

# Rethinking Foreign Aid and Legitimacy: Views from Aid Recipients in Kenya\*

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## Abstract

Contrary to scholarly predictions, foreign aid does not appear to undermine individuals' beliefs in the legitimacy of their governments. Rather than testing a theory of foreign aid and legitimacy, this paper aims to understand why this prediction has failed to materialize in mounting evidence. I develop explanations inductively based on original descriptive evidence from a survey and in-depth interviews in western Kenya. I propose, first, that the prediction itself incorrectly assumes individuals expect their governments to be self-sufficient, and second, measurements of legitimacy that are grounded in the fiscal contract are ill-suited to developing country contexts. I offer specific suggestions for how future studies can overcome these limitations in their theories and research designs. The contribution of this project is to facilitate future research by furnishing detailed and descriptive evidence on how individuals from a remote and relevant sample think about politics and aid.

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Does foreign aid damage the legitimacy of recipient governments? Social scientists have long expressed concern that foreign donors, by providing goods and services that are typically the domain of the state, could cause individuals to believe that their government has failed in its responsibilities. Since many argue that “legitimizing beliefs” are key to preserving citizens’ willingness to pay taxes and comply with laws, this possible consequence of foreign aid is alarming. However, recent empirical tests consistently find limited grounds for this concern (Sacks 2012; Dietrich and Winters 2015; Blair and Roessler 2016; Dietrich, Mahmud and Winters 2018). If anything, foreign aid improves perceptions of the government’s legitimacy.

Why has this prediction failed to materialize? I offer two possible explanations, which I develop based on findings from three months of fieldwork in western Kenya. I fielded an original survey to 198 individuals and conducted 30 in-depth interviews with individuals, NGO leaders, and local politicians. Based on this descriptive evidence, I propose, first, that the prediction itself incorrectly assumes individuals expect their governments to be self-sufficient, and second, some measurements of legitimacy are ill-suited to developing country contexts. First, whereas the legitimacy prediction assumes that individuals expect their governments to provide public goods independently, I show that citizens in western Kenya expect their governments to receive assistance from other actors. Second, whereas several measures of legitimacy assume a fiscal contract between government and citizens, I propose that citizens in western Kenya separate their attitudes about money from their perception of the government’s legitimacy. While highlighting these two explanations for an existing gap between theory and evidence, I offer concrete suggestions for how scholars may study foreign aid and government legitimacy with greater rigor.

The contribution of this paper is to document individuals’ beliefs about foreign donors and their governments in a way that facilitates research on these topics. This paper does not test a causal theory of foreign aid and government legitimacy but rather investigates the micro-level beliefs and attitudes underpinning this relationship and develops explanations inductively. It does so using descriptive evidence resulting from in-depth interviews, survey questions, and a behavioral experiment used as a measurement tool. A remote sample like this is difficult for a researcher to reach,

so scholars typically leverage costly field surveys to test rather than build their theories. Multi-country surveys like Afrobarometer offer valuable and accessible insights, but it is sometimes challenging to interpret them without the aid of contextual knowledge and qualitative interviews. This evidence can therefore help scholars to tailor their theories and measures before investing in expensive tests. This is an important part of the “research cycle” that Lieberman (2016) claims is often overlooked in the political science literature. Publication of careful descriptive analysis and evidence from pilot studies can result in better causally identified results at a later moment in scholarly conversation.

## **Foreign Aid and Government Legitimacy**

Government legitimacy is “a generalized perception that the state has a right to govern and its actions are desirable, proper, or appropriate in its cultural context” (Brass 2016, 33; Suchman 1995). For many political scientists, this perception is rooted in the social contract between states and citizens, where the state acquires the unique right to demand citizen compliance with laws and taxes in exchange for its provision of public goods, namely security (North and Weingast 1989; Bates and Lien 1985).<sup>1</sup> Levi (1988) argues that by providing public goods, states can foster beliefs about the government’s legitimacy that lead citizens to comply with government demands even absent monitoring and enforcement. This gives rise to a virtuous cycle described by Schmelzle and Stollenwerk (2018): as governments provide more effective services, individuals are more willing to comply with the government’s demands.

A primary mechanism thought to drive this relationship is the fiscal contract. This refers to the idea that when individuals supply the tax dollars used by governments to provide public goods,

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<sup>1</sup>While this is not the only conceptualization of legitimacy, it is the only one that has been invoked in the study of foreign aid and therefore is the focus of my discussion. This contemporary approach in political science is often called “audience legitimacy” and follows from a Weberian legal-rational tradition. For earlier approaches in political science, see Rothschild (1977); for alternative approaches in law and sociology, see Bottoms and Tankebe (2012); Tyler and Jackson (2013).

they become more engaged in politics, realizing that they have a stake in the outcome (Martin 2014). This deepens their understanding of the government’s responsibilities to them and their responsibilities to the government (Moore 2008). It is because of the fiscal contract that many scholars use “quasi-voluntary compliance,” or citizens’ willingness to pay laws and taxes, as a proxy for government legitimacy (Levi 1988; Levi, Sacks and Tyler 2009).

Scholars working in this tradition argue that foreign aid may reduce the government’s legitimacy by undermining the perception that the government is fulfilling its end of the bargain through the provision of public goods. Similar claims have long been made about non-governmental organizations (NGOs) more generally. For example, a widely cited article warns that because the legitimacy of African governments rests on their promises of economic advancement, “effective NGO initiatives may reflect unfavorably on the government” (Bratton 1989, 572).<sup>2</sup> In their review, Dietrich and Winters (2015, 2) summarize: “The idea that non-state provision of social services might undermine state legitimacy is widespread in the literature on non-governmental organizations in the developing world.”

But several recent studies find little support for this prediction.<sup>3</sup> Survey experiments and behavioral games in India, Bangladesh, and Liberia find that attributing aid projects to a foreign donor has a null or even positive effect on government legitimacy (Dietrich and Winters 2015; Blair and Roessler 2016; Dietrich, Mahmud and Winters 2018).<sup>4</sup> These corroborate new observational studies, which also illustrate the surprisingly positive effects of foreign aid and NGOs on government legitimacy (Sacks 2012; Brass 2016).<sup>5</sup> Foreign aid projects also appear to boost an incumbent’s

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<sup>2</sup>See also Whaites (1998); Schuller (2009); Batley and Mcloughlin (2010); Brinkerhoff, Wetterberg and Dunn (2012).

<sup>3</sup>A more detailed summary of the following literature review appears in the Appendix.

<sup>4</sup>Blair and Roessler (2016) pre-registered their hypothesis that attributing aid projects to a foreign donor would reduce tax compliance, their measure of government legitimacy. This is further evidence that most scholars have, in their applications of existing theories, predicted a negative relationship between foreign aid and government legitimacy. See <http://egap.org/registration-details/1285>.

<sup>5</sup>While there is also surprising new evidence that foreign aid improves political institutions

chance of re-election (Briggs 2015; Guiteras and Mobarak 2015; Cruz and Schneider 2017). While incumbent re-election is distinct from government legitimacy, these results reinforce the growing conclusion that foreign aid does not seem to undermine opinions of the government's right to rule.

Why has this prediction that aid would undermine legitimacy failed to materialize in existing evidence? In answering this question, I take advantage of the opportunity to evaluate how a core theory of political science plays out in a context that differs dramatically from the original model. There are other canonical theories that have been at odds with contemporary evidence — for example, Ross (2004) finds that citizens do not rebel against taxation without representation but rather taxation without government services. Learning why these discrepancies between theory and evidence occur moves forward the scholarly conversation in understanding when and why these theories operate.

## **Research Approach**

The goal of this project is not to test a causal theory of foreign aid and government legitimacy but to understand why existing tests consistently but counter-intuitively do not find support for this theory. In service of this goal, I documented in detail how individuals think about their governments and foreign aid and looked for possible discrepancies between these and the assumptions often made by scholars. I did so by fielding an original survey to 198 individuals and conducted 30 in-depth interviews with individuals, NGO leaders, and local politicians. (Details about the interview and survey samples are available in the Appendix.) Combining quantitative and qualitative approaches helped me to understand how individuals interpreted questions and pieces of information commonly included in surveys on these topics. These descriptive data allowed me to inductively develop possible explanations for the findings other scholars have reached.

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(see Jones and Tarp 2016), this is a separate mechanism from the one invoked in predictions about government legitimacy. My review and investigation concerns itself with arguments about how individuals *perceive* the legitimacy of their governments, holding constant the quality of governance itself.

Because this project aims to understand individuals' political views deeply rather than broadly, I collected data from a single place. I spent three months living in Siaya County, Kenya, becoming familiar with the kinds of international actors that individuals were mentioning in their survey responses. I selected this case for three reasons: First, individuals were very comfortable discussing politics and the presence of international actors. This accessibility was essential for learning how they think about these relationships. Second, Siaya County is one of the poorest counties in Kenya and is home to many international NGOs. While there is great heterogeneity among regions that receive foreign aid, these features make Siaya as typical of a recipient region as is possible. Third, this geographic area of Kenya and Uganda receives significant attention in the literature on foreign aid and political opinions (see e.g. Briggs 2014; Brass 2016; Baldwin and Winters 2016; Findley et al. 2017). Therefore, while this paper does not present generalizable evidence, it does present evidence that is especially applicable to this literature. Regardless, such a limitation is a necessary and appropriate price to pay for the opportunity to intensively scrutinize how individuals think about politics when foreign donors are present.

## **The Role of Expectations**

This study is motivated by the gap between theory and evidence about the relationship between foreign aid and government legitimacy. One possible explanation for this gap is that the legitimacy prediction follows from assumptions that do not accurately describe politics in the developing world. While canonical theories of legitimacy themselves do not specify the obligations that constitute the contractual commitment between the government and its citizens, applications of these theories sometimes implicitly assume that the government is expected to provide public goods while citizens are expected to pay taxes to finance those public goods, a relationship known as the “fiscal contract” (Levi, Sacks and Tyler 2009). By these accounts, receiving public goods “for free” from foreign donors severs this contract: individuals will perceive that the government is not adequately fulfilling its responsibilities and will no longer feel obliged to pay taxes.

But respondents actually expected their government and politicians to cooperate with and ac-

tively recruit foreign donors to provide their public goods. One participant surmised, “When Kenyan leaders visit some of the wealthy nations, they talk of poverty and need for livelihood improvement. These kinds of proposals are received well by rich nations who easily provide support.”<sup>6</sup> Most respondents agreed that even though the government and politicians have limited time and resources, one of the government’s primary functions is to obtain aid from foreign donors, and local politicians are expected to direct this aid to their constituencies (see Figure 1). This expectation explains why many respondents blamed their politicians for the absence of foreign aid in their constituencies, an expectation that politicians felt was unwarranted. One MP from Siaya County indicated that she had no idea how she would go about securing foreign aid projects for her constituency, and she felt “punished by the public” for failing to secure money that the President had directed to more electorally valuable constituencies, an assertion which is supported by several empirical studies.<sup>7</sup>

Individuals are widely aware of this politicization of foreign aid, and as a result, they express preferences for forms of aid that bypass their governments. Many interviewees praised GiveDirectly, an international NGO providing direct cash transfers to recipients, citing the “direct” in its name as evidence of its quality, since these funds could not be reappropriated by politicians.<sup>8</sup> But such programs are rare, and while it may be undesirable that politicians can capture or divert foreign aid, this reality nevertheless informs individuals’ expectations of their politicians.

Moreover, foreign aid does not signal that the government has failed in its responsibilities because individuals have competing understandings about how donors select recipients. As scholars of legitimacy feared, some respondents did feel that aid implied that their government was ineffective, for reasons such as, “Rich countries want to uplift the economic status of ineffective

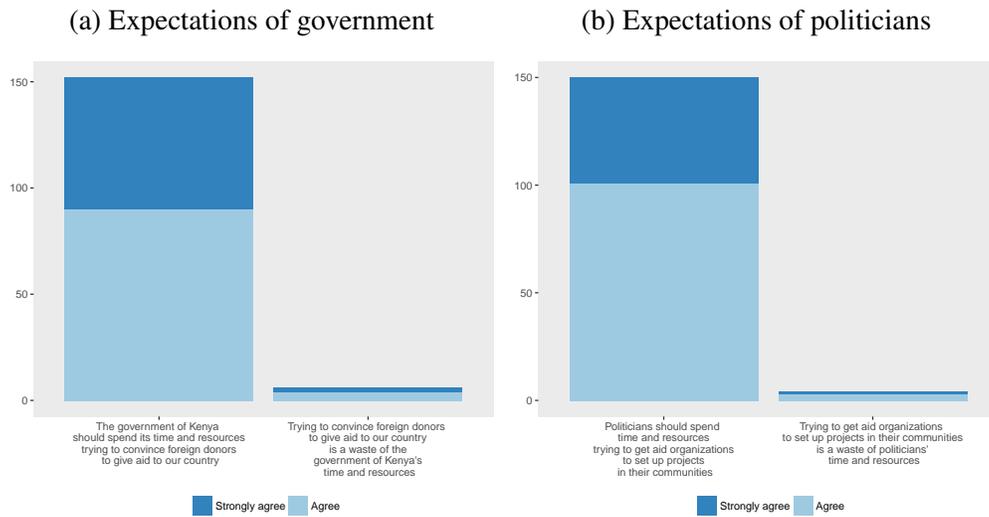
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<sup>6</sup>Response from survey participant 41, October 27, 2015. Participant was asked to explain why s/he expressed agreement with the statement: “Wealthy countries usually give more aid to countries with ineffective governments.”

<sup>7</sup>Author’s interview, November 16, 2015. See, for example, Briggs (2012, 2014); Jablonski (2014).

<sup>8</sup>For example, author’s interview, July 20, 2015.

Figure 1: Expectations of political actors



*Note:* N=158 (Panel A) and 175 (Panel B). (Variation in sample size is due to refinements in question wording over course of survey.) Source: Author's data.

government. That is why they give them more aid.”<sup>9</sup> But, consistent with the evidence above, just as many respondents interpreted aid as an opposite signal of their government’s competence; as one respondent explained, “Effective governments present strong and credible proposals before rich nations and therefore stand better chances of getting aid.”<sup>10</sup> The distribution was nearly symmetric, with half of the sample feeling that donors tend to give aid to effective governments, and half feeling that they prefer to fund ineffective governments.<sup>11</sup> To the extent that there exist competing beliefs about donor strategies, receiving aid is unlikely to signal that the government has

<sup>9</sup>Response from survey participant 65, October 29, 2015. Participant was asked to explain why s/he expressed agreement with the statement: “Wealthy countries usually give more aid to countries with ineffective governments.”

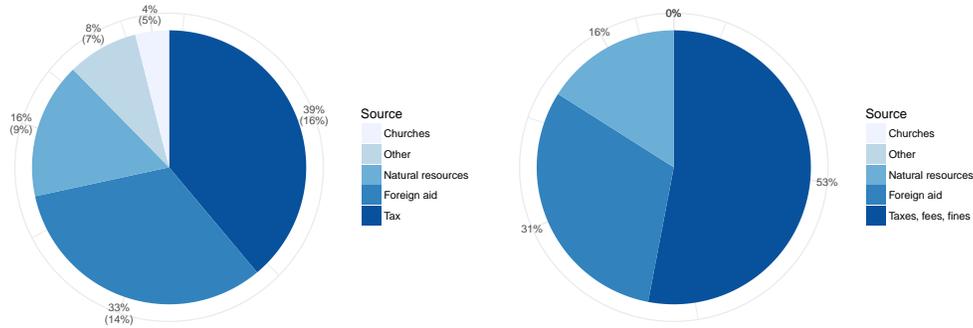
<sup>10</sup>Response from survey participant 52, October 28, 2015. Participant was asked to explain why s/he expressed agreement with the statement: “Wealthy countries usually give more aid to countries with effective governments.”

<sup>11</sup>This question asked individuals to rate their agreement with two statements: “Wealthy countries usually give more aid to countries with ineffective governments.” or “Wealthy countries usually give more aid to countries with effective governments.” 49 percent agreed with the first while 45 percent agreed with the second (6 percent agreed with neither, N=155). The quotations above are typical of the open-ended responses given by most participants.

Figure 2: Awareness of the sources of the government’s budget

(a) Individual guesses

(b) Actual statistics, 2013



*Note:* Panel A reports individual estimates of the proportion of the government’s budget that come from taxes, foreign aid, natural resources, others, and churches. Participants received several beans and were asked to place beans on five labeled cards to indicate what portion of the government’s money they believe came from that source in the previous year. Labels indicate means, with standard deviations in parentheses. N=107. Source: Author’s data. Panel B reports actual sources of the Kenyan central government expenditure in 2013. Source: World Development Indicators.

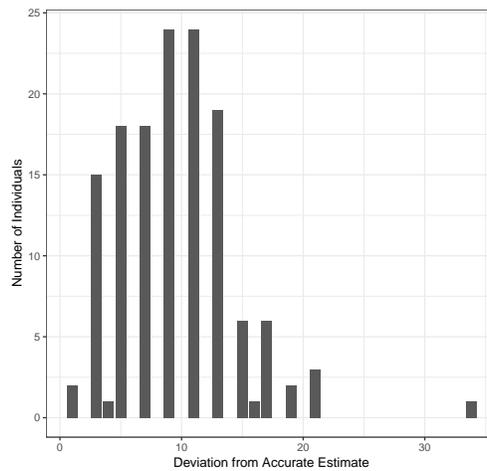
failed to fulfill its contractual obligations to its citizens.

Critically, individuals are surprisingly well-informed about the extent to which their government relies on foreign aid as a source of income. Informing them of foreign aid may do little to change their prior beliefs.

To measure this, I asked participants to imagine that a fixed number of objects represented all the money the government received in the previous year and to guess how many of those objects came from each of five sources: taxes, foreign aid, natural resources, other, and churches. Figure 2 shows that, in the aggregate, respondents estimated quite accurately the proportion of the government’s revenue that comes from foreign aid (about one-third). Very few participants allocated any money to churches, which was included as a placebo option. This lends confidence that the activity was a valid way to measure individuals’ beliefs about the sources of their government’s budget.

Not only did the sample estimate revenue accurately in the aggregate, but most individuals

Figure 3: Histogram of individuals' inaccuracy in estimating sources of government revenue



*Note:* Deviation calculated by summing, for each of five sources of revenue, the absolute value of the deviation of the individual's guess from the actual amount. Sources: Author's data, World Development Indicators.

made fairly reasonable guesses. I created an individual-level measure of inaccuracy by summing, for each source of revenue, the absolute value of the deviation of the individual's guess from the actual amount. Greater numbers represent more inaccurate estimates. The histogram in Figure 3 illustrates that very few individuals were wildly off and the distribution skews toward more accurate estimates. Of course, there remains considerable variation in the accuracy of individuals' estimates; education is unsurprisingly a strong predictor of accurate estimates (see Table 3 in the Appendix). Even so, it is remarkable that the individuals in this sample are this sophisticated; in contrast, a finding that all individuals estimated perfectly would not be believable.

This sophistication underscores the importance of learning how individuals' beliefs about the government's funding do or do not influence their attitudes and behaviors. For example, the fact that citizens know how their governments are funded makes it even more reassuring that de la Cuesta et al. (2017) find that citizens are equally likely to monitor the government's management of tax revenue and foreign aid (contrary to conventional wisdom).

For the purposes of this paper, widespread awareness of foreign aid could contribute to the literature's lack of evidence for a relationship between foreign aid and legitimacy. When scholars test this claim by sharing information about foreign aid, this information may not tell individuals

anything they did not already know. As a result, there is no reason to expect that alerting individuals to foreign sources of the government's income would change either their beliefs about where their goods and services come from or their opinions about the government's legitimacy.<sup>12</sup>

This compatibility of government legitimacy and foreign aid in developing countries also makes sense when seen in historical perspective. Many countries like Kenya won independence relatively recently, frequently from a colonizing country that continues to provide significant amounts of foreign aid today. Structural adjustment programs engineered by international organizations were the hallmark of the 1980s, and, today, NGOs frequently partner with governments to complement their programs. In short, foreign aid has always been a part of government; it is not a new policy development. While my evidence hails from Kenya, it shares these features with many countries in the developing world, and it is not surprising that predictions based on a framework in which individuals assume government self-sufficiency fall short. Accounting for alternative expectations of the government illustrates that the theory of government legitimacy may well be intact but can be better adapted to generate predictions that make sense in aid recipient countries.

## **Unpacking Legitimacy**

An alternative explanation for the lack of a finding is that existing outcomes measure different aspects of legitimacy with varying relevance to this context. In this section, I argue that measures based on the fiscal contract, in the aid context, capture attitudes toward money rather than perceptions of government legitimacy.

The first conventional approach to measuring legitimacy is simply to ask individuals about their trust in their governments or their approval of the government's performance. I included both of these questions on my survey and found answers to both questions were highly correlated. Table

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<sup>12</sup>A caveat is that my study investigates individuals' perceptions of the revenue sources of the central government, not their perceptions of how individual projects are funded. Dietrich, Mahmud and Winters (2018) find individuals are generally unaware of the funding source of specific projects. Understanding the relationship between awareness of local project donors and national government donors is a topic for future research.

1 shows correlation coefficients of .72 (central government) and .60 (local government).<sup>13</sup> This finding did not surprise me after the experience of administering the survey. When I presented my translators with verbatim question wordings from previous studies, they struggled to arrive at a translation that would differentiate these two concepts. Although they eventually arrived at language they found suitable, many respondents still expressed confusion at the redundancy of the questions. At least in this context, trust in government and approval of its performance appear to be tightly interwoven concepts.

Table 1: Correlations between government approval, trust, and tax attitudes

	Trust_Central	Approval_Central	Trust_Local	Approval_Local	Taxes
Trust_Central	1.00	0.72	0.19	0.07	0.01
Approval_Central	0.72	1.00	0.15	0.06	-0.02
Trust_Local	0.19	0.15	1.00	0.60	-0.08
Approval_Local	0.07	0.06	0.60	1.00	0.01
Taxes	0.01	-0.02	-0.08	0.01	1.00

*Note:* Table reports correlation coefficients using pairwise complete observations. *Trust* refers to “How much do you trust the central/local government, or haven’t you heard enough about it to say?” *Approval* refers to “In general, do you approve or disapprove of the performance of the central government of Kenya in the last 12 months, or haven’t you heard enough to say?” *Tax* refers to “How much do you agree or disagree with the following statement: The government has the right to make people pay taxes.” *Trust* and *approval* are measured with respect to both the central government in Nairobi and the local (county) government in Siaya. N=198. Source: Author’s data.

A critique of these measures is that they are too general and that legitimacy captures a more nuanced relationship between government and citizen.<sup>14</sup> Therefore, other scholars frequently measure legitimacy using attitudes toward the government’s right to tax.<sup>15</sup> The logic behind this ques-

<sup>13</sup>Results calculated using pairwise complete observations to make use of as much data as possible. However, results are similar when calculated using complete observations (coefficients of .66 and .59 respectively), limiting the sample to 74 respondents who answered all five questions.

<sup>14</sup>In a recent review from two legal scholars acclaimed for their work on legitimacy, they write, “We simply do not know whether effectiveness is necessary for legitimacy,” and open the question, “When does legitimacy depend upon being able to provide material benefits to people in the community?” for future study (Tyler and Jackson 2013, 13). This necessitates a distinction between positive sentiment toward the government and beliefs about its legitimacy.

<sup>15</sup>This is one example of a broader category of measures concerning individuals’ perceived

tion is that it focuses on a core aspect of an individual's fiscal contractual relationship with the government; if an individual believes in the government's right to tax, that must indicate they receive public goods from the government for which they acknowledge they must contribute to funding. Surprisingly, Table 1 shows that there is virtually no correlation between individuals' tax attitudes and the prior measures of legitimacy, trust and approval. This suggests that attitudes toward the government's right to tax are picking up on something distinct from general positive feelings toward the government.

Furthermore, these different approaches to legitimacy move in opposite directions in response to awareness of foreign aid. Although I have shown that the sample on the whole is generally aware of foreign aid, I exploit variation in this awareness to see how aid-aware and aid-unaware individuals respond to the various measures of legitimacy. Before the revenue allocation activity described in the previous section, the survey asked individuals to list the sources of government income, before any primes about foreign aid had been introduced. A still-high 54 percent of the sample listed foreign aid without any prompting. I use this more punitive measure of aid awareness as an explanatory variable to maximize the variation that exists in my sample. I regress the various measures of legitimacy on this indicator and control for education, age, and gender. The results, with and without village fixed effects, appear in Table 2. Aid aware individuals are significantly more likely to report higher levels of trust in the government; they are more likely to report higher levels of approval in the government as well, although this is not statistically significant ( $p$ -values of .13 in Model 2 and .25 in Model 5). But while they have generally more positive feelings toward the government, they are less likely to support the government's right to tax. Again, this finding is not statistically significant, although  $p$ -values remain generally low (.11 in Model 3 and .16 in Model 6).

One takeaway from this descriptive analysis is that individuals who are aware of aid tend to hold  

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obligation to obey the law (Bottoms and Tankebe 2012, 163). Studies about NGOs and foreign aid have focused on the perceived rights of tax authorities, which more directly relate to the goods and services provided by government, while studies in the criminal justice domain focus on the perceived rights of law enforcement officials.

Table 2: Correlation between aid awareness and various measures of legitimacy

	<i>Dependent variable:</i>					
	Trust	Approval	Taxes	Trust	Approval	Taxes
	(1)	(2)	(3)	(4)	(5)	(6)
Aid Awareness (0-1)	0.318** (0.131)	0.151 (0.101)	-0.293 (0.184)	0.305** (0.135)	0.119 (0.105)	-0.266 (0.189)
Age	0.005 (0.005)	-0.001 (0.004)	-0.010 (0.007)	0.002 (0.005)	-0.003 (0.004)	-0.008 (0.007)
Education	-0.040* (0.021)	-0.024 (0.016)	-0.009 (0.029)	-0.044** (0.022)	-0.023 (0.017)	-0.015 (0.030)
Female	0.062 (0.138)	0.098 (0.107)	-0.553*** (0.193)	0.031 (0.140)	0.065 (0.110)	-0.527*** (0.196)
Village FEs	No	No	No	Yes	Yes	Yes
Observations	177	170	182	177	170	182

*Note:*

\* $p < 0.1$ ; \*\* $p < 0.05$ ; \*\*\* $p < 0.01$

more positive feelings toward the government. While not designed to measure the causal effect of aid, this finding is nevertheless consistent with the idea that individuals expect their government to obtain foreign aid, so they express confidence when they know their government does. But a second takeaway, more relevant to the point of this section, is that tax attitudes seem to move in the opposite direction. When individuals are aware their government receives foreign aid, they are less likely to accept the government's right to tax them, even when they approve of its performance. Perhaps individuals feel it is less necessary for them to pay taxes if foreign donors are financing the government.

Some may reasonably express concern that this constitutes evidence that foreign aid crowds out tax collection and undermines legitimacy. But for the kinds of individuals in this poor and rural sample, the position that it is donors and not they who should pay for public goods has considerable merit. Respondents frequently explained their negative reactions to the claim that the government has the right to tax by pointing out that it would be unjust to tax people as poor as

they were. Indeed, most individuals in this sample do not have sufficient income to be taxed; only 12% of respondents reported paying taxes directly to the government. What few taxes respondents do pay do not seem obviously linked to a contractual relationship between themselves and the government. Most individuals reported paying taxes in the form of value added taxes paid to a vendor at point of sale and did not even think about these as taxes that accrue to the government. For wealthy individuals, paying taxes is a regular, obvious, and justified action that acknowledges the legitimacy of the state. In contrast, for the poor, paying taxes is uncommon, often hard to observe, arguably unwarranted, and therefore less relevant to conceptions of legitimacy.

Because wealth is a relevant moderator of the relationship between tax attitudes and legitimacy, it is not clear that tax attitudes measure legitimacy in the contexts that typically receive foreign aid. While there are many determinants of foreign aid allocation,<sup>16</sup> need is an important predictor, and the individuals most likely to benefit from foreign aid in their communities will be least likely to pay taxes.<sup>17</sup> Studies of the relationship between foreign aid and legitimacy, in particular, may wish to avoid this noisy measure or, at least, control for income and taxpayer status.

Some scholars have turned to behavioral games as an innovative way to measure legitimacy.<sup>18</sup> These experimental designs estimate whether individuals are more likely to comply with a request when that request is made by the government. Typically, individuals are encouraged to take some pro-social action; for a randomly selected treatment group, that request is attributed to the government, while the control group hears the same encouragement without any attribution to the

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<sup>16</sup>See Wright and Winters (2010) for a review of the aid allocation literature.

<sup>17</sup>A caveat to this argument is that aid does not always reach the poorest. Winters (2014) points out that there is substantial variation in the success of targeting aid projects to the poorest areas and, subsequently, to the poorest people within those areas. Politically connected individuals and communities may be able to better capture aid, even if they are not as needy. Even so, since the intent behind an aid project is often to benefit the least well off, it is important to recognize that aid beneficiaries will have, on average, lower tax burdens. An alternative or additional mechanism driving this relationship could be that there is less need to tax certain communities because they receive foreign aid (Eubank 2012).

<sup>18</sup>See, e.g. Blair and Roessler 2016; Blair 2018.

government. The average treatment effect represents the legitimacy of the government to make this request: If the government were widely perceived to be legitimate, then we would expect the treatment group to comply more than the control group because the encouragement carries the added weight of the government's authority.

An important advantage to this approach is that it reduces the social desirability bias associated with survey questions. Individuals with negative feelings toward the government may be less likely to answer direct survey questions or may provide untruthful responses (Bullock, Imai and Shapiro 2011). But in an endorsement experiment, individuals are not required to articulate their attitudes toward the government. Instead, researchers rely on the observed average treatment effect to learn about overall public sentiment.

I investigated whether such a method would be suitable for studying aid and legitimacy. Because I knew in advance my experiment would be underpowered, my intention was primarily to learn from the process of piloting this activity rather than to draw robust conclusions. I prioritized check-ins with enumerators to hear their experiences. For these reasons, I leave discussion of the results to the Appendix, focusing here on the design and lessons learned. In brief, I propose that endorsement experiments may be an effective way to study the relationship between aid and legitimacy, but they can be improved by making a non-monetary request and by including a placebo.

I modeled the experimental design on Blair and Roessler (2016), and in the interim, Baldwin and Winters (this issue) have adopted a nearly identical approach. At the conclusion of the survey, I invited participants to contribute part of their earned sitting fee to a charity. Participants heard the following instructions, with treated individuals also hearing the bolded text: "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." Individuals then received the opportunity to, in private, place part of their sitting fee in a contribution bag.

One way this design could be improved is by including a placebo condition. When individuals in the control group do not hear the government encouraging them to donate to charity, they may assume (reasonably so) that the encouragement is coming from the research team. If this is the case, the control group is not really a control group. The presence of white foreigners has been known to affect individuals' behavior in dictator games (Cilliers, Dube and Siddiqi 2015). While white foreigners were not present in this case, individuals were told the survey was being conducted by an American university. The enumerators went to great lengths to explain to respondents that the research study was not associated with any aid projects, but still, individuals may be especially predisposed to comply with researcher demands when they are thinking about possible foreign aid on the line. Indeed, as I report in the Appendix, I measure if anything a negative effect of the government's encouragement, which could just as easily be a positive effect of the researcher's encouragement. This concern could be addressed by including a condition where the request comes from a different, more neutral actor, such as a bank or cell phone company. Alternatively, more ambitious designs could randomize attribution to the government against a pure control group in situations when individuals do not know they are being studied. For instance, individuals could receive an informational pamphlet not known to be associated with a subsequent survey. This would mitigate researcher-driven bias.

A second improvement on this design is to make a non-monetary request of individuals. As described above, one conclusion from my descriptive analysis of the survey data was that in a low-income sample, tax attitudes were not tightly linked to legitimacy. This finding introduces similar concern regarding the specific request I made of participants in this study: to pay part of their income to charity. As the enumerators stressed to me, this is not in fact a request that the government typically makes. Moreover, if the government were to ask this of the kinds of individuals intended to benefit from foreign aid, such a request could seem callous and unfair. Individuals may have reacted to this request as they reacted to the statement that the government has the right to tax, indicating little about their perceptions of the government's legitimacy. Indeed, these individuals are supposed to benefit from, not pay for aid projects. In the future, scholars could

identify non-monetary requests that are more similar to those actually made by governments of their low-income citizens. For example, the Kenyan government regularly encourages individuals to be tested for infectious diseases, vaccinate their livestock, and avoid open defecation.<sup>19</sup> Future studies hoping to measure legitimacy in the context of aid could randomly attribute these messages to the government to test whether the endorsement makes individuals more likely to comply.

Identifying what the government actually demands of its citizens could also result in better survey measures. Individuals in settings like Siaya may not think the government has the right to tax them, but they may think the government has the right to coerce them to undertake other costly behaviors such as those mentioned above. Surveys can easily ask individuals whether they agree the government has the right to require them to make a costly trip to a tuberculosis testing center, and other scenarios that represent the most frequent ways in which governments impose on these citizens. These questions can complement standard questions measuring trust and approval, which avoid making assumptions about state-society interactions, but may not sufficiently distinguish legitimacy from other sentiments.

This section has illustrated that, in the context of foreign aid, some common measurements for legitimacy may be inappropriate. For individuals that benefit from foreign aid, legitimacy may exist outside of the conventional fiscal contract, so measures related to tax and wealth may capture unrelated dynamics. I have offered several suggestions for how scholars can modify both survey and behavioral measures of legitimacy to adapt to low-income settings in the developing world.

Unpacking the measurement of legitimacy may or may not challenge the empirical consensus that aid has little effect on legitimacy. The evidence in this survey — which, lacking statistical power, should be taken as suggestive rather than conclusive — suggests that aid aware individuals are more likely to trust or approve of their government, somewhat less likely to pay taxes, and neither more nor less likely to respond to a government request to donate to charity. If the latter two measures are the most reliant on tentative assumptions, then one reading of these results is that

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<sup>19</sup>Author's observations, August-November 2015. See the Appendix for an example of a Kenyan government poster encouraging individuals to be tested for tuberculosis.

the consensus will continue to hold: Foreign aid appears to elevate legitimacy when measured as approval of or trust in government. But causal evidence of this claim should be found elsewhere, and regardless of its validity, I have proposed concrete steps to separate legitimacy from other phenomena in aid recipient contexts.

## **Conclusion**

This paper has proposed two explanations for why, despite scholars' predictions, foreign aid does not appear to undermine the government's legitimacy in the minds of its citizens. One possibility is that the prediction is based on the assumption that individuals primarily expected their governments to independently provide public goods in exchange for taxes, but individuals in western Kenya expect their governments to receive assistance from other actors. Taking this expectation into account results in theoretical predictions in line with the evidence. In addition, measurement error could account for this gap. I suggested that future studies avoid using measures of legitimacy that are based on the fiscal contract in a low-income setting. Adopting better measures may or may not overturn previous findings but would at least produce more accurate and precise results.

While this study focuses on a single literature in the context of a single case, it highlights a broad and generalizable lesson: theories and measurements often need to be adapted to developing country contexts before the results of theory-testing exercises will make sense. While scholars should be commended for applying canonical theories to new and contemporary cases, it is important that they explicitly identify the assumptions laden in models and measures and collect descriptive evidence on the validity of those assumptions. Absent this, it is difficult to interpret what a theory's failure means. For this reason, survey and ethnographic research can be enormously valuable to researchers wishing to test the performance of a theory in a novel context.

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