

Rethinking Foreign Aid and Legitimacy: Views from Aid Recipients in Kenya

Supplementary Information

August 24, 2018

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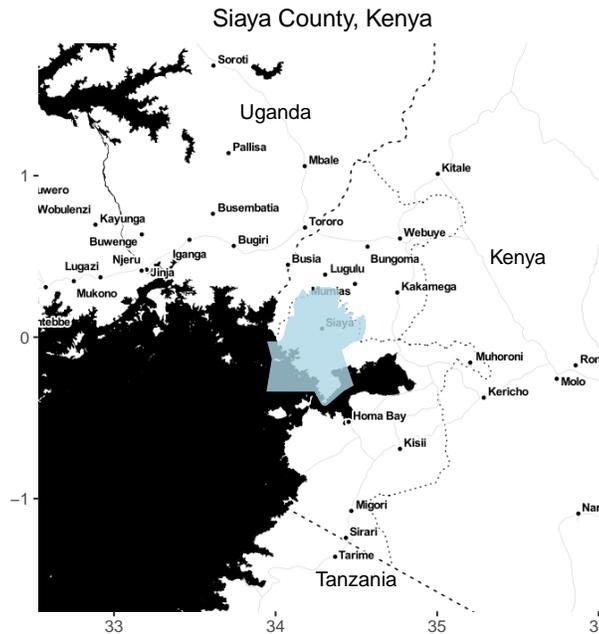
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S1 Summary of Existing Studies

Table 1: Empirical studies on the effects of foreign aid on individual-level attitudes or behaviors

Paper	Context	Dependent variable	Measure	Explanatory variable	Findings	Conclusion
Sacks (2012)	SSA (obs)	Government legitimacy	Afrobarometer measure of belief in government's right to tax	Afrobarometer measure of belief about who provides goods and services	Belief that donors and non-state actors provide services positively related to willingness to pay taxes	Does not support fiscal contract story
Briggs (2015)	Ghana (obs)	Incumbent re-election	Incumbent re-election (electoral data)	Change in level of foreign assistance	Decline in foreign aid reduces probability of incumbent re-election. Case studies suggest aid allows politicians to provide public goods in electorally competitive areas.	Supports deserved credit claiming story
Guiteras and Mobarak (2015)	Bangladesh (exp)	Perceptions of politician performance	Survey measured satisfaction with with politician's performance and public goods provision and asked for number of times politician visited village	(1) Sanitation project (2) Information that politician had no role in sanitation project	Sanitation project increased time politicians spent in treated villages and improved perceptions of politician performance, but information treatment eliminated effect on perceptions.	Supports undeserved credit claiming story
Dietrich and Winters (2015)	India (survey exp)	Government legitimacy	Favorability of PM, parliament; perception of national and state government performance on HIV/AIDS	Information about HIV/AIDS project randomized attribution to foreign funder	Null results	Does not support fiscal contract story
Cruz and Schneider (2017)	Philippines (obs)	Incumbent re-election	Draws on electoral data and uses reported number of times that politician visited village from project data	World Bank CDD project (KALAH) with minimal opportunity for politician capture	Quantitative: politicians spent more time in project areas and were more likely to win re-election; qualitative: politicians used billboards to claim credit for project they had no role in.	Supports deserved credit claiming story
Baldwin and Winters (2016)	Uganda (survey exp)	Perceptions of politician performance	Survey measures whether politician deserves credit for project, satisfaction with politician performance, likelihood of voting for politician	Information about project randomized attribution to Japan	Attribution to Japan has no effect on any outcome	Possibly supports deserved credit-claiming story
Blair and Roessler (2016)	Liberia (survey, survey exp, behavioral game)	Government legitimacy	Survey measures perceptions of government fairness and corruption, belief in government's right to tax; behavioral game measures willingness to pay taxes	Survey experiment randomized attribution of public services to Liberia, China, or US	Some positive correlation between baseline exposure to foreign aid and perceptions of government but not tax attitudes; no effect of vignettes on tax attitudes or behavioral tax compliance	Does not support fiscal contract story
Dietrich, Mahmud and Winters (2018)	Bangladesh (survey exp)	Government legitimacy	Survey measures confidence in institutions and leaders, belief in government's right to tax, and perception of corruption	Informational video about project randomized attribution to USAID	Attribution to USAID improves confidence in local government, no effect on tax attitudes, reduces perception of corruption	Does not support fiscal contract story

Figure 1: Map of Siaya County



Note: Administrative boundaries of Siaya County featured in light blue.

S2 Interview and Survey Samples

The study takes place in Siaya County (Figure 1), one of 47 counties in Kenya. Siaya County was chosen for being an especially poor county in which foreign aid is abundant and salient. I conducted 30 in-depth exploratory interviews with individuals, local NGO leaders, and local politicians, and then subsequently fielded a survey to 198 individuals. In what follows, I describe the two samples in greater depth.

S2.1 Interviews

In order to learn about foreign aid and how it is perceived in western Kenya, I conducted 30 in-depth interviews in June and July 2015. The sample included leaders of NGOs (most of which are based in the nearby city of Kisumu), local politicians based in Siaya Town, and individuals recruited in market centers throughout the county of Siaya. Interviews with NGO leaders and politicians were conducted in English, while interviews with individuals were conducted in Luo with the help of a translator.

S2.2 Survey

I investigated issues that arose during interviews by subsequently fielding a survey to 198 individuals in October and November 2015. I randomly sampled individuals with probabilities proportional to population size in order to make the survey representative of Siaya County. However, for the

selected the other part of the village or the nearest village in a different EA as its pair. If there was more than one village in an EA, I randomly selected one of the other villages in that EA.

Given this sampling procedure, I conduct all analysis with village-pair fixed effects. Code for the selection of villages is available upon request.

S2.2.2 Household and Individual Sampling

Once enumerators arrived in a village, they would begin at the village elder’s house and walk in opposite directions, making a map of all houses along the road for one kilometer. The enumerators referred to a pre-made sampling scheme which instructed them which houses to visit according to the total number of houses mapped.

Each survey was randomly assigned a gender. To select respondents, enumerators would ask for a list of all individuals within the household under 65 of the assigned gender. They would randomly select a card to select a respondent.

S2.2.3 Descriptive Statistics

Table 2 presents descriptive statistics from the sample and compares means to data on identical questions from the Afrobarometer, both for Siaya County only and for the country generally. The table supports the notion that the sample is representative of Siaya County based on available data. While my sample is slightly more educated than Afrobarometer’s Siaya sample, the only marked difference between the two is the rating of living conditions. I believe the explanation for this lies in the fact that the Afrobarometer Siayans represented two enumeration areas – one urban and one rural, whereas mine represented 20 – 2 urban and 18 rural. The urban areas of Siaya tend to be wealthier than the poorer areas. My sample of villages is in fact more representative of the urban/rural balance in the population in Siaya County and I suggest that its data are more generalizable to Siaya respondents.

Table 2: Descriptive statistics

	<i>Original sample</i>			<i>Afrobarometer sample</i>	
	Mean	SD	N	Mean (Siaya only)	Mean (Kenya)
Female	0.51	0.50	198		
Age	45.84	14.99	197	47.52	36.08
Completed primary school (grade 8)	0.61	0.49	198	0.52	0.74
Completed secondary school (grade 12)	0.27	0.44	198	0.19	0.43
Completed college	0.07	0.26	198	0.00	0.04
Perceived relative living conditions (1-5)	2.44	0.81	115	2.92	2.77

Note: Perceived relative living conditions is a question asking, “In general, how do you rate your living conditions compared to those of other Kenyans?” Answers ranged from 1 (much worse) to 5 (much better).

S2.2.4 Survey Instrument

A complete version of the survey instrument is available online at the author’s website.

S3 Foreign Aid and Accountability

While this project focuses on studies of foreign aid and government legitimacy, another literature investigates the relationship between foreign aid and political accountability. In the latter literature, theoretical predictions have been supported. Scholars drawing on models of accountability predicted that in low information environments, voters may mistakenly attribute a foreign-funded project to a politician, politicians may encourage this by claiming credit, and this combination weakens citizens' ability to hold politicians accountable through elections. There is mounting evidence consistent with this prediction showing that foreign aid electorally advantages the incumbent (Guiteras and Mobarak 2015; Briggs 2012, 2015; Jablonski 2014).

My finding that individuals expect their governments to work with foreign donors is broadly consistent with this accountability story. Even in this sample, individuals who were aware that the government received funding from foreign aid expressed greater approval of the government (see Table 3). But my argument about expectations implies that policies aimed at correcting this incumbent advantage must be more nuanced. Previously, these studies have drawn the conclusion that donors should more obviously brand their work in order to help voters more accurately attribute projects (Guiteras and Mobarak 2015). But my findings imply that simply attributing projects to foreign donors will backfire because it does not correct the belief that politicians work to attract these donors; interventions must explicitly address the role (or lack thereof) of the politician in the foreign aid project.

Table 3: Cross tabulation of government approval and awareness of foreign aid

	Aware of foreign aid	Not aware of foreign aid	Row totals
Approve	29 (.326)	18 (.222)	47
Disapprove	60 (.674)	63 (.778)	123
Column totals	89 (.524)	81 (.476)	170

Note: *Aware of foreign aid* is a dummy variable indicating whether individuals listed foreign aid among the sources of government funding in an open-ended question (before any priming was introduced). Source: Author's data.

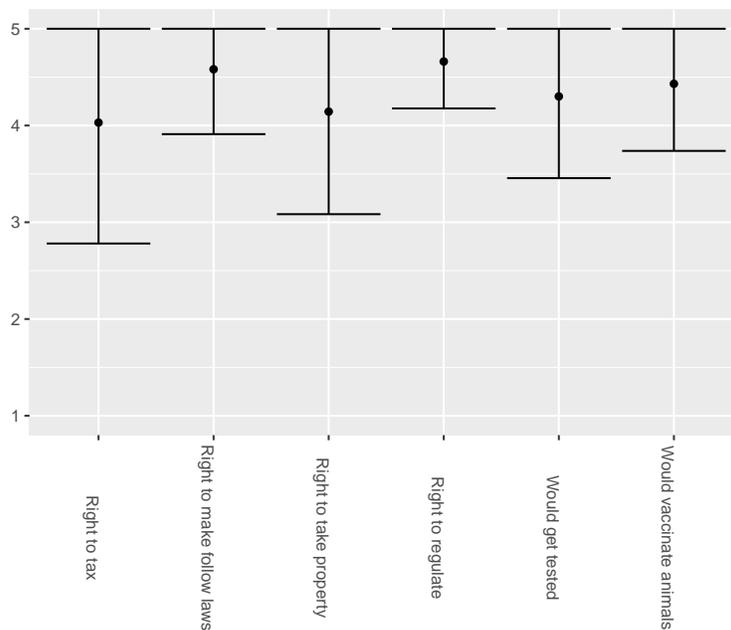
S4 Willingness to Comply

Figure 2: Attitudes toward compliance with government

(a) Correlation matrix

	Taxes	Laws	Take property	Regulate	Get tested	Vaccinate animals
Taxes	1.00	0.57	0.60	0.47	0.23	0.18
Laws	0.57	1.00	0.46	0.49	0.22	0.16
Take property	0.60	0.46	1.00	0.61	0.32	0.22
Regulate	0.47	0.49	0.61	1.00	0.24	0.22
Get tested	0.23	0.22	0.32	0.24	1.00	0.65
Vaccinate animals	0.18	0.16	0.22	0.22	0.65	1.00

(b) Descriptive statistics



Note: Survey questions measure individuals' belief in the government's right to tax, belief in the government's right to make citizens comply with laws, belief in the government's right to seize property with compensation when deemed necessary, belief in the government's right to regulate products found to be harmful, willingness to be tested for an infectious health condition, and willingness to vaccinate animals against an infectious disease.

S5 Endorsement Experiment

I conducted a behavioral experiment by encouraging participants to contribute part of their sitting fee to charity, and for a randomly selected treatment group, attributing this encouragement to the government of Kenya. This experiment is modeled on Blair (2018).³ The average treatment effect of the attribution to the government measures its legitimacy to make this demand.

Individuals in the treatment group heard the following text:

Thank you for your patience. The survey is now complete. You have earned a 100 KSh. sitting fee for participating in this survey. *[Hand the respondent 100 KSh.]* We are collecting donations for a fund that will go to anonymous residents in another community in Siaya County, and we would like to give you the opportunity at this time to donate some amount of your sitting fee to this fund. Before you make your decision, I want to advise you that **the government of Kenya instructs that** you should always contribute everything you can to the common good. Listen to these instructions **from the government of Kenya** and always contribute everything you can to the common good. The amount you choose to contribute is completely confidential. I will turn away now and let you place your donation inside this bag. When you are finished, please seal it and place it among the other contribution bags.

I obtained permission from local authorities to attribute the statement to the government of Kenya. Individuals in the control group heard the identical text without the attribution to the government of Kenya (bolded in the treatment text):

Thank you for your patience. The survey is now complete. You have earned a 100 KSh. sitting fee for participating in this survey. *[Hand the respondent 100 KSh.]* We are collecting donations for a fund that will go to anonymous residents in another community in Siaya County, and we would like to give you the opportunity at this time to donate some amount of your sitting fee to this fund. Before you make your decision, I want to advise you that you should always contribute everything you can to the common good. Listen to these instructions and always contribute everything you can to the common good. The amount you choose to contribute is completely confidential. I will turn away now and let you place your donation inside this bag. When you are finished, please seal it and place it among the other contribution bags.

Treatment was randomly assigned to the survey and blocked on gender and village-pair. The randomization protocol is available upon request.

Individuals received a clear bag containing 20 coins of 5 KSh. each, as well as an opaque fabric bag into which they could insert their contribution. They were then instructed to place their contribution bag into a collection of other bags. Enumerators began the day with four “false” contribution bags in the large collection so that the first respondent would see that her contribution was indistinguishable from the others in the pot. Each contribution bag had a unique identifier

³See also Blair and Roessler (2016), who offer a promising example of the use of a tax compliance game to measure legitimacy following a survey experiment about Chinese foreign aid.

inside the bag that was used to match the contribution to the survey ID at the end of each day. Enumerators were therefore blinded to an individual's contribution.

In contrast to overall high levels of trust and willingness to pay taxes, Table 4 reports a negative treatment effect, suggesting average or low levels of overall government legitimacy. The government attribution lowered individual contributions by about five U.S. cents (about a quarter of a standard deviation). The result is weakly significant in the baseline specification (Model 1) but is shy of conventional levels when covariates and fixed effects are included (Models 2 and 3). Overall, this measures a lower level of government legitimacy than do the trust or tax attitudes measures, which are high, on average.

Could measuring legitimacy in this way reveal results more consistent with the legitimacy prediction? Although answering this question is beyond the scope of this paper and the power of this study, I analyzed the heterogeneous effects of the treatment for individuals who were and were not aware of foreign aid. This variable is a dummy variable, coded 1 if the individual listed foreign aid among the sources of government funding in an open-ended question occurring early in the survey before any priming was introduced. The legitimacy prediction is that individuals who are aware of foreign aid will think the government less legitimate than their less aware peers, while the empirical consensus is that these aid-aware individuals will think the government just as or more legitimate than their less aware peers. In this sample, the groups were not significantly different from one another, and if anything, the group of aid-aware individuals responded more positively to the government's endorsement (Models 4 and 5). These null findings are therefore more consistent with the empirical consensus than they are with the theoretical prediction, although they could also result from the limited power of this study and are therefore not conclusive. It remains a possibility that measurement error accounts for the gap between theory and evidence.

Figure 3: Example of a real government request



Note: Future studies could randomize the attribution of this request to the Government of Kenya and measure whether the attribution increases rates of TB testing.

Table 4: Behavioral experimental measure of government legitimacy

	Contribution (0-20)				
	(1)	(2)	(3)	(4)	(5)
Treat: Government endorsement (0-1)	-0.90*	-0.83	-0.80	-1.13	-1.05
	(0.51)	(0.51)	(0.50)	(0.80)	(0.80)
Treat*Aware of foreign aid (0-1)				0.55	0.51
				(1.10)	(1.13)
Aware of foreign aid (0-1)				-1.15	-0.80
				(0.77)	(0.78)
Constant	7.48***	7.24***	6.16***	5.85***	4.47**
	(0.63)	(1.19)	(1.40)	(1.73)	(1.94)
Controls for order surveyed	✓	✓	✓	✓	✓
Controls for covariates	∅	✓	✓	✓	✓
Includes village fixed effects	∅	∅	✓	∅	✓
Observations	198	197	197	182	182
R ²	0.02	0.04	0.12	0.06	0.14

*p<0.1; **p<0.05; ***p<0.01

Note: Outcome units are the number of 5 KSh coins (about 5 US cents) an individual contributed. *Aware of foreign aid* is a dummy variable indicating whether individuals listed foreign aid among the sources of government funding in an open-ended question (without priming). I control for the order of the survey in case individuals are influenced by the number of contributions in the pot. Covariates include age, education, and gender. Source: Author's data.

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