement in the community here is particularly linked to my identity it is more about finding similar people	very well connected
Distance from india	more removed from the context and became less involved in indian politics, involvement has diminished, studies at london has made me more intrigued but i am not personally affected by it, used to be surrounded by it in india	im able to appreciate more things about india now, like things that would otherwise be taken for granted, if i didnt have my background of growing up in india i would take so many things for granted, im more appreciative of things		not really, people like me who grew up in modern cities have a more western upbringing so its not too different	hasnt affected identity in any way
Following elections	only saw results, if i was at home i would be more connected to it, family members are pro-bjp so have their own opinions, they help with campaigns, their involvement has made me dislike bjp more but i also understand the workings of it now, media always portrays in a particular light	not as much as i would have in india, unless i actively take a step to look into it, in india you are surrounded by it, you cant avoid it	followed on results been because i study politics	general idea, dont know specifics	yes through news
Election outcomes	think it is better than it could have been because the bjp didnt get the majority but the congress isnt good enough to rule yet because of fragmentation				
Political leaning	when in doubt go left, definitely not into religion politics but also disagree with the villainising of the bjp supporters	centre left, my family is really pro bjp but ever since i started studying political science i disagree with them on many fronts, have more antipathy towards conservative ideals and traditions and are valued so much in the bjp and i have a big problem with that, i have a more liberal stance	Im not registered to vote but if i had i would choose none of the above because they dont represent my perspective, Im not a huge supporter of bjp hindu nationalist politics, im not religious myself, but other parties also play identity politics or have strong socialist policies	anti-bjp in general, not a fan of their ideologies, centre leftist, if i had been in india i would have voted for congress, most people went into the election hoping that they secure enough seats to remain standing even though it was pretty guaranteed that bjp would win but now theres more constituents, they performed better than i expected even though i had very grim expectations	indian politics has no good options but there is the best out of bad options which is bjp, even though its said to be multi party its mainly bjp vs congress, i have a bad personal experience with congress but otherwise i feel bjp has helped india and modi has made indias name known in many countries but theres also so much corruption and population that its hard to create an actual change
BJP rhetoric		hyper masculine, hyper nationalist, trying to build hindutva	since 2014 it is evolving and becoming the hindu nationalist that we now know, it used to be about economic growth and development then in 2019 it shifted towards the hindu rhetoric	communal rhetoric, familial background makes me against such claims, talk about how bjp fostered indias international relations and standing in the global sphere but it wasnt stressed upon before the elections, into polititcs as a family but not like the indian identity politics	purely hinduism, we say that india is a secular state but there is nothing secular about it, focusing on hinduism garners positive attention in india but negative attention globally