

# A Political Economy of Aid and Legitimacy

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## Abstract

While some scholars find that recipients credit their governments for aid, other scholars see aid credited to donors. I theorize the conditions under which aid recipients will credit donors or governments. I build on two stylized facts: 1) aid is politically targeted and 2) aid features a long chain of diverse actors. The political targeting of aid leads political allies of the government to expect, and often receive, large shares of aid. However, politically excluded groups can observe this phenomenon and do not expect to receive targeted aid from domestic governments. When politically excluded groups receive aid, they attribute less credit to the government, instead crediting international non-governmental organizations with the aid. Using ethnicity as a salient and visible political cleavage, I show that when ethnic groups are excluded from political power, they do not credit governments with foreign aid. This pattern reverses when aid is non-excludable, where government involvement is visible, and spatial ethnic segregation low. Foreign aid may create perverse incentives for governments to further shift funding away from ethnic minorities if targeting these groups offers few political benefits.

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# 1 Introduction

Foreign aid is a political tool for both donors and recipients. While Hans Morgenthau famously referred to aid as a “bribe” used by donors to extract policy favors from recipients (Morgenthau, 1962), recent work has drawn attention to aid’s use as a bribe from recipient governments to potential political supporters. In many nations, politicians use their influence to target aid at supporters proactively (Briggs, 2021; Seim *et al.*, 2020) and retroactively (Jablonski, 2014). Importantly, aid is a political benefit to incumbent politicians when it meets or exceeds expectations of their voting base (Cruz & Schneider, 2017; Dolan, 2020; Guiteras *et al.*, 2015; Jablonski, 2014).

While a large literature establishes that aid is targeted and that targeted aid affects the political preferences of beneficiaries, much less is known about how aid affects politics for non-beneficiaries. I argue that the complex chain of actors involved in aid allocation and implementation (Winters, 2014) poses a unique challenge for credit attribution for aid-funded goods. Many actors coordinate in the design, allocation, and implementation of aid projects. This leaves room for citizens to attribute credit for the project to multiple actors. In the case of political targeting of aid, political allies may expect that they received aid as a result of the preferences of their representatives. Conversely, members of political out-groups may expect that they receive aid *in spite of* rather than *because of* representatives.

I theorize that citizens’ expectations of aid are informed by their prior engagement with the state and with donor entities. In particular, I posit that in countries with clear cleavages in political representation, the provision of aid will be seen along political lines. Political in-groups may perceive these representatives as targeting aid at their communities and will attribute credit to the politicians when aid is received. In contrast, political out-groups may be less likely to expect that politicians in power will actively target their communities with aid. Instead, they will attribute the presence of aid to the role of the international community, and non-government organizations (NGOs) in particular, given that NGOs may be more responsive to the needs of these constituencies generally (Springman, 2020a). Political segregation drives these effects (Ejdemyr *et al.*, 2018). However, this relationship will

be mediated by the extent to which aid is easily targetable: aid with diffuse benefits may not generate political cleavages in credit attribution. This theory clarifies the relationship between aid and legitimacy: aid enhances government legitimacy when governments are credibly attributed with its targeting; otherwise international actors receive credit.

I proxy political cleavages with ethnic identity relative to the president or prime minister of a given country. This choice renders political affiliation more visible and, importantly, ethnic identity is unlikely to change in response to short-term political swings.<sup>1</sup> Where ethnicity is a salient political cleavage, aid is often targeted to coethnics of recipient politicians (Habyarimana *et al.*, 2009). In circumstances where donors have less control over the targeting of aid, leaders are especially likely to target aid at their coethnics (Dreher *et al.*, 2019). In this respect, aid does not differ substantially from other public and private goods in a given country; ethnic favoritism is a well-documented phenomenon (De Luca *et al.*, 2018; Franck & Rainer, 2012; Kramon & Posner, 2016).

I summarize the existing literature on aid, credit, and incumbency in the following section. I then describe my empirical strategy, a pre-post intervention design that accounts for selection into aid projects temporally and geographically. Evidence from project-level aid data and geolocated public opinion data in Africa and Latin America supports this theory. However, the relationship between political out-groups and credit for aid to incumbent politicians is only robust when aid is *concentrated* and *identifiably targeted*. These results suggest that credit-claiming may be a robust strategy for incumbent politicians in the short term, but may undermine the ability of politicians to increase their influence in other constituencies over the long term.

## 2 Foreign aid and credit attribution

Foreign aid may benefit recipient politicians electorally (Blair & Roessler, 2018; Briggs, 2012, 2015; Cruz & Schneider, 2017; Dolan, 2020; Guiteras *et al.*, 2015; Jablonski, 2014).

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<sup>1</sup>For exceptions to this rule, see Robinson (2017), Nix & Qian (2015), and Jia & Persson (2021).

Incumbent politicians often see increases in the level of support they receive from constituents as a function of the aid allocated to their localities. The mechanisms through which aid may lead to an increase in incumbent support are twofold: first, foreign aid may be a signal of government quality if citizens expect aid to be delivered as part of a package of public or private goods. The quality of foreign aid, which citizens may perceive as higher than the quality of government-provided aid, may also reflect well on the politicians who are associated with the aid package (Winters *et al.*, 2017). Importantly, this attribution of credit may be unwarranted; Cruz & Schneider (2017) demonstrate that politicians take active measures to draw associations between themselves and foreign aid in order to claim undeserved credit for its economic benefits. Second, foreign aid adds additional resources that signal political priorities for recipient politicians. If citizens believe their representatives played a role in acquiring aid, the type and location of aid is a visible sign of a politicians' preferences for resource distribution. O'Brien-Udry (2021) shows that aid targeted at ethnic minorities may signal a disconnect between the public goods preferences of politicians and their ethnic majority constituents.

However, the association between incumbency support and foreign aid is mediated by citizens' expectations of foreign aid. Briggs (2019) finds that exposure to foreign aid decreases incumbent support in several countries in sub-Saharan Africa, postulating that citizens may expect the quality of foreign aid to exceed its actual performance and thereby causing citizens to update negatively about the quality of their incumbent representative. In Malawi, citizens accurately attribute credit to foreign aid to politicians for whom foreign aid management or implementation falls under the purview of their political office, and not otherwise (Baldwin & Winters, 2021). Evidence from Bangladesh shows that politicians are not attributed undue credit when citizens are informed of the source of aid funding (Guiteras *et al.*, 2015). Marx (2017) traces how politicians across Africa are rewarded for completion of aid projects at more than their implementation and, as a result, politicians speed up completion of projects in response to these electoral incentives. O'Brien-Udry (2021) finds that aid targeted at out-groups leads to lower approval of incumbent politicians as these projects are misaligned

with the priorities of in-group constituents. And Briggs (2019) finds a negative relationship between the start of aid projects and incumbent support, potentially through a mechanism of aid projects not meeting expectations. This theory has additional weight when evidence from Chinese foreign direct investment is considered: Wang *et al.* (Forthcoming) find that African respondents have higher approval ratings of incumbent politicians immediately after exposure to Chinese investment projects but that this effect turns negative over time as the investment projects do not bring the economic gains expected.

Additionally, recipient governments are not the only actors who receive credit for aid. Aid is a classic form of soft power and is often used by donors to gain influence in recipient countries. Indeed, aid raises public approval of donors in many contexts (Blair *et al.*, 2022; Dreher *et al.*, 2020; Ferry & O'Brien-Udry, 2023; Mattingly & Sundquist, 2022; Woods, 2005).<sup>2</sup> The dual attribution of aid to both foreign donors and recipient governments lies at the heart of the debate about aid and government legitimacy. Recipient citizens may reduce their perceptions of the capacity and legitimacy of their own state because public goods are being provided by donors. As citizens' tax dollars are no longer responsible for the public goods, aid may decrease the connection between the state and its citizens. Alternatively, citizens may see aid as an additional form of income acquired by their governments (and without cost to the citizens themselves), increasing support and legitimacy. As aid may be attributed to the actions and capabilities of multiple actors (Winters, 2014), what determines whether, or when, citizens attribute credit for foreign aid to their own government verses internationals?

Patterns of political aid targeting lead political allies to attribute aid to the recipient government. This claim is directly in line with Dolan (2020) and Baldwin & Winters (2021), who clearly establish the relationship between citizen expectations of government involvement with aid and approval of the government. However, I argue that political out-groups will attribute comparatively less credit to the recipient government, and comparatively more credit to international actors, when receiving aid. By the same token as allies expecting aid,

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<sup>2</sup>Though the misuse or abuse of aid can lead to negative donor approval ratings (Tokdemir, 2017).

non-allies will not expect to be targeted by aid. In cases when non-allies do receive aid, then, they are more likely to attribute the aid to the actions of internationals. International efforts to publicize aid to international (Dietrich *et al.*, 2019) and domestic (Dietrich *et al.*, 2018) audiences combined with international efforts to fill the gap in public goods provision for excluded groups (Bracic, 2016; Büthe *et al.*, 2012; Christensen & Weinstein, 2013; McMahon, 2017; Springman, Forthcoming) may lead members of excluded groups to credit non-governmental organizations and international actors for aid, rather than their own government. Political out-groups may view the presence of foreign aid differently from in-groups due to different expectations of benefiting from the incumbent's policies. Out-groups may be less likely to attribute credit for aid to the government because they expect these politicians to target aid at in-groups, leading them to intuit greater agency in aid targeting to NGOs or foreign agents.

A key confounding issue here is the ability of governments to target aid to out-groups with the intention to turn them into in-groups. Just as public and private goods may be targeted to swing voters or non-aligned constituencies to secure support (Corstange, 2016; Jöst & Lust, 2022; Kasara, 2007; Sanford, 2021; Wilkinson, 2006), so too can foreign aid be used as a tool to shore up approval with out-groups (Masaki, 2018; Wood & Sullivan, 2015). Theoretically, if citizens expect politicians to target aid to out-groups, out-groups should be more likely to reward politicians when they receive aid. Additionally, which groups are qualified as out-groups may be more fluid as receiving aid could turn out-groups into in-groups.

I focus here on one particular type of political cleavage: ethnicity. For countries in which ethnicity is a clear political cleavage along which public goods are allocated and elections contested, foreign aid is often targeted along ethnic lines (Jablonski, 2014; Seim *et al.*, 2020). This pattern may vary with sector, education is more responsive to ethnic ties to leadership than health (Franck & Rainer, 2012; Kramon & Posner, 2016), and spatial segregation, with greater spatial segregation leading to increases public good allocation to coethnics (Ejdemyr *et al.*, 2018). The mechanism through which this occurs, Habyarimana *et al.* (2009) posit

in seminal work, is the ability to easily find and identify coethnics, allowing politicians to easily include and exclude groups from political coalitions.<sup>3</sup>

This leads me to two sets of hypotheses. If citizens expect aid to be allocated to in-groups, then out-groups should be less likely to attribute credit for aid to politicians than in-groups (**H1**). Alternatively, if citizens expect out-groups to receive aid, out-groups should be *more* likely to credit politicians (**H1a**). Second, out-groups should instead be more likely to attribute credit for aid to international actors (i.e. NGOs) than in-groups (**H2**). The latter hypothesis relies on the intuition that foreign aid involves multiple actors and therefore credit for aid may be attributed to other involved parties if out-groups doubt they would be targeted by incumbent politicians.

Two scope conditions must exist for the theory to hold. First, aid must be targeted along political cleavages. If aid is not politically targeted, out-groups and in-groups should not diverge in their political responses to receiving aid. Second, aid must be reasonably identified as benefiting a specific group. I identify two dimensions upon which beneficiaries can be identified: spatial segregation and excludability of benefits. Spatial segregation of different political groups makes the beneficiaries of aid more clear: if aid is targeted at an area that only includes in-group members, the intended recipients of the aid are obvious. In contrast, citizens will be less likely to identify intended beneficiaries of aid in politically diverse areas. In these circumstances, perceptions of who is intended to benefit will be driven by expectations of political patronage. The type of aid will also drive perceptions of beneficiaries. Diffuse aid, such as infrastructure aid, will not exclude political out-groups if they are located in the same area. For infrastructure projects specifically, government involvement is also almost always necessary and observable due to the chain of coordination between donors and recipients necessary for implementation. Concentrated aid such as agricultural subsidies or training initiatives are both more likely to be attributable to international actors

Table 1 depicts the scope conditions of the theory.

Therefore, we should expect **H1** and **H2** to hold when spatial segregation is low and

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<sup>3</sup>Robinson (2017) challenges this axiom; she finds that coethnics are not able to identify each other and out groups a substantial portion of the time.

		Spatial segregation	
		Low	High
Benefits	Excludable	-	/
	Non-excludable	/	+

Table 1: *Theoretical scope conditions*: Credit attribution for aid to governments by politically excluded groups (in comparison to politically allied groups) according to spatial segregation and excludability of aid benefits.

benefits excludable. When aid is non-excludable and spatial segregation is high, for example if a road is built in a region populated primarily by political out-groups, we would expect out-group members to credit politicians more than comparable in-groups. While in-groups reward politicians for acquiring aid in line with expectations, when out-groups who are traditionally excluded receive aid that is undeniably from the government, members are likely to even more positively update their perceptions. When spatial segregation is low but benefits are non-excludable, both in-group and out-group members benefit and we should not see a difference in credit attribution. When benefits are excludable but spatial segregation is high, the theory does not have a prediction for out-group preferences relative to in-groups: the excludable goods could be seen as directly targeting out-groups in highly segregated, out-group dominant areas or out-groups could attribute these goods to NGOs as the goods do not necessarily imply government involvement.

### 3 Empirics

I test the theory of credit-attribution and political insider status by combining data on aid projects with nationally representative surveys. The sample of aid recipient countries here is limited to two characteristics: geolocated aid projects and geolocated individual respondents. I use geolocated project-level data from Aiddata () and geolocated individual respondent data from Afrobarometer and Americasbarometer. AidData scraped geolocated data from Aid Management Platforms (AMPs) in Nigeria, Senegal, Uganda, Sierra Leone, Burundi, Honduras, and Colombia.<sup>4</sup> The spatial and temporal variation offered by the aid

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<sup>4</sup>For a description of these data, please see Appendix A



and public opinion data sets allows me to identify how changes in whether or not a given community receives aid over time affects their attitudes towards incumbent politicians.

The external validity of the test may be challenged by the self-reported nature of the survey. However, voting data aggregates to geographic locations and therefore would not allow me to disentangle voting preferences of political in-groups and political out-groups. Here again I use ethnicity as a potentially salient political cleavage due to its observability. In the Latin American countries, ethnicity is crudely coded as white/mestizo, afro-latino, or indigenous while in the African countries more discrete ethnic groups are used. Ethnicity is a salient political characteristic amongst all countries in the sample, though aid targeting to these groups may vary in line with alternate theories of political aid allocation.

In pairing aid data and respondent data, I code respondents as “currently exposed” to aid if an aid project has a start (implementation) date in the year before or year of a round of the survey. Respondents are coded as “exposed in the future” if an aid project starts one or two years after a round of the survey. I only count exposure to aid projects as a function of their start dates due to the particular salience of the start of aid projects (Briggs, 2019; Zeitz, 2021). This coding decision is a standard practice within the aid literature (Briggs, 2019; Kotsadam *et al.*, 2018; Knutsen & Kotsadam, 2020; Qian *et al.*, 2021; Zeitz, 2021).

In addition to temporal exposure to projects, I account for geographic exposure by measuring the distance between each respondent and each aid project in their country of residence. The data are measured at the individual level; if any aid project in the time window specified is within a given distance from a respondent, the respondent is coded as “exposed.” I measure multiple bandwidths of exposure, ranging from 5km to 100km. This method does not account for cumulative aid projects as the variable takes on a binary value of 1 if exposed and 0 otherwise. Full details of the data in the AMPs, Afrobarometer, and Americasbarometer are available in Appendix Section A.

I use only rounds three through five of the Afrobarometer survey and surveys from 2006 to 2014 in Americasbarometer due to data limitations before and after these rounds. Specifically, the main outcome of interest, whether respondents support the incumbent president,

was first asked in round three of Afrobarometer and is therefore not available earlier. Additionally, the AMPs for each of the countries cover data from 1978 (Burundi, Uganda), 1988 (Nigeria), 1992 (Senegal, Sierra Leone), 2004 (Honduras), and 2006 (Colombia) through 2014. Additional rounds of the Afrobarometer and Americasbarometer surveys, while including relevant outcomes, cannot usefully be matched to geolocated aid projects without these data.

I measure coethnicity using data on respondent ethnicity from the Afrobarometer and Americasbarometer survey and leader ethnicity from ?. Respondents are coded as coethnic (1) with the president<sup>5</sup> if the leader’s ethnic group matches their own ethnic group, and non-coethnic (0) otherwise. The Americasbarometer codes individuals as belonging to one of three groups, *white/mestizo*, *Afro-latino*, or *Indigenous*. All leaders in the Latin America sample are white or mestizo while the ethnic identities of African leaders vary over time.

I test the effect of foreign aid on non-coethnic respondents’ perceptions of government using strategy closely related to the designs of Briggs (2019), Kotsadam *et al.* (2018), and Knutsen & Kotsadam (2020). Respondents are divided into three groups:

1. Currently exposed to aid: respondents live near a project that was started in the two years before the survey was fielded.
2. Future exposure to aid: respondents live near a project that will be started in the two years after the survey was fielded.
3. No aid: respondents do not live near a project that was started in the prior two years or future two years after the survey was fielded.

The difference between the first and third groups accounts for both the selection effect of aid (is the respondent the type of person who lives near an aid project) and the causal effect of aid (did the respondent receive aid). The difference between the second and third groups accounts for the selection effect of aid. By taking the difference between these two differences

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<sup>5</sup>All countries in the sample feature presidential or semi-presidential governance structures.

(1-3 and 2-3), the causal effect of aid is all that remains. The identifying assumption here is that the timing of the aid in relation to the fielding of the survey is random.

I am interested in the effect of exposure to aid amongst respondents who share an ethnic group with the national incumbent president at the time of survey implementation compared to non-coethnic respondents. I take the difference between these two estimates to identify the effect of aid on a battery of outcomes measuring support for government and non-government organisations. I expect that this term will be negative for the main model; non-coethnics will attribute less credit to incumbent presidents than coethnics. In interpreting this result, I do not claim that non-coethnics *reduce* their support for the president; the outcome of interest is a comparison to coethnics and should be treated as such.

For all models, I include geographic and temporal fixed effects at either the country-round or region-round level. I also control for respondent characteristics (gender, education level, age, and urban-rural status).

### 3.1 Results

Figure 1 depicts the main results for the relationship between exposure to aid and intention to vote for the incumbent president amongst respondents who are not co-ethnic with the president. Specifically, the outcome of interest is respondents' answer to the questions, "If a presidential election were held tomorrow, which party's candidate would you vote for?" in the Afrobarometer survey and "If this week were the next presidential elections, what would you do?" in Americas barometer. The binary vote choice is coded as 1 if the respondent aims to vote for the party of the president and 0 otherwise. In line with theoretical expectations, non-coethnics are less likely than coethnics to state their intention to vote for the incumbent president when exposed to foreign aid. This result is robust across multiple specifications: the difference between exposure to current aid and exposure to future aid, both in comparison to no exposure to aid, is significant at the 0.01% in Figure 1, the main specification.

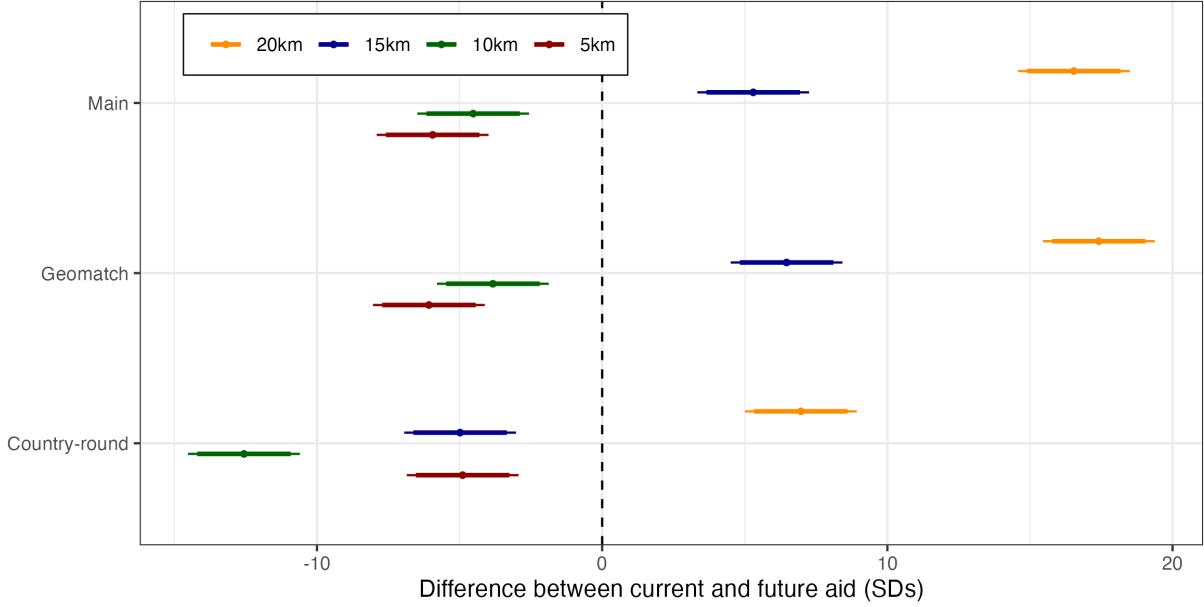


Figure 1: *Differential effect of non-coethnicity on intention to vote for the incumbent*: Coefficients with 95 and 90% confidence intervals. Models depict main specification (region-round fixed effects), geomatched (only respondents within 100k of an aid project), and country-round fixed effects. Colors represent bandwidths around respondent.

### 3.2 Mechanisms

Why do non-coethnics attribute less credit for aid to the president than coethnics? Politicians may not be able to credibly send aid to non-coethnics given historical aid-targeting practices. I test this mechanism by testing the effects of aid on support for non-governmental organizations, the effects of infrastructure aid, and the differential effects of aid based on local ethnolinguistic fractionalization.

#### 3.2.1 Non-Government Organizations

A large and growing literature on bypass aid suggests that non-government organization (NGO) service provision positively affects citizens' perceptions of their governments because they attribute credit to representative politicians for acquiring this aid (Baldwin & Winters, 2018, 2020; Cruz & Schneider, 2017; Dolan, 2020; Springman, 2020b,a). Additionally, NGO-provided goods may be more effective than government goods, which could lead to higher approval ratings of governments who provide these goods. Springman (2020a) shows that,

in Uganda, citizens attribute credit to the president for even aid that is provided by NGOs. In Bangladesh, Dietrich *et al.* (2018) find that NGO aid that is clearly funded by USAID improves perceptions of government officials.

However, if non-coethnics differentially attribute credit to the president for aid compared to coethnics, the question remains whether they attribute no credit to any actor or if they alter the composition of the credit they attribute to actors. It is possible that non-coethnics do not integrate good information when it could be attributed to the president; Adida *et al.* (2017) find that non-coethnics integrate bad information about incumbent politicians public goods provision in Benin, but not good information. Another possibility is that aid is so effectively targeted at coethnics of the president that non-coethnics do not benefit from its presence in their communities. On the other hand, if aid does benefit non-coethnics, they may attribute this credit to NGOs instead of the incumbent president. While much of the literature on bypass aid has noted a positive effect on government legitimacy, for citizens who do not believe the government has their best interests in mind, credit may be attributed to NGOs rather than the president.

I use the question, “In your opinion, how much do each of the following do to help your country, or haven’t you heard enough to say?” for the actor “Other international donors and NGOs (apart from the United Nations).” Answers are coded as follows: 0 = “Do nothing, no help,” 1 = “Help a little bit,” 2 = “Help somewhat,” 3 = “Help a lot”. The question was fielded only on round four of the Afrobarometer survey so the data here are a cross-sectional sample of respondents from Nigeria, Senegal, and Uganda.<sup>6</sup> If non-coethnics are more likely to view NGOs as helpful after exposure to aid than coethnics, this would constitute evidence that non-coethnics are shifting credit from the incumbent president to NGOs for aid provision.

Figure 2 depicts results for multiple model specifications. Across all of models, and in line with theoretical expectations, non-coethnics increase their perception of the helpfulness of NGOs when exposed to aid in comparison to coethnics.

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<sup>6</sup>Round 4 of Afrobarometer was not fielded in Burundi or Sierra Leone. The Americasbarometer survey does not include a question about NGOs at any point.

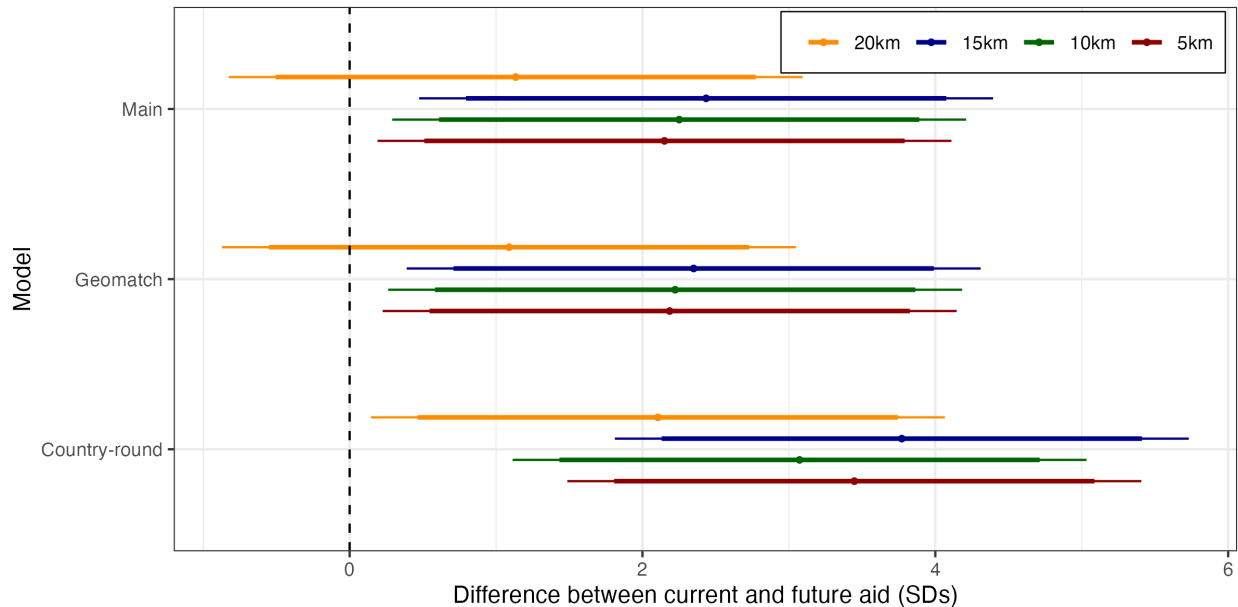


Figure 2: *Differential effect of non-coethnicity on positive perceptions of NGOs*: Coefficient for the effect of current aid on perceptions of NGOs with 95 and 90% confidence intervals. Models depict main specification (region-round fixed effects), geomatched (only respondents within 100k of an aid project), and country-round fixed effects. Colors represent bandwidths around respondent.

### 3.3 Infrastructure projects

I reanalyze the main results with the sample of respondents exposed to infrastructure aid. We should expect this type of aid to be particularly visible and salient. Notably, the Aid-data codings on project sectors include categories such as “Government administration,” “Strengthening civil society,” and “Administrative costs.” While these aid projects may aid development through strengthening institutions and state capacity, their immediate impact may be less visible and therefore constitute lower levels of “exposure” for individuals in a given vicinity. I use the sector definitions outlined by Qian *et al.* (2021) and Zeitz (2021) to categorize projects as “Infrastructure” if they relate to transportation, water and sanitation, construction, information and communication technologies, agriculture, energy, or mining. Amongst this subset of projects, I calculate individual exposure in the same manor as the main specifications.

However, I find a stronger relationship between NGO approval and non-coethnic re-

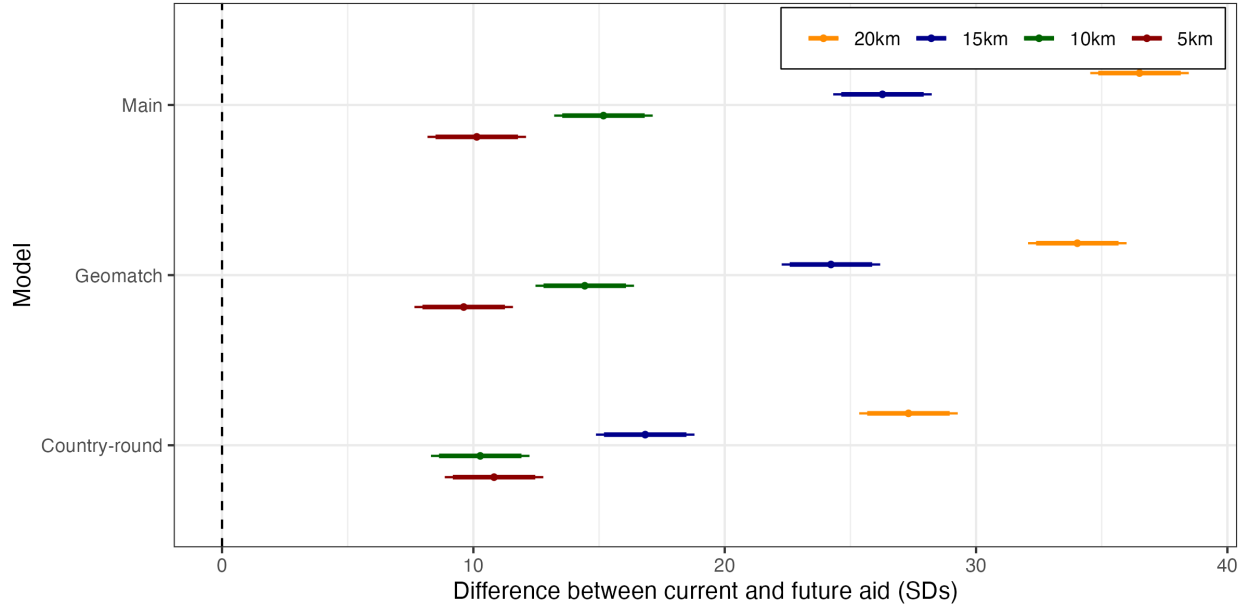


Figure 3: *Differential effect of non-coethnicity on incumbent vote for infrastructure projects:* Coefficient for the effect of current infrastructure aid on intention to vote for the incumbent with 95 and 90% confidence intervals. Models depict main specification (region-round fixed effects), geomatched (only respondents within 100k of an aid project), and country-round fixed effects. Colors represent bandwidths around respondent.

spondents exposed to infrastructure aid. Potentially, the visibility of infrastructure makes credit-attribution to NGOs more effective than other forms of aid. In tandem with effects on vote intention, these results suggest that individuals can attribute credit to multiple actors when there is sufficient evidence of actors' involvement.

### 3.3.1 Ethnolinguistic fractionalization

If difficulty claiming or attributing credit is the root of non-coethnics' relative disapproval of the incumbent president, the relative ethnolinguistic fractionalization of an area should predict the strength of the effect. Ethnolinguistic fractionalization (ELF), or the diversity of a given area by ethnic and/or linguistic characteristics, is typically understood as the probability that two individuals drawn at random from a given area would be of the same ethnic group. Higher ELF scores indicate a higher probability that the two individuals belong to different ethnic groups; lower ELF scores the opposite.

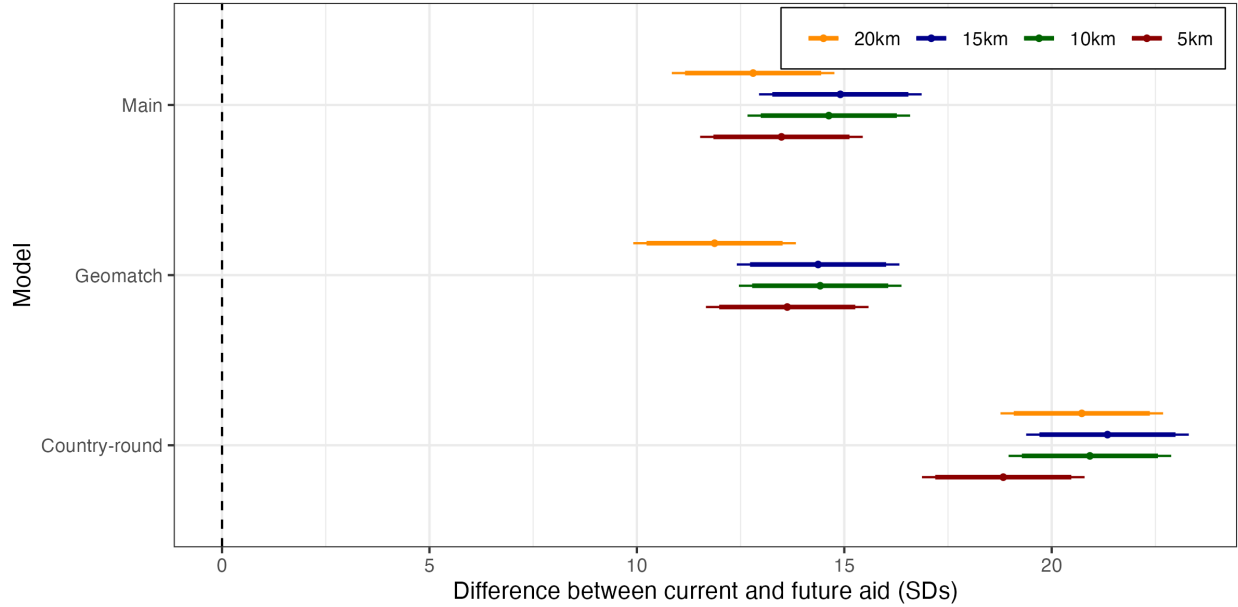


Figure 4: *Differential effect of non-coethnicity on perceptions of NGOs for infrastructure projects*: Coefficient for the effect of current infrastructure aid on perceptions of NGOs with 95 and 90% confidence intervals. Models depict main specification (region-round fixed effects), geomatched (only respondents within 100k of an aid project), and country-round fixed effects. Colors represent bandwidths around respondent.

Theoretically, aid to a more diverse area could target any number of groups. If non-coethnics perceive aid to not be targeted at their group, then non-coethnics in diverse (high ELF) areas should be less likely to attribute credit to incumbents precisely because they assume other groups were targeted for aid. In the case of infrastructure aid, ELF should not be salient as infrastructure is non-excludable. NGOs should be attributed comparatively less credit from non-coethnics in low-ELF areas as the aid can be more credibly attributed to governments.

I use subnational ethnolinguual fractionalization scores in Africa from Gershman & Rivera (2018) to identify variation in ELF across and between countries. These data exist for Uganda, Nigeria, and Senegal. Regions are considered to have high diversity if their ELF score is over 0.08, the sample mean ELF. This is a relatively conservative measure, indicating that fewer than one out of ten pairs of individuals drawn from the population would not be coethnic.



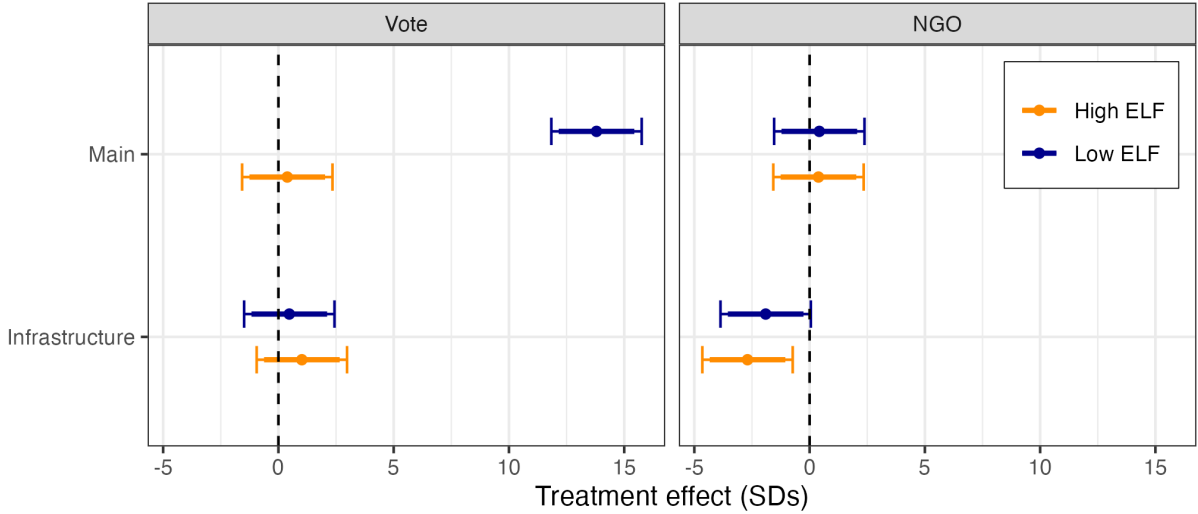


Figure 5: *Differential effect of non-coethnicity by ELF*: Coefficient for the effect of aid on outcomes by high and low ELF scores with 95 and 90% confidence intervals. Models specified with 15km bandwidths and region-round fixed effects. Blue indicates low ELF scores, orange high ELF.

Figure 5 shows the results for the main models. Consistent with the main theoretical claim, in low ELF areas, non-coethnics are more likely to say they will vote for the incumbent than coethnics. In high ELF areas, non-coethnics are no more likely than coethnics to say they will vote for the incumbent. As predicted, the same pattern holds for infrastructure projects.

Counter to expectations, non-coethnics are less likely to approve of NGOs when exposed to infrastructure aid in high ELF areas than coethnics. One potential explanation could be that, if NGOs are more able to claim credit due to visible infrastructure, both coethnics and non-coethnics in diverse areas would be exposed to these claims and again, the question of targeted aid would be more difficult for non-coethnics to parse.

## 4 Conclusion

The relationship between credit-attribution and public goods, particularly foreign aid, is mediated by citizens' expectations of political actors. In countries in which ethnicity is a clear political cleavage along which public goods, including foreign aid, are targeted, it may

be difficult for incumbent politicians to credibly receive support in return for providing aid in the vicinity of ethnic minorities. If minorities do not expect that politicians will target their communities, they may attribute any benefits from aid to other actors in the chain of aid allocation and provision: in particular, NGOs.

I provide evidence from seven countries across two continents, over 30000 individual respondents, and over 6000 aid projects that demonstrate a link between coethnic status and credit-attribution to politicians for aid. People who do not share an ethnic identity with the president are less likely to state their intention to vote for the president when exposed to an aid project, compared to people who do share an ethnic identity with the president. These individuals are also more likely to say that NGOs are helpful when exposed to aid projects than coethnics. This relationship is strongest in countries with clear ethnic cleavages and histories of ethnic aid targeting. Together, these results suggest that non-coethnics perceive other actors as more responsible for the aid that they receive than the president or their local representatives.

However, these results are nuanced by the circumstances under which aid is targeted. Infrastructure aid may not generate the same polarizing effects for non-coethnic respondents because it benefits the entire geographic area to which it is targeted. Countries in which aid is not targeted ethnically or is targeted directly in order to reduce ethnic tension amongst non-coethnic minorities may not see the same relationship between aid and ethnic-based approval of the president. In particular, evidence from Senegal, in which aid is targeted at an ethnically distinct separatist region, suggests that aid may increase non-coethnic approval of governments when it is specifically targeted at non-coethnics.

I suggest a nuanced understanding of the conditions under which politicians will be attributed credit for projects. Foreign aid is a useful tool for unpacking this relationship because of its complex chain of actors (Winters, 2014) and how the terms are negotiated privately (Swedlund, 2017), leaving open space for politicians to claim or be attributed credit for aid (Cruz & Schneider, 2017; Guiteras *et al.*, 2015). Citizens may receive bundled information about aid and, based on their priors, update accordingly. When citizen priors

are informed by ethnic politics and strategic targeting of coethnics by politicians, citizens may rationally attribute credit to other actors. Aid is not new information; it builds on and complicates citizens' existing relationships with the state. I set forth a research agenda that better defines when, how, and why aid affects the relationship between politicians and their citizens.

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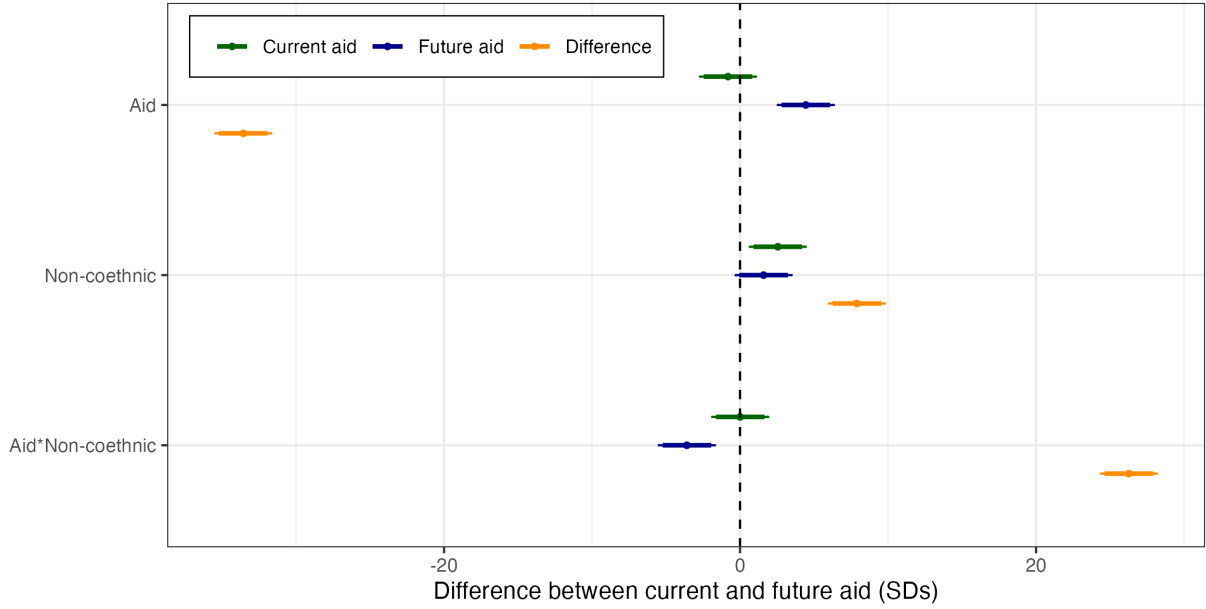


Figure 6: *Full models of non-coethnicity on incumbent vote for infrastructure projects*: Coefficient for the effect of current infrastructure aid (green), future infrastructure aid (blue), and the difference between the two models (yellow) on intention to vote for the incumbent with 95 and 90% confidence intervals.

## A Data

### A.1 Aiddata

	country	n	min_comm	max_comm	mean_comm	min_length	max_length	mean_length
1	burundi	7427	434.00	191410202.00	8843344.63	0.00	14.00	2.00
2	colombia	2980	269.52	34981807.91	1445919.65	0.00	11.00	3.00
3	honduras	3994	9744.06	309874152.26	18160524.12	0.00	12.00	3.00
4	nigeria	1066	768.00	152185776.00	8541190.65	0.00	10.00	1.00
5	senegal	1094	2975.94	937919357.60	32626723.05	0.00	12.00	3.00
6	sierraleone	2221	1.00	106246521.00	7194380.08	0.00	13.00	2.00
7	uganda	1901	35.22	1243628264.39	37162961.28	0.00	13.00	3.00

## B Full models

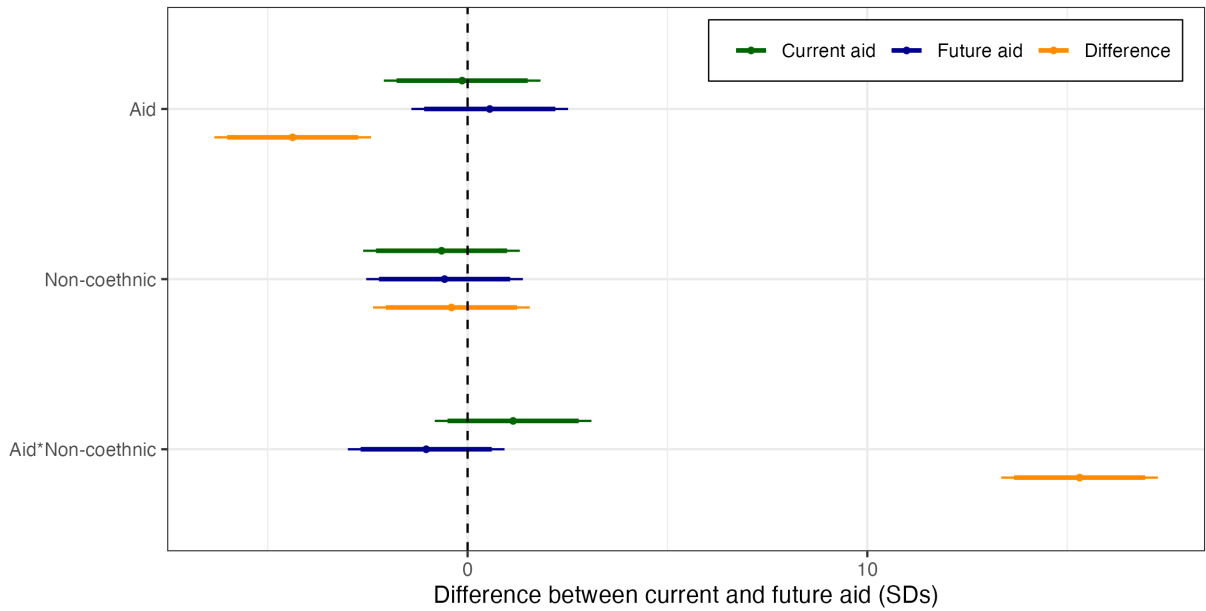


Figure 7: *Full models of non-coethnicity on NGO support for infrastructure projects*: Coefficient for the effect of current infrastructure aid (green), future infrastructure aid (blue), and the difference between the two models (yellow) on perceptions of NGOs with 95 and 90% confidence intervals.

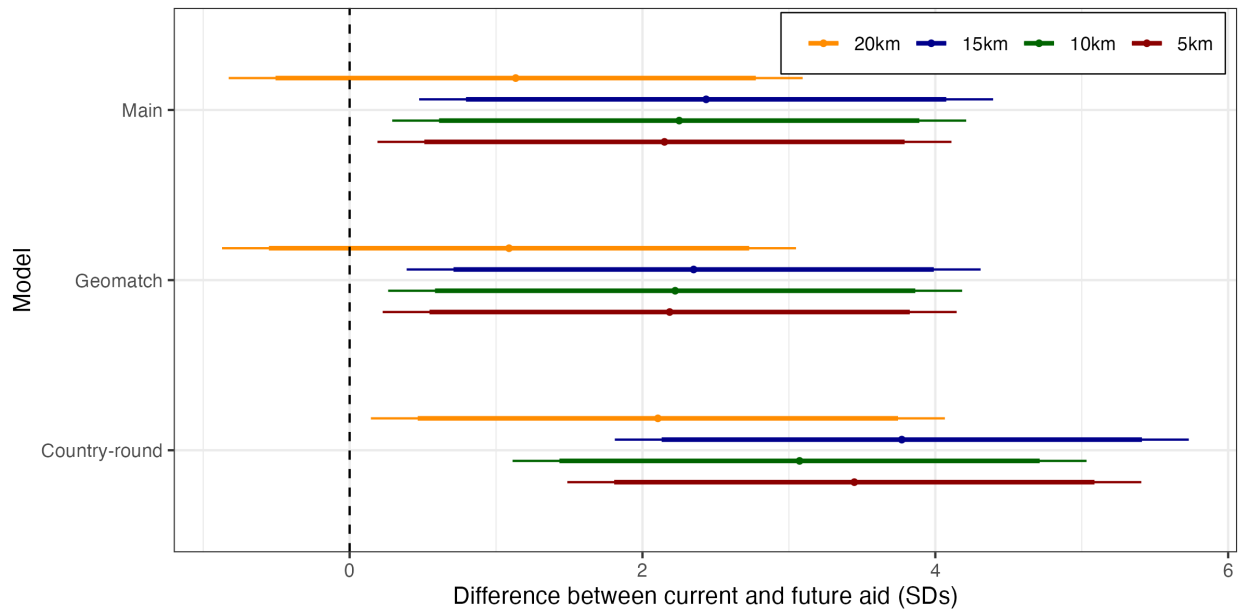


Figure 8: *Full models of non-coethnicity on NGO support*: Coefficient for the effect of current aid (green), future aid (blue), and the difference between the two models (yellow) on NGO support with 95 and 90% confidence intervals.

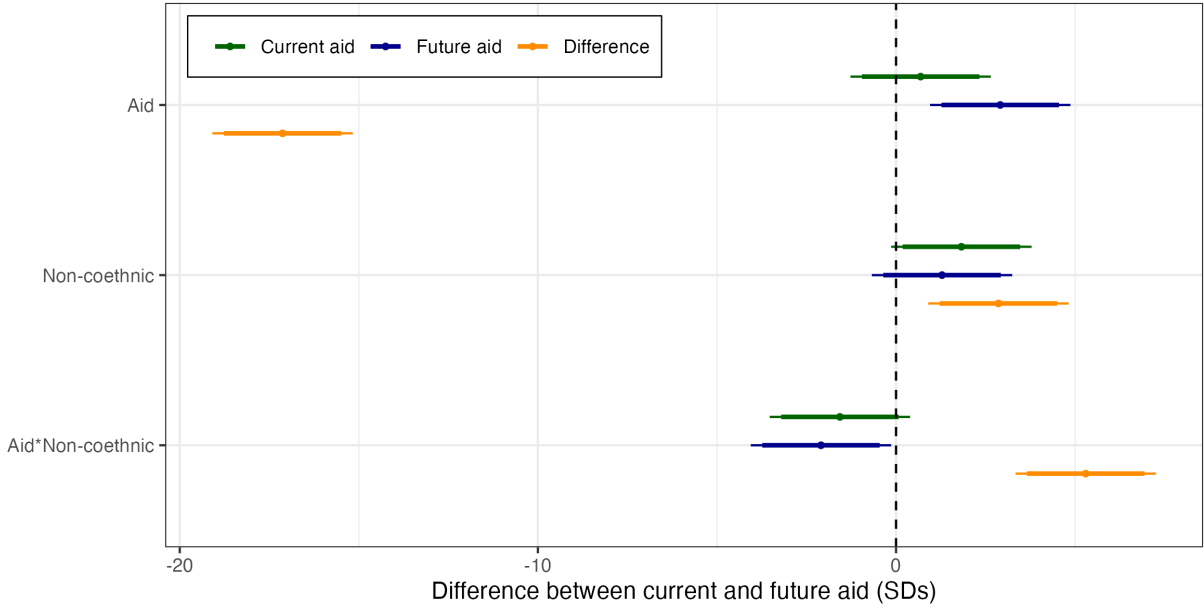


Figure 9: *Full models of non-coethnicity on incumbent vote*: Coefficient for the effect of current aid (green), future aid (blue), and the difference between the two models (yellow) on intention to vote for the incumbent with 95 and 90% confidence intervals.

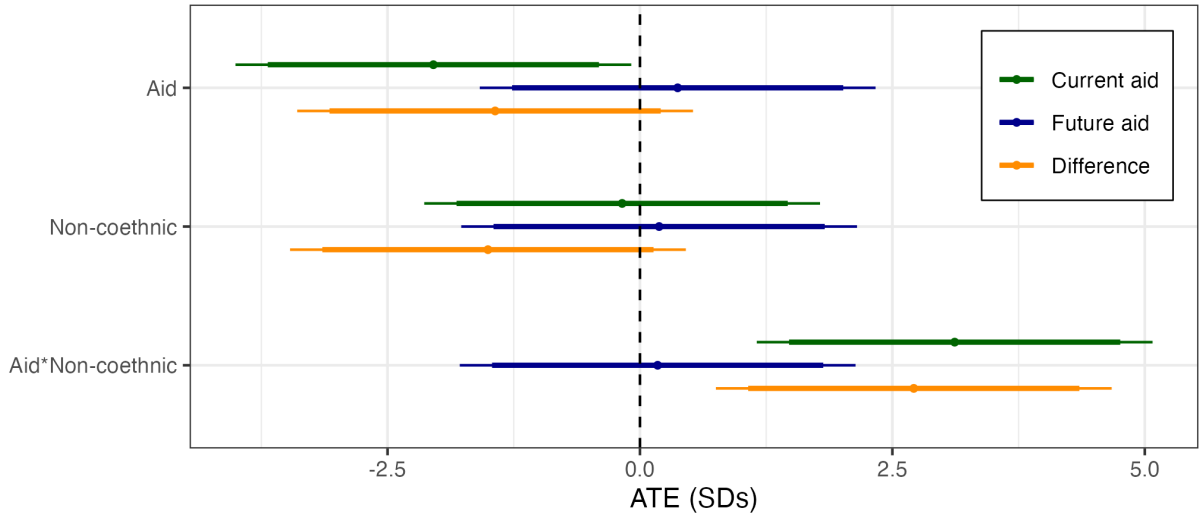


Figure 10: *Full models of non-coethnicity on NGO support for infrastructure projects in low-ELF areas*: Coefficient for the effect of current infrastructure aid (green), future infrastructure aid (blue), and the difference between the two models (yellow) on NGO support with 95 and 90% confidence intervals.

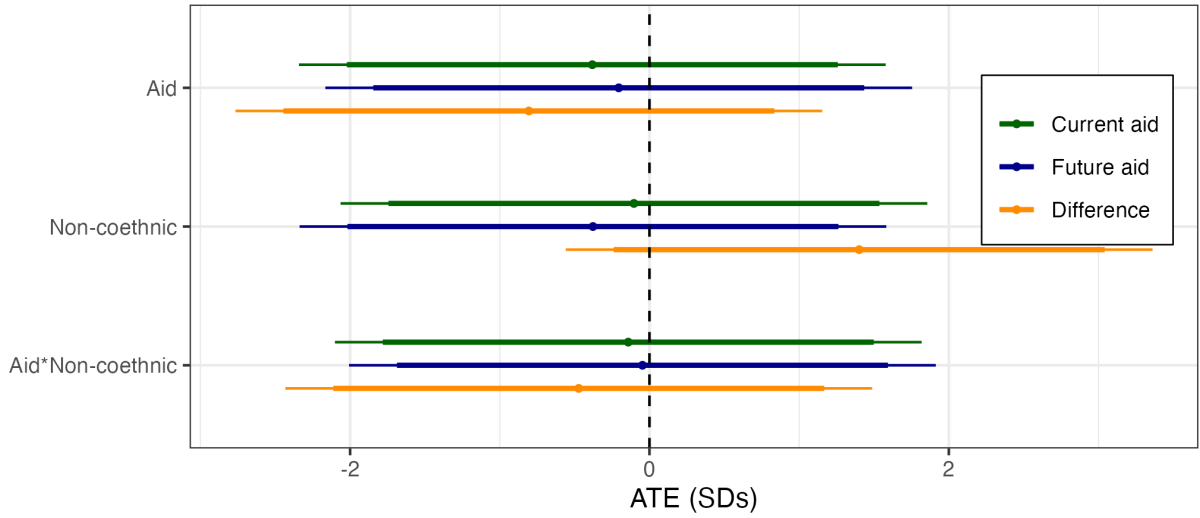


Figure 11: *Full models of non-coethnicity on incumbent vote for infrastructure projects in low-ELF areas*: Coefficient for the effect of current infrastructure aid (green), future infrastructure aid (blue), and the difference between the two models (yellow) on intention to vote for the incumbent with 95 and 90% confidence intervals.

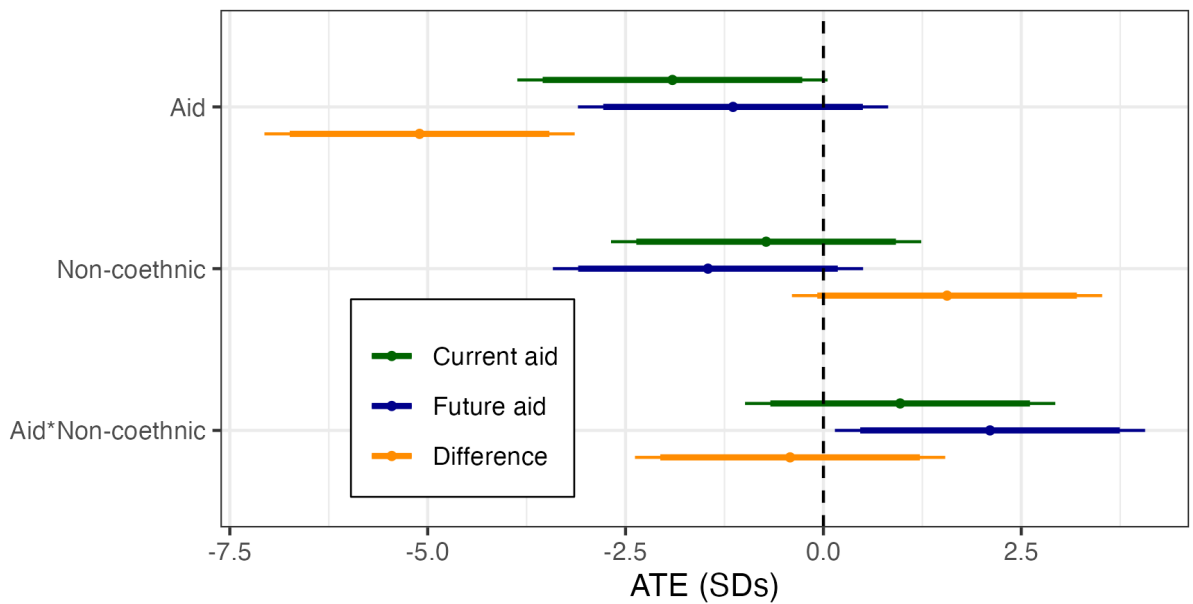


Figure 12: *Full models of non-coethnicity on NGO support in low-ELF areas*: Coefficient for the effect of current aid (green), future aid (blue), and the difference between the two models (yellow) on NGO support with 95 and 90% confidence intervals.

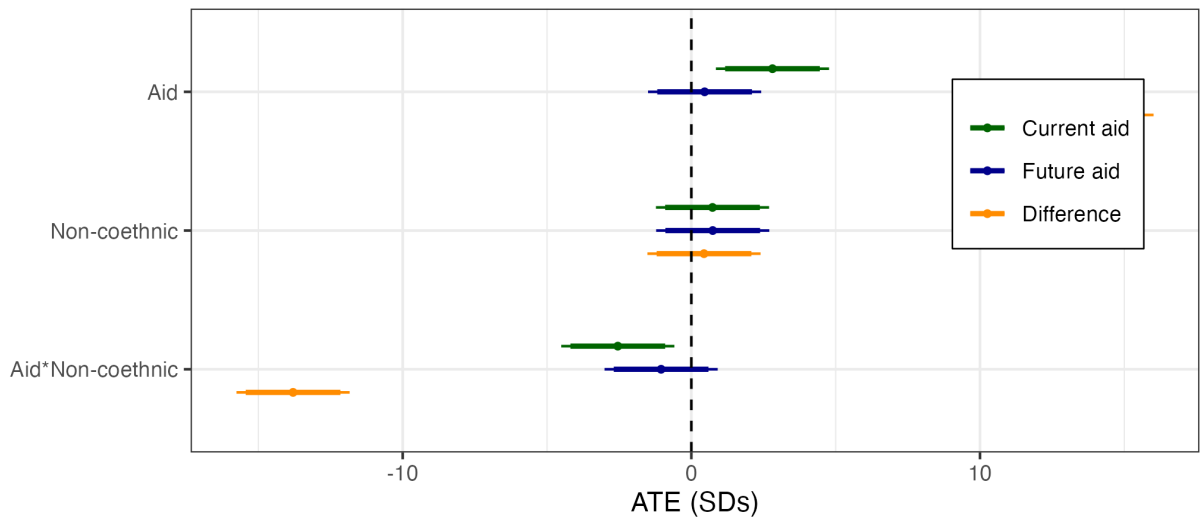


Figure 13: *Full models of non-coethnicity on incumbent vote in low-ELF areas*: Coefficient for the effect of current aid (green), future aid (blue), and the difference between the two models (yellow) on intention to vote for the incumbent with 95 and 90% confidence intervals.

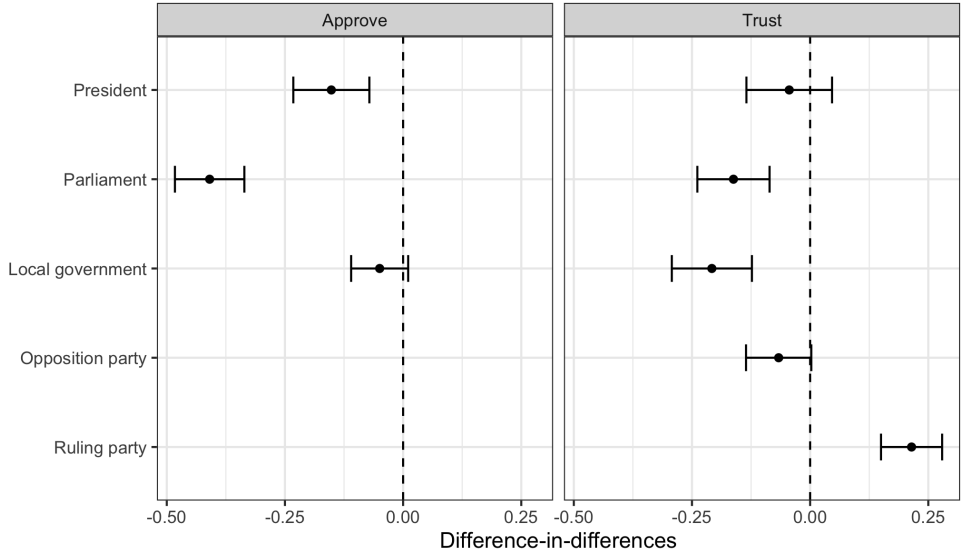


Figure 14: *Ethnolinguistic fractionalization*

## C Other outcomes

I report results for additional outcomes of interest in Figure 14. I test the effect of aid exposure on trust in and approval of different actors and levels of government. The first outcome, trust in and approval of the president, can be considered a robustness test for the main results. Indeed, non-coethnics have lower levels of trust in the president compared to coethnics when exposed to aid (though the result is statistically insignificant at conventional levels) and have lower approval ratings (a statistically significant result). Parliament, too, receives lower levels of trust and approval from non-coethnics.

Interestingly, and not in line with theoretical expectations, local governments also receive lower trust and approval ratings from non-coethnics, though the latter relationship is not statistically-significant. As it is probable that non-coethnics of the president may share ethnic identities with more local representatives, this finding calls into question whether local politicians are indeed attributed credit for aid to their localities. In line with work by Bueno (2018), who shows that bypass aid from national governments may be directed at localities whose representatives are not aligned with the national government in order to remove possibilities of credit-attribution for these representatives, citizens may observe the

linkages and patronage opportunities between local and national politicians and assume aid is a function of the relationship to the national government. Potentially, this could result in localities of non-coethnics of the president seeing aid as a function of NGOs and not their local governments due to presumed lack of linkages.

Also against theoretical expectations, the ruling party receives an increase in trust as a result of exposure to aid amongst non-coethnics while the opposition party sees trust decline. Theoretically, we would expect approval of the ruling party to move in the same direction as the president and parliament. Our theory does not predict movement in trust of the opposition party in response to exposure to aid; it is possible that non-coethnics could see the opposition party as advocating for their interests in the targeting of aid and reward them for such, but the empirical results point in the opposite direction. Future research should examine the differences between credit attribution to parties versus individual politicians.

## **C.1 ELF**



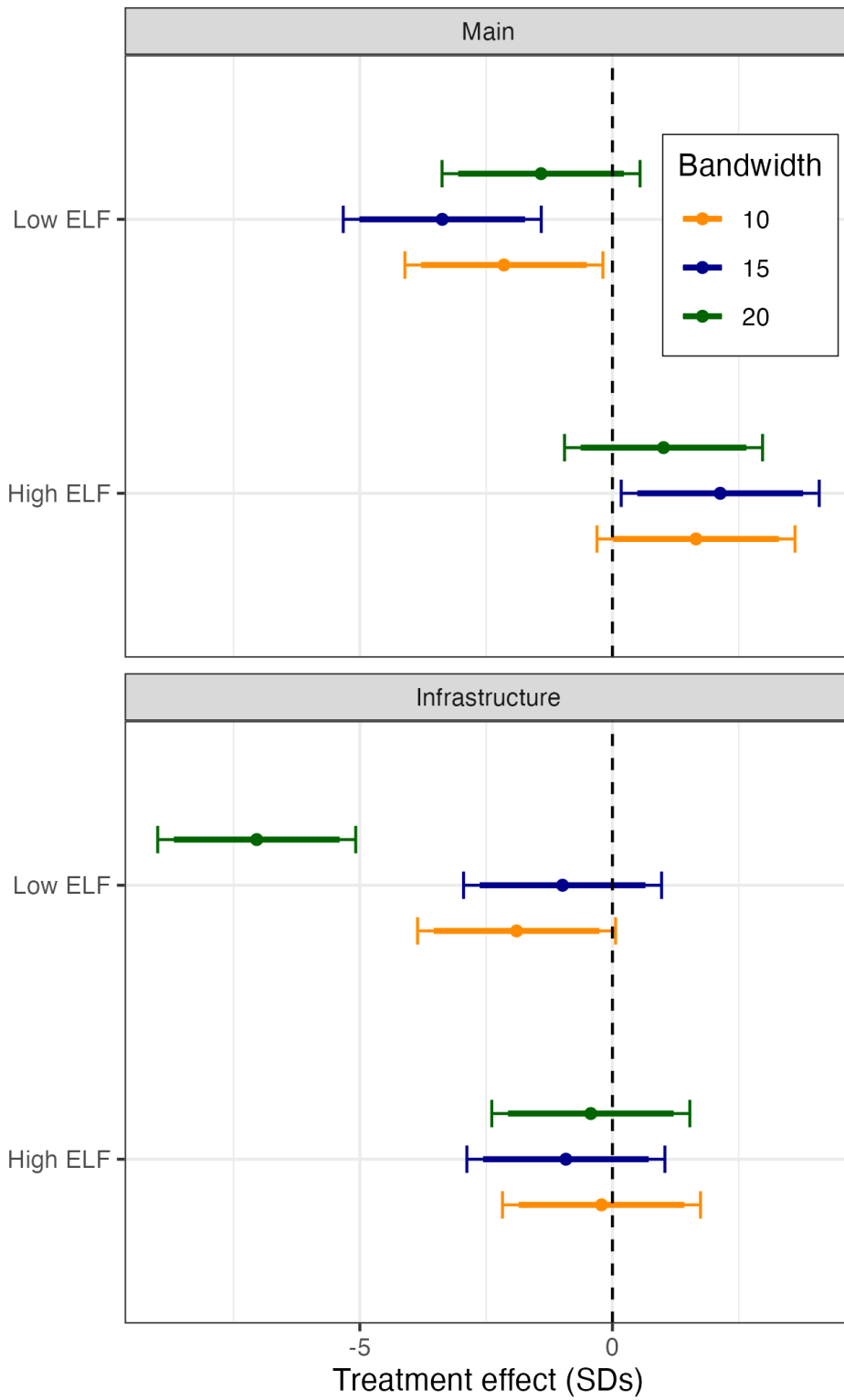


Figure 15: *NGO support by ethnolinguual fractionalization*

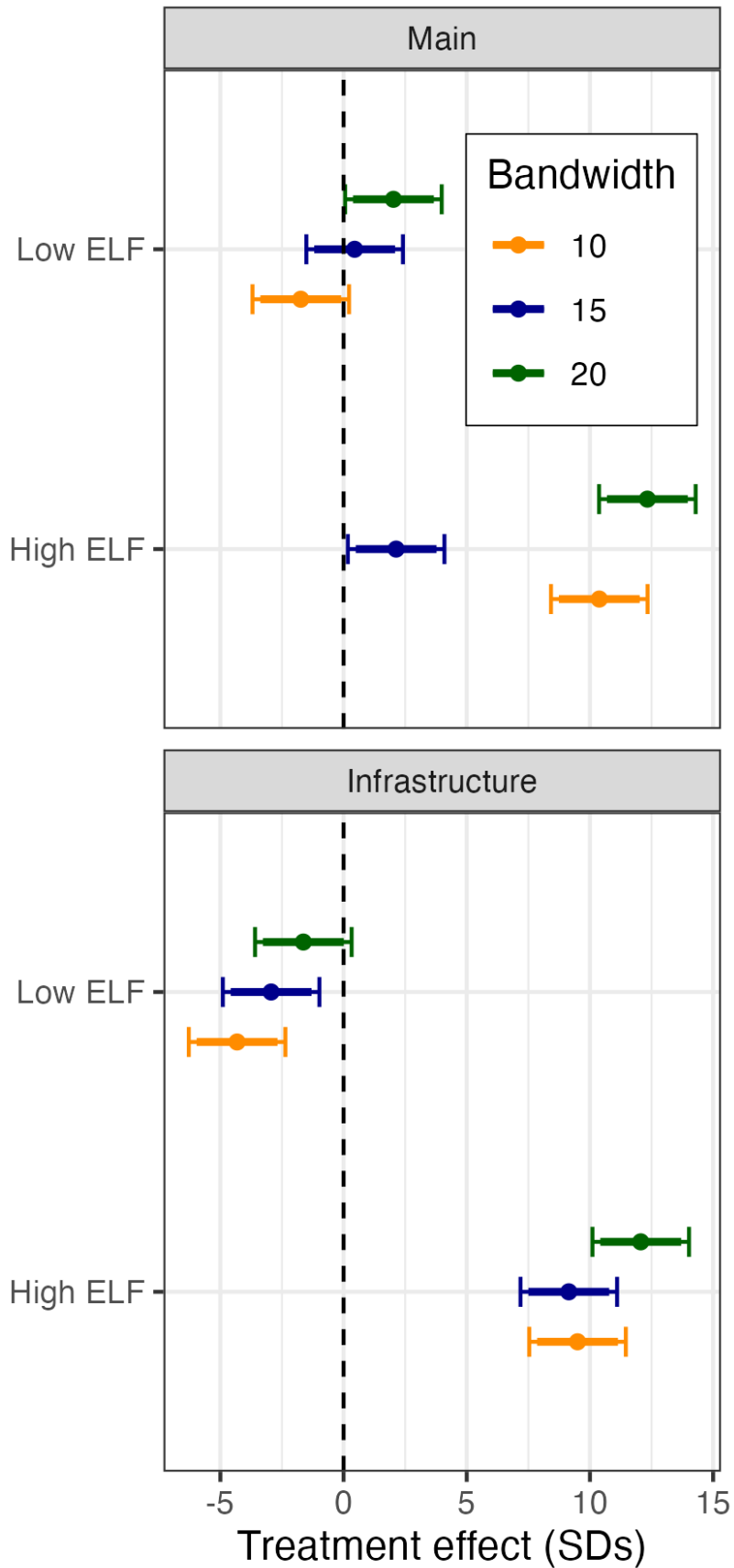


Figure 16: *Vote for incumbent by ethnolinguistic fractionalization*