An (Ethnic) Political Economy of Aid and Legitimacy

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Abstract

For whom does foreign aid affect government legitimacy? Competing theories predict either that foreign aid 1) undercuts domestic governments by severing the link between taxation and public services or 2) enhances government legitimacy because governments are expected to find alternative forms of revenue. I theorize the conditions under which foreign aid will help or harm citizen support for governments. When aid acquisition and distribution can be meaningfully linked to government involvement, citizens are likely to attribute credit towards, and increase the legitimacy of, the government. However, politically excluded populations are un-likely to believe the government intended for the aid to benefit their group and will instead credit non-governmental organizations and international partners, decreasing government legitimacy in this group. 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 only in large infrastructure projects 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.

1 Introduction

Foreign aid is a political tool for both donors and recipients. While Hans Morgantheau 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).

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).

Foreign aid offers an opportunity to examine the implications of ethnic targeting because it is difficult to accurately attribute credit for aid due to the complicated chain of events that predates an aid project (Winters, 2014). 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 ethnic targeting of aid, people of some ethnicities may expect that they received aid as a result of the preferences of their political representatives or not.

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 ethnic cleavages in political representation, the provision of aid will be seen along ethnic lines. People who are coethnics with politicians in power may perceive these representatives as targeting aid at their communities and will attribute credit to the politicians when aid is received. In contrast, non-coethnic people may be less likely to expect that politicians in

power who do not share their ethnic identity 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 constituents generally (Springman, 2020a). However, this relationship will be mediated by the extent to which aid is easily targetable: aid with diffuse benefits may not generate ethnic cleavages in credit attribution.

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 coethnicity and credit for aid to incumbent politicians is only robust in polities where ethnic targeting of aid is a common political phenomenon and where aid has concentrated benefits. 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, credit attribution, and ethnic minorities

Foreign aid may benefit recipient politicians electorally (Briggs, 2012, 2015; Cruz & Schneider, 2017; Guiteras *et al.*, 2015; Jablonski, 2014). 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 (Ijaz, 2020; 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 them-

selves 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.

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. Politicians

target aid at their coethnics, family members, and regions of origin (Briggs, 2014; Jablonski, 2014; Seim *et al.*, 2020).[1] A large body of literature discusses the utility and forms of ethnic aid targeting, including public versus private provision of goods and types of goods that can be easily targeted (Habyarimana *et al.*, 2009). Across all forms of governments and continents, ethnic favoritism is evident; De Luca *et al.* (2018) find that leaders' coethnic regions see increases in nighttime lights after they come into power. 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 worth, is ability to easily find and identify coethnics, allowing politicians to easily include and exclude groups from political coalitions.[2]

If foreign aid leads to greater incumbent support through the mechanisms of either directly-improved economic conditions or signaling greater ability of incumbents to deliver goods, ethnic minorities may view the presence of foreign aid differently from ethnic majorities due to different expectations of benefiting from the incumbent's policies. Ethnic minorities may be less likely to attribute credit for aid to non-coethnic politicians because they expect these politicians to target aid at coethnics, leading them to intuit greater agency in aid targeting to NGOs or foreign agents. Which politicians receive credit for aid may also differ; ethnic minorities may be more likely to believe local politicians have their best interests in mind rather than national politicians. If expectations of aid provision link aid to credit attribution, differential expectations by ethnicity should be relevant when ethnicity is a politically-salient cleavage. We should expect ethnic minorities to attribute less credit to majority recipient incumbents when they receive foreign aid.

However, this phenomenon should be limited to situations in which aid is both *limited* and *ethnicized*. Aid that is broadly accessible will not have the same distributional effects

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[1]While aid is often targeted towards coethnics by politicians, it can also be used to target marginal voters who may not be coethnics (Briggs, 2021).

[2]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.

as tightly targeted aid. In other words, aid that cannot exclude potential beneficiaries will not have the same effect on political attitudes as exclusive aid. Diffuse aid will not generate the same effect amongst non-coethnics because even if this aid is intended for coethnics in a geographic area, that lack of boundaries to aid access will allow non-coethnics to benefit. This should be particularly evident for infrastructure projects, which are highly visible and highly accessible (Marx, 2017). 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. If aid is not ethnically targeted, coethnics and non-coethnics alike should not differentially update their perceptions of leaders or reward them based on aid. Conversely, if aid is deliberately targeted at ethnic minorities, non-coethnics may differentially increase their positive perceptions of majority leaders. This is the principle at work in many efforts to target aid at ethnic separatists in order to buy off these groups. Table 1 depicts the theory.

		Population	
		???????	Not-ethnicized
Benefits	Concentrated	Majority + Minority -	Majority / Minority /
	Diffuse	Majority / Minority /	Majority / Minority /

Table 1: *Theory:* Effect of foreign aid on support for incumbent politician based on aid ethnicization and benefit concentration.

3   Empirics

I use geolocated interview data from Afrobarometer and Americasbarometer to measure public opinion outcomes including confidence in different levels of government and voting intentions. Data on aid projects come from AidData, which scraped geolocated data from Aid Management Platforms (AMPs) in Nigeria, Senegal, Uganda, Sierra Leone, Burundi, Honduras, and Colombia. While these data may not be fully comprehensive, they represent our best estimates of the location and timing of aid projects across most major donors in the sample of countries. Notably, countries with AMPs differ from countries without AMPs and

these unobservable variations should be taken into account when we attempt to generalize from these results.

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 (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 **??**.

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 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 minority respondents' perceptions of government using strategy closely related to the designs of Briggs (2019), Kotsadam *et al.* (2018), and Knutsen & Kotsadam (2020). Effectively, I compare individuals who have been exposed to aid projects in their vicinity in the last year to individuals who have not been exposed to aid projects in the window of time before or after the Afrobarometer survey. I then compare individuals who are about to be exposed to aid projects in the coming year to individuals who have not been exposed to any aid projects in the year before or after the Afrobarometer interview. For both of these estimates, 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 organiations. My outcome of interest is difference between the interaction term `non-coethnic*current_aid` and `non-coethnic*future_aid`. 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.

3.1 Results

Table 2 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

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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 Table 2, the main specification. Here, exposure to aid is measured with a 15 kilometer bandwidth and includes region-survey-round fixed effects. Expanding the bandwidth to 50km in Table 4 does not substantively change the results, which are still significant at the 0.05% level. Using country-round fixed effects rather that region-round fixed effects in Table 3also results in the same relationship. Table 5 subsets the sample only to individuals who have been exposed to aid within a 100 km radius in order to better match treated and control areas; the results are consistent with the main finding that non-coethnics support the incumbent less than coethnics when they are exposed to aid.

	Current	Future	Difference
Aid	0.0127	0.0174	-0.00466^{**}
	(0.0163)	(0.0162)	(0.00219)
Non-coethnic	-0.00761	-0.0166	0.00900^{***}
	(0.0142)	(0.0145)	(0.00247)
Aid * Non-coethnic	-0.0500^{**}	-0.00950	-0.0405^{***}
	(0.0196)	(0.0202)	(0.00252)
# Observations	21812	12574	
# Clusters	940	698	
Region-round FE	✓	✓	
Country-round FE	-	-	
Bandwidth	15k	15k	

Table 2: *Main results (15k):* Effect of aid on intention to vote for incumbent president amongst non-coethnic respondents in Nigeria, Senegal, Uganda, Sierra Leone, Burundi, Colombia, and Honduras. Robust standard errors, clustered at the enumerator area, in parentheses. Standard error for difference between models calculated using an f-test.

	Current	Future	Difference
Aid	0.0140	0.0152	−0.00120
	(0.0183)	(0.0156)	(0.00240)
Non-coethnic	0.00242	−0.0117	0.0141***
	(0.0162)	(0.0166)	(0.00269)
Aid * Non-coethnic	−0.0521**	−0.00854	−0.0436***
	(0.0210)	(0.0208)	(0.00271)
# Observations	21812	12574	
# Clusters	940	698	
Region-round FE	-	-	
Country-round FE	✓	✓	
Bandwidth	15k	15k	
Geomatch	-	-	

Table 3: *Main results (15k, country-round FE)* Effect of aid on intention to vote for incumbent president amongst non-coethnic respondents in Nigeria, Senegal, Uganda, Sierra Leone, Burundi, Colombia, and Honduras. Robust standard errors, clustered at the enumerator area, in parentheses. Standard error for difference between models calculated using an f-test.

	Current	Future	Difference
Aid	0.00904	−0.0175	0.0266**
	(0.0216)	(0.0352)	(0.00591)
Non-coethnic	−0.0174	−0.0281	0.0107
	(0.0208)	(0.0229)	(0.00639)
Aid *Non-coethnic	−0.0259**	0.0407	−0.0666***
	(0.0237)	(0.0367)	(0.00658)
# Observations	23224	6177	
# Clusters	945	451	
Region-round FE	✓	✓	
Country-round FE	-	-	
Bandwidth	50k	50k	
Geomatch	-	-	

Table 4: *Main results (50k):* Effect of aid on intention to vote for incumbent president amongst non-coethnic respondents in Nigeria, Senegal, Uganda, Sierra Leone, Burundi, Colombia, and Honduras. Robust standard errors, clustered at the enumerator area, in parentheses. Standard error for difference between models calculated using an f-test.

	Current	Future	Difference
Aid	0.0115	0.0237	−0.0122**
	(0.0165)	(0.0189)	(0.00239)
Non-coethnic	−0.00143	−0.00879	0.00736***
	(0.0176)	(0.0180)	(0.00232)
Aid *Non-coethnic	−0.0539**	−0.0166	−0.0405***
	(0.0207)	(0.0228)	(0.00263)
# Observations	19281	10043	
# Clusters	906	660	
Region-round FE	✓	✓	
Country-round FE	-	-	
Bandwidth	15k	15k	
Geomatch	✓	✓	

Table 5: *Main results (geomatched):* Effect of aid on intention to vote for incumbent president amongst non-coethnic respondents in Nigeria, Senegal, Uganda, Sierra Leone, Burundi, Colombia, and Honduras. Robust standard errors, clustered at the enumerator area, in parentheses. Standard error for difference between models calculated using an f-test.

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 ethnolingual fracitonalization.

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.[3] 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 1 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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[3]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.
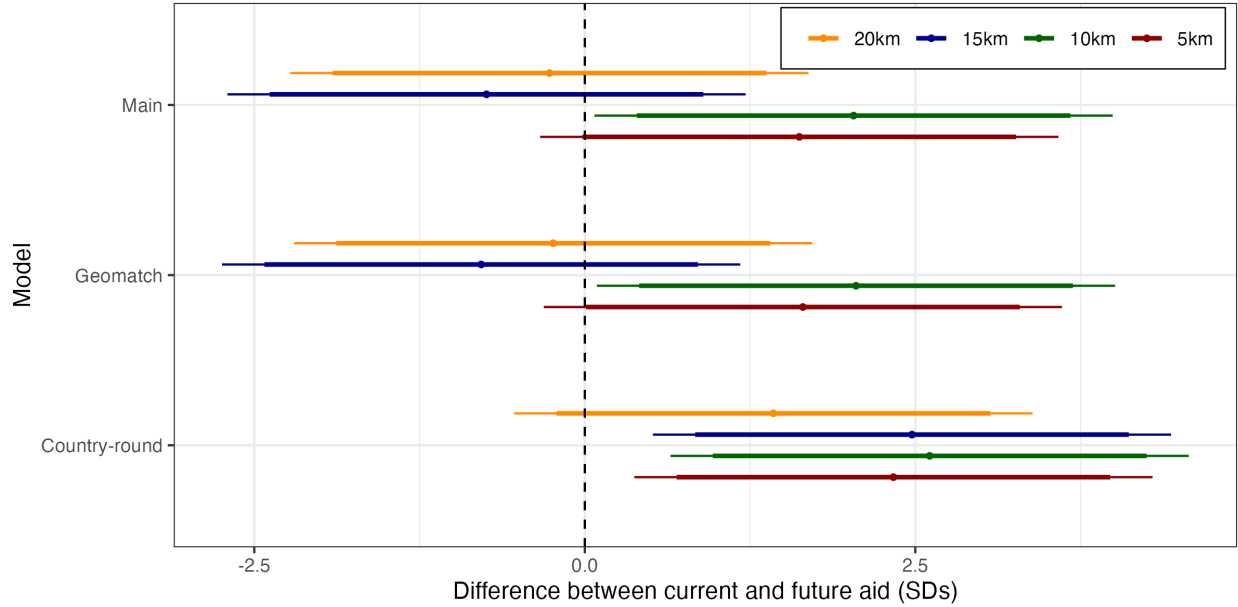
Figure 1: *Differential effect of non-coethnicity on positive perceptions of NGOs:* Coefficient for the effect of current aid on perceptions of NGOs with 95 and 90% confidence intervals. Models depict main specification (region-round fixed effects), geomatched (only respondents within 100k of an aid 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.

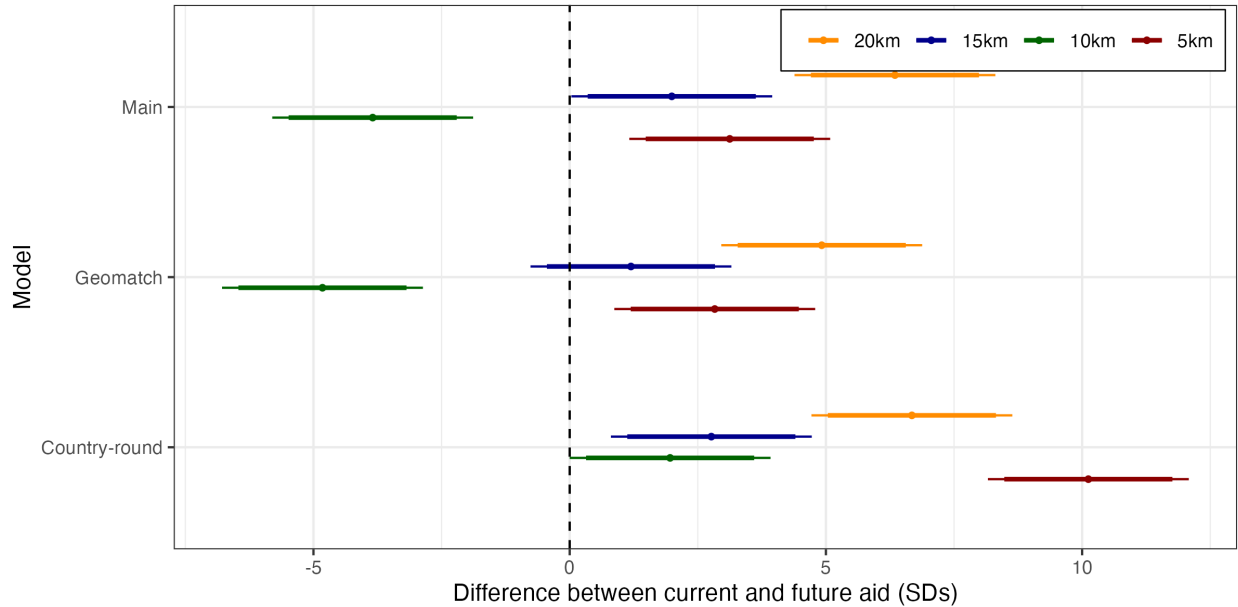However, I find a stronger relationship between NGO approval and non-coethnic re-

Figure 2: *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 Ethnolingual fractionalization

If difficulty claiming or attributing credit is the root of non-coethnics' relative disapproval of the incumbent president, the relative ethnolgingual fractionalization of an area should predict the strength of the effect. Ethnolingual 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.
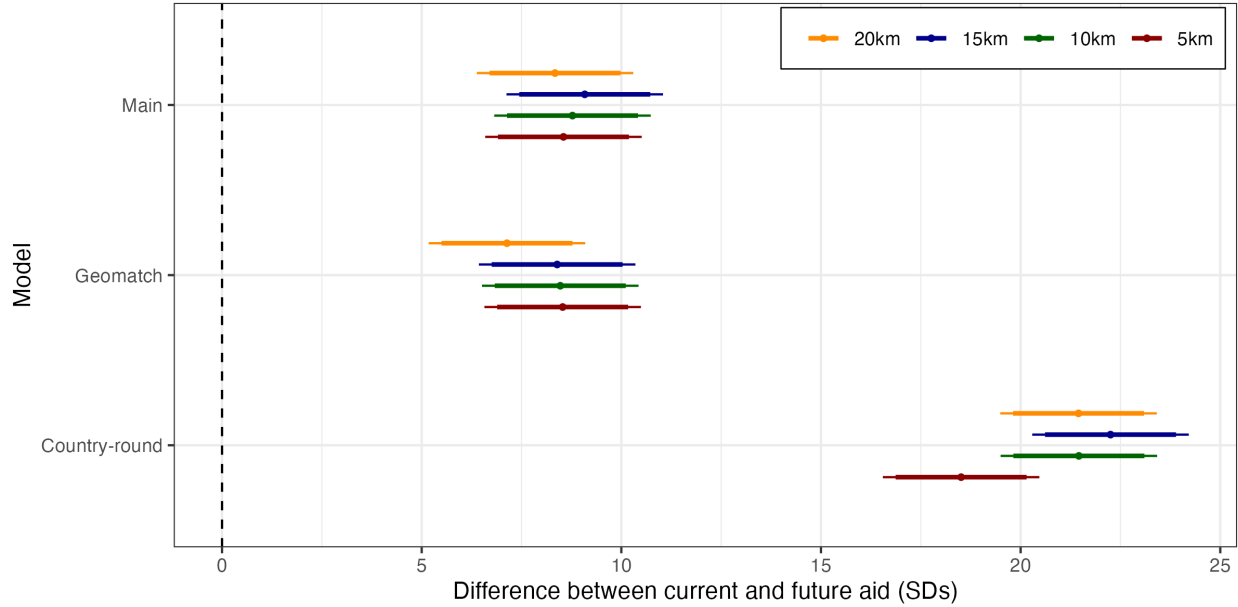
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Figure 3: *Differential effect of non-coethnicity on perceptions of NGOs for infrastructure projects:* Coefficient for the effect of current infrastructure aid on perceptions of NGOs with 95 and 90% confidence intervals. Models depict main specification (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 ethnolingual 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.
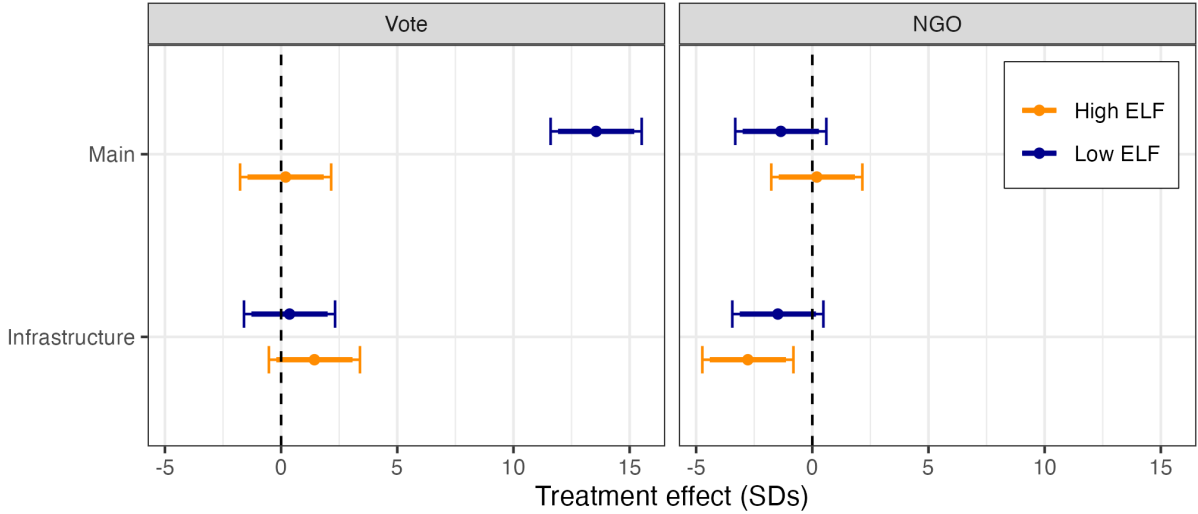
Figure 4: *Differential effect of non-coethnicity by ELF:* Coefficient for the effect of aid on outcomes by high and low ELF scores with 95 and 90% confidence intervals. Models specified with 15km bandwidths and region-round fixed effects. Blue indicates low ELF scores, orange high ELF.

Figure 4 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.

3.3.2 Subset: Senegal

I repeat the analysis with a single country, Senegal to ensure that the results are not drive by between-country variation. Figure 5 shows variation by ELF score and coethnicity with the incumbent president.

Figure 6 shows the main results for intention to vote for the incumbent for non-coethnics
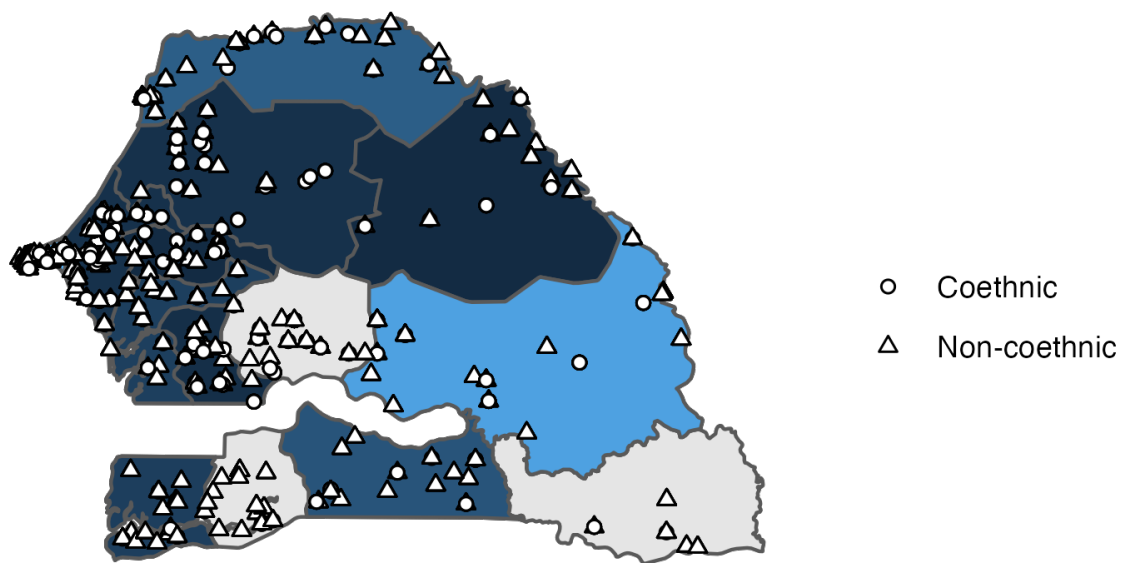
Figure 5: *Senegal:* Map of Senegal with regions colored by ELF score. Darker regions indicate higher ELF. White regions have no ELF data. Afrobarometer respondents are represented by triangles (non-coethnics) and circles (coethnics).
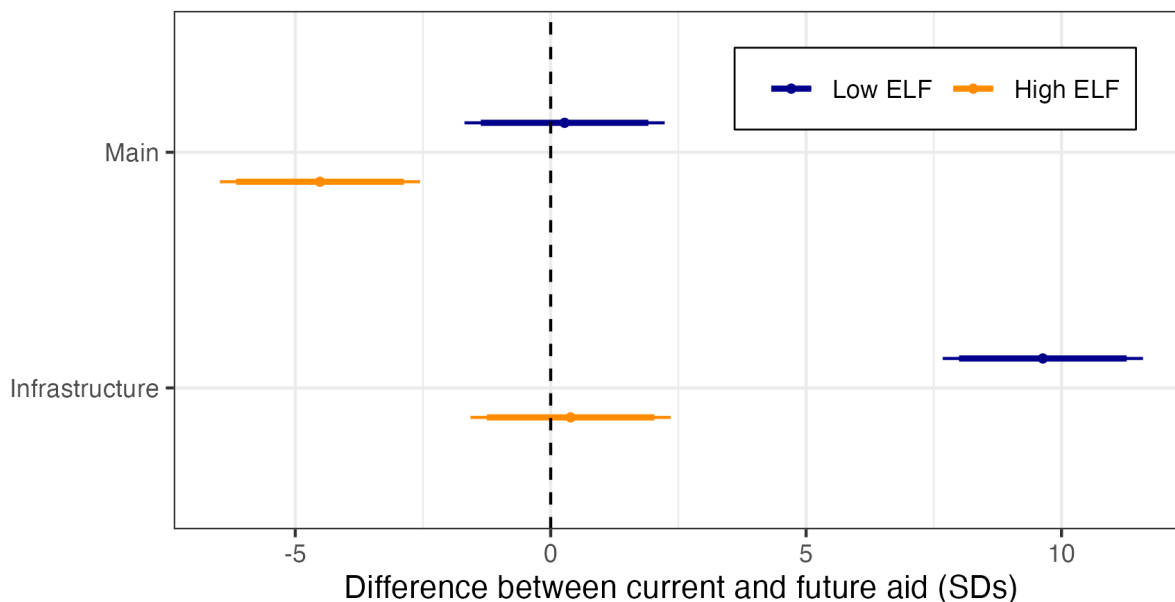
Figure 6: *Senegal effects:* Coefficient for the effect of aid on outcomes by high and low ELF scores with 95 and 90% confidence intervals. Models specified with 15km bandwidths and region-round fixed effects. Blue indicates low ELF scores, orange high ELF.

exposed to aid, compared to coethnics. These results support the theory. In high ELF places, non-coethnics are less likely than coethnics to support the president after receiving aid. However, in low ELF places, infrastructure aid leads non-coethnics to support the incumbent more than coethnics. This result is in contrast to the main ELF findings on infrastructure which show no difference in support between coethnics and non-coethnics. The infrastructure findings are in line with an explanation of credit-attribution in which non-coethnics support the president more when 1) goods are non-excludable and 2) goods are explicitly targeted at their group. Future research should work to understand the circumstances under which diversity will affect perceptions of targeted infrastructure.

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 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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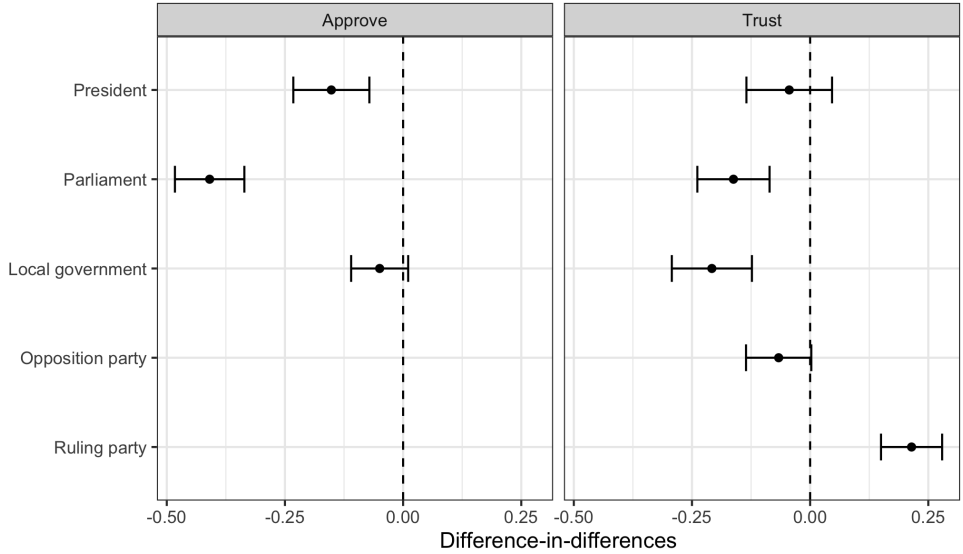Zeitz, Alexandra O. 2021. Emulate or differentiate? *The Review of International Organizations*, **16**(2), 265–292.

Figure 7: *Ethnolingual fractionalization*

A   Other outcomes

I report results for additional outcomes of interest in Figure 7. I test the effect of aid exposure on trust in and approval ofdifferent 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.
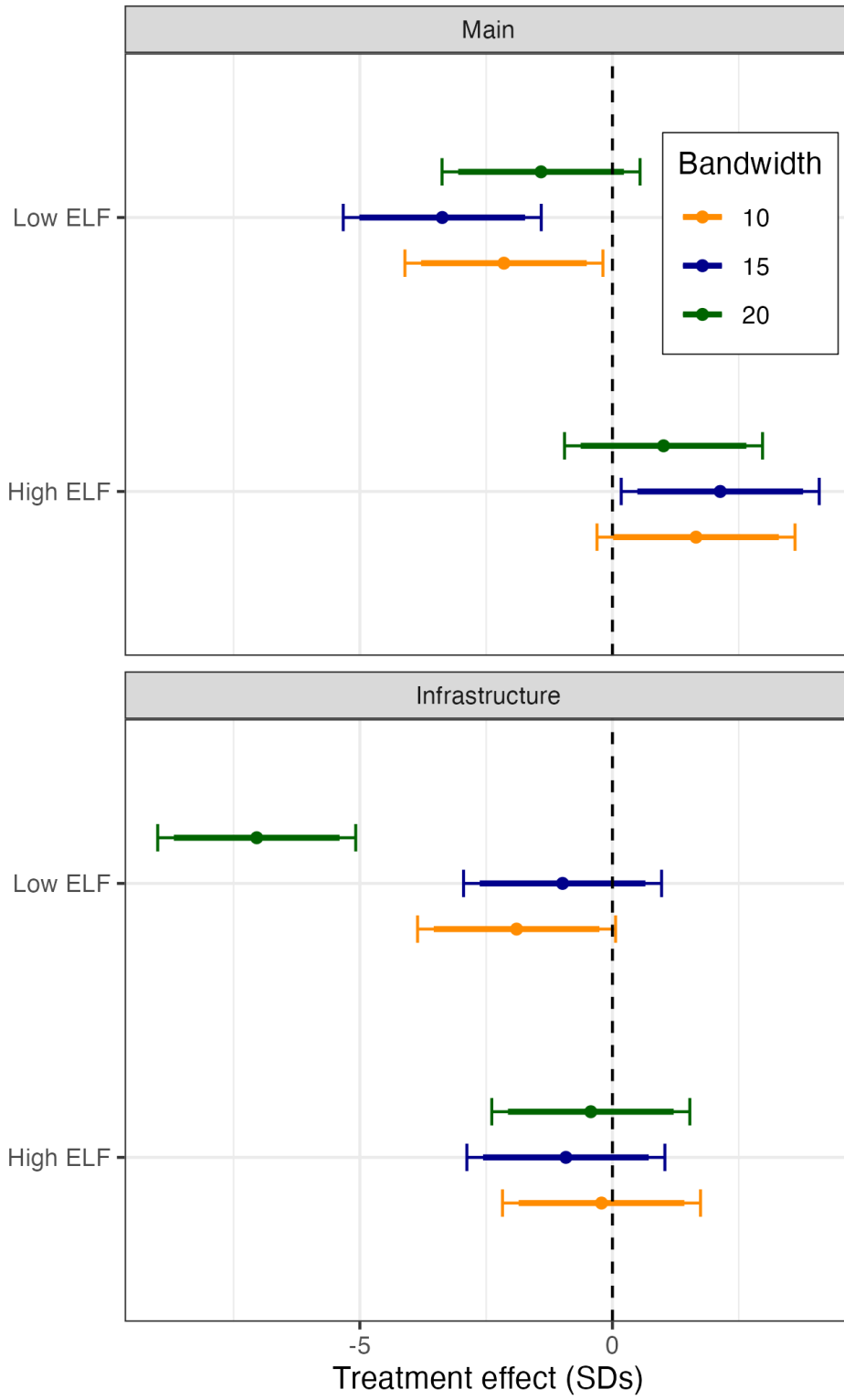
A.1 ELF

Figure 8: *NGO support by ethnolingual fractionalization*