

**Which Devil in Development?**  
**A Randomized Study of Citizen Actions Supporting**  
**Foreign Aid in Uganda**

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**Abstract**

Debates over foreign aid effectiveness have neglected the views of recipients, especially as they compare aid to domestic government programs. We argue that citizens may see foreign aid as an escape from clientelism because aid is less politicized than government programs and citizens trust donors more. They may also favor multilateral over bilateral aid for similar reasons. We test the argument with a randomized experiment on a representative subject pool of roughly 3,600 Ugandan citizens. We randomly assigned the project funders for actual forthcoming projects and invited citizens to show support behaviorally. We find that citizens are significantly more willing to support foreign aid projects compared to government programs. A companion survey to the experiment reveals evidence that citizens perceive aid as less prone to politicization. Some evidence indicates that Ugandans also see multilateral donors as superior to bilaterals.

## Introduction

Critics of foreign aid often charge that aid fails because it lacks accountability and thus allows political leaders to use it as they please for clientelism or corruption. The absence of accountability arises because recipients do not pay taxes to fund the aid, do not vote for the officials who allocate it, and therefore lack traditional feedback mechanisms tying public policy to public preferences (Bauer 1972, 1981; Easterly 2001, 2006; Hansen and Tarp 2001; Moyo 2008; Svensson 2000, 2003). Prominent work argues that this broken feedback loop accounts for many problems in making aid effective (Martens et al. 2002). Such criticisms underscore accountability problems with aid. However, they neglect how aid might function *relative* to domestic programs.

We argue that aid needs to be compared to other policies that affect development outcomes, especially the leading alternative: government action. Aid projects occur simultaneously with efforts by domestic governments to boost their economies or otherwise enhance the quality of life of their citizens. Of course, corruption, inefficiency, and incapacity often plague governments in poor countries, so recipients may see foreign assistance – even with aid’s many reported flaws – as superior to government programs. Accountability is a serious problem not only for aid but also for governments and especially for regimes in poor and weakly democratic countries, as substantial research in comparative politics demonstrates (Hicken 2011; Kitschelt 2000; Lyne 2008). While the feedback loop in aid may be weak, it is not clear how much weaker it is than in government actions. We thus ask: How do citizens perceive foreign aid relative to domestic government programs, and will they support aid behaviorally in ways that impose personal costs?

Foreign aid is frequently associated with clientelism and corruption (Alesina and Weder 2002; Morrison 2009; Svensson 2000). In this paper we examine whether that linkage exists for voters and argue that aid, at least in the minds of citizens, may instead serve as a brake on clientelism. We claim that recipients perceive foreign aid as a potential means of escape from the “voter’s dilemma” in clientelist polities (Lyne 2007, 2008). In clientelist systems, out of fear that other voters will defect from the common pursuit of public goods, citizens feel compelled to vote for politicians offering direct exchanges of excludable goods for votes. A given voter perceives that a majority of citizens will opt for clientelism, so if she votes for a politician promising public goods, she will receive neither the public goods nor the excludable benefits. So she may as well take the clientelist payoff.

By contrast, in citizens’ minds foreign aid may – at least partly – bypass this clientelism and provide public goods more broadly. Moreover, voters may perceive that through conditionality foreign donors may also create circumstances that make clientelism more difficult and thus indirectly promote public goods. If voters understand this, they should support aid behaviorally and express understanding of these dynamics verbally. If citizens view aid as a mechanism for escaping from clientelist practices of the government, then we should find that aid is seen as less politicized, that aid agencies are viewed as more accountable and trusted, and that conditionality by aid agencies is supported by the public. These hypotheses and the evidence we find for them allow us to connect the literature on aid to the larger comparative politics debate on accountability and clientelism.

We explore these issues with what, to the best of our knowledge, is the first nationally representative, large-N ( $n = 3,582$ ) study of aid recipients in a developing country. We

conducted a randomized field experiment on citizens throughout Uganda to learn their willingness to undertake actions involving personal costs to support foreign aid. We accompanied the experiment with an extensive survey to probe causal mechanisms. Uganda is a very poor country with high levels of aid flows and thus is a good candidate for a study of recipients' reactions to aid. Our results indicate that recipients in Uganda tend to be very strong supporters of foreign aid. For behavioral outcomes and on most dimensions of the survey, citizens' support for foreign assistance is significantly stronger than for domestic programs. Moreover, we see some evidence that citizens prefer multilateral assistance to bilateral aid, and they identify some of the same politicization and transparency mechanisms in their survey responses.

We also consider evidence that citizens' support for aid was not due to preferring the "free" resources of aid over government programs for which they are taxed. We primed subjects with a statement about the costs of aid; they proved indifferent to this cost condition. Furthermore, we note that the vast majority of Ugandans do not pay meaningful taxes, so it is not clear that government programs are seen as costly to them in any meaningful way. Moreover, we see some treatment effects comparing different foreign donors where perceptions of costs are constant. Finally, in a direct test of our argument, we show that those who view the government as most clientelist and politicized are the most likely to support aid, while those who do not perceive the government this way prefer government action. So, citizen perceptions of costs do not appear to be driving the treatment effects.

Among the alternative policies that foster development, aid may thus be perceived by recipients to be more successful than analysts have previously argued. The causal mechanisms that we identify also lend credence to our argument: citizens see differences in politicization, transparency, and conditionality between domestic and foreign development programs. In addition, in some measures Ugandans prefer multilateral assistance to bilateral aid, especially in perceiving greater multilateral transparency and in their higher trust levels for multilateral donors. We make no claim that aid solves problems of clientelism; rather, we merely assess the degree to which citizens believe this to be so.

This paper is thus organized into five sections. We present the argument and hypotheses to guide our empirical analysis. We then introduce the design of our field experiment and present the results. There we address recipient perceptions of aid and the relevant points of comparison with government and among different types of donors. Finally, we conclude with observations about the views of aid recipients, the effectiveness of aid, and political accountability.

## **The Argument: Aid for Public Goods**

We argue that foreign aid may be preferred by citizens because they believe it provides them with a way out of what Lyne (2007, 2008) calls the “voter’s dilemma” in poor countries: voters may prefer public goods to clientelism – or the contingent exchange of political support for excludable benefits – but are trapped by the knowledge that other voters will likely opt for the clientelist payoffs. To avoid losing access to any benefits, citizens feel compelled to vote for candidates offering excludable goods in lieu of relatively non-

excludable and non-rival national policies, such as infrastructure, education, health, clean water, trash removal, and the like. Thus, clientelism pervades many polities, particularly in poor, developing areas (Brusco, Nazareno, and Stokes 2004; Hicken 2011; Keefer 2007; Remmer 2007; Wantchekon 2003). The comparative politics literature thus points out the pervasive nature of clientelism and politicization in domestic development projects.

The contingent and excludable nature of clientelist exchanges makes them especially pernicious (Piattoni 2001; Roniger 2004). As Carroll and Lyne (2007, 23) write, “In short, direct exchange relationships can encompass large groups and many sectors when groups of citizens vote as part of a *quid pro quo* arrangement with the state or a broker, rather than based on general policy outcomes or even a policy that serves the common interests of their sector or region.” Van de Walle notes that the typical form of clientelism in Africa is what he calls “prebendalism,” where local elites “unambiguously subvert the rule of law for personal gain” (van de Walle 2007, 52). He specifically singles out Uganda as an especially egregious case, where in the early 1990s only 27 percent of central government grants for education actually made it to the schools (van de Walle 2007, 57). The benefits of these prebendal exchanges accrue disproportionately to elites in the ruling party and undermine public goods provision.

Voters may thus see the problems that clientelism creates and may strongly prefer public goods and an end to the corruption that tends to accompany clientelist systems. But they may sense they are powerless to affect other citizens’ votes and thus opt for clientelist outcomes (Stokes 2005). Regardless of income, if voters’ standard of living depends on clientelist exchange, they run substantial risks in voting for politicians offering a

development policy based on public goods provision (Kitschelt and Wilkinson 2007). The individual who votes against clientelism under these conditions receives the sucker's payoff of exclusion from all government-provided goods. Voters thus inevitably choose the clientelist payoffs (Hicken 2011; Hicken and Simmons 2008; Keefer and Vlaicu 2007; Lyne 2007, 2008; Robinson and Verdier 2002). With most voters opting for these targetable benefits, the inefficiencies inherent in clientelism become self-reinforcing and undermine public goods provision (Hicken 2011; Hicken and Simmons 2008; Kitschelt and Wilkinson 2007). The problem thus appears intractable, especially for the poor.

Clientelism, as a direct exchange relationship between voters and politicians, means that voters by necessity have relinquished the possibility of using their vote to pass judgment on overall policy (Brusco, Nazareno, and Stokes 2004). They have given up their main accountability instrument. As a consequence, elections lose their ability to force politicians to carefully attend to the overall social welfare implications of their policies. Development programs run by governments may be riddled with clientelist practices and thus become remarkably ineffective.

However, citizens in poor countries may perceive foreign aid as a potential escape route from the voter's dilemma. If citizens believe that foreign aid can – at least in part – bypass the clientelist system and its accompanying corruption and vote buying, they may prefer aid to government provision of public services. Voters may believe that through monitoring, conditionality, and selectivity aid agencies may enforce more accountable practices on governments than the citizens themselves can. Again, foreign monitoring and conditionality may not be very effective (Kilby 2009; Knack 2004; Svensson 2000), but

citizens may perceive them as *more effective than domestic practices* because of the voter's dilemma faced in clientelist systems. Svensson (2000), among others, shows that the more foreign aid is disbursed to help the poor and neediest, the less incentive the government has to do the same. And this means that in order to promote development, aid agencies have to monitor and condition their funding on government behavior.

Moreover, if citizens believe that aid does not feed the clientelist machine to the same degree as government spending, aid may simultaneously better provide needed public goods *and* create channels of delivery that serve as important counterweights to the entrenched clientelism benefiting elites. When aid agencies finance projects, political leaders may be less able to subvert them through clientelist practices. The involvement of aid agencies may complicate, or partially prevent, attempts by political leaders to link projects and votes. And the public may understand this since citizens are no longer forced to exchange their vote for that particular aid project.

Foreign aid may do this in part through conditionality. By attaching strict conditions for fiscal reform to receipt of aid, donors make future aid contingent on changed practices in the recipient state. Along with austerity measures, conditionality often involves professional accounting procedures and procurement practices that strike directly at corruption and malfeasance. Indeed, as conditionality has evolved at the World Bank and the International Monetary Fund, it has increasingly focused on matters of governance. Especially for the World Bank, conditionality has come to mean "governance and regulatory reforms" (Abdildina and Jaramillo-Vallejo 2005, 87). Citizens may thus believe that conditionality can



help to undermine clientelism. Thus we bring together the research about clientelism and its pervasiveness in comparative politics with that on foreign aid.

Uganda is known to be a country struggling with serious corruption problems. In 2010 it ranked 129 out of 178 countries in terms of perceptions of corruption according to Transparency International. Its corruption score has been worse than that of the average Sub-Saharan African country for years. Its ICRG ranking is also poor; it is listed 74<sup>th</sup> out of 140 countries in 2010, worse than the average Sub-Saharan African country.

An example of the differential treatment of corruption by domestic and international actors in Uganda is illuminating. In November 2007 the Ugandan government organized the Commonwealth Heads of Government Meeting (CHOGM). Afterwards accusations of mismanagement of funds became widespread, and the Public Accounts Committee of the Ugandan Parliament completed its investigations into the case in 2010. The committee tried to present the report, whose findings implicated several top government officials for abuse of office and financial impropriety before Parliament in April 2010 and met with serious delays. In the end all government officials involved were exonerated.

Foreign donors who contributed funds to Uganda's budget, however, were very upset and, within weeks of the move to exculpate the government ministers, the United Kingdom announced a decision to cut 27 billion Ugandan shillings (USh) in aid to Uganda, while the Dutch government slashed their support by 10 billion USH. Later the European Union withheld 11 billion USH in aid over the CHOGM scandal. The World Bank also cut about \$40

million and reduced aid for the following year to \$100 million instead of \$140 million for the same reasons.<sup>1</sup> The willingness of foreign donors to sanction the government for such corruption, in contrast to the failure of its domestic process, is an example of how aid can provide a brake on clientelism in countries with weak domestic accountability mechanisms, such as Uganda. Our experiment, of course, cannot provide a direct test of aid as a solution to the voter's dilemma, but it can provide both experimental and survey evidence that reflects on the underlying mechanisms as they are perceived by citizens.

Our study does not provide direct evidence reflecting on aid effectiveness. Rather, we report citizens' perceptions of aid. Yet these perceptions are relevant to the debate because the effectiveness of aid should shape citizens' views in some measure.

Answers to our survey revealed that subjects knew significantly more about politics and aid than might be expected of citizens in a poor country who have limited education. More than 83 percent of subjects could name their MP in an open-ended prompt, and 70 percent could name their woman MP. More than two thirds of subjects knew that direct foreign aid totaled more than 30 percent of the Ugandan budget (32.6 percent is the officially reported total from the government). Nearly two thirds of subjects reported that they listened daily to the radio, where news programs are frequent. The fact that Ugandans are reasonably well-informed about key features of politics and aid provides some support for the possibility that they may hold diverse and useful information about foreign assistance.

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<sup>1</sup> See e.g, Daily Monitor (2010) and Njoroge (2011a, b).

We may want to pay attention to their views. But even if citizens are ill-informed about aid and its dampening effects on clientelism, their perceptions – and, more importantly, their actions – still help to shape national politics and are thus worthy of study.

Assessing aid's effectiveness depends on comparing its costs and benefits to other policy instruments, so our argument about citizens' perceptions of foreign aid involves comparisons they make with national government programs and among the donors themselves. As one study of policy instruments notes, "The most common and most serious shortcoming in most assessments of the utility of techniques of statecraft is failure to cast the analysis in comparative terms. No matter how much evidence and argument are amassed to demonstrate the uselessness of economic statecraft [such as aid], little has been said that is relevant to policy making until one states or implies the existence of more useful policy instruments" (Baldwin 1985, 123). The main alternative to foreign assistance is domestic government programs. We hypothesize that citizens should be more willing to undertake actions imposing personal costs for foreign aid than for government programs. In addition, if our theory is right about aid, then those who believe the government is most clientelist should evince the strongest preferences for aid; conversely, those who do not see the government as clientelist or corrupt will be much less likely to prefer aid to domestic action.

This conjecture, of course, raises the question of the causal mechanisms involved. The survey that accompanied the field experiment enables us to unpack some of the reasons behind the hypothesized citizen support for aid. Importantly, it is the government programs that citizens may perceive as feeding clientelist networks through vote-buying. Thus, the comparison to government needs to be made with an eye to citizens' perceptions of the

propensity for government programs to be more politically motivated when compared to foreign aid. Moreover, we should see significantly higher levels of citizen trust for aid donors than for the domestic government.

In sum, we propose four hypotheses. If citizens see aid as an escape from the clientelist practices of the government, then we should find that

1. Citizens are more willing to support and pay higher costs to demonstrate their support for aid projects,
2. Citizens view aid projects as less politicized than domestic government programs,
3. Citizens evince greater trust in foreign aid agencies than in their own governmental institutions, and
4. Citizens support conditionality in aid programs.

### **Multilateral versus Bilateral Aid Provision**

Our argument about aid and public goods implies another set of comparisons: distinctions among the foreign donors themselves. Bilateral and multilateral donors differ to some extent both in what sectors they prefer to fund and through what channels they prefer to disburse aid. Roughly 20 percent of bilateral aid is disbursed through NGOs, while less than 5 percent is distributed by multilateral agencies through non-governmental intermediaries.

If we compare the two largest donors central to this study – the World Bank and USAID – the proportions are especially different. Nearly all World Bank projects are managed by recipient governments. Contrastingly, USAID contracts with private companies to manage

projects, and governments rarely see the funds directly. In interviews, multiple officials at USAID and the World Bank told us a similar story about the different aid management styles. For USAID the hardest task is monitoring the contractors and NGOs to minimize agency losses. For the World Bank, the challenge is placing strict auditing and procurement requirements on governments.

Numerous studies conclude that multilateral aid is preferable to bilateral aid (e.g., Burnside and Dollar 2000; Maizels and Nissanke 1984). Theoretically, multilateral aid is often seen as preferable since it is less politically tied to donor countries and their domestic politics. As Martens et al. (2002, 17) conclude, “Multilateral aid agencies may be somewhat shielded against direct political pressure from their member states.” Rodrik (1996, 15) expects better results from multilateral aid because multilateral aid agencies provide more information about recipient countries and allow conditionality to be effective and presents evidence that “multilateral flows are less governed by political considerations than bilateral ones.”

These results for the effectiveness of multilateral vs. bilateral aid rely upon time-series, cross-sectional data gathered at the country-year level, so the well-known challenges for observational data apply. But on balance, the macro-data appear to show that multilateral aid is better at promoting development than bilateral aid. If true, we should see micro-level evidence. Four hypotheses follow: citizens should favor multilateral aid compared to bilateral assistance in terms of (1) behavioral support, (2) perceptions of politicization, (3) trust, and (4) attitudes toward conditionality.

## Research Design

We investigate the hypotheses through a nationally representative field experiment and survey of recipients' preferences over different external and internal funders. The experiment incorporates behavioral responses in which subjects could substantiate (or not) their stated preferences by undertaking actions that imposed personal costs. We administered the instrument on a subject pool of nearly 3,600 subjects in Uganda.

Uganda is relatively stable with robust economic growth, and it has been a magnet for foreign aid. As one study notes "Uganda's economic and political reforms have attracted a great deal of praise since President Yoweri Museveni assumed power in 1986. Regularly cited as one of Africa's few 'donor darlings,' Uganda's structural adjustment program and wide-ranging political reforms have been held responsible for its high economic growth rates and stable governance over the past two decades" (Green 2010, 84).

Freedom House lists Uganda as "partly free," and Polity IV categorizes the country as a closed anocracy (-1 on its 20-point scale from full autocracy at -10 to full democracy at +10). Geddes, Wright and Frantz (2012) code Uganda as a "personalistic regime," and both Hyde and Marinov (2012) and Cheibub, Gandhi, and Vreeland (2010) note that after 2006 Uganda began holding competitive elections where other parties were allowed to compete for office, yet elections were not fully free and fair. Uganda thus appears to be moving toward multiparty democracy. Uganda is widely cited as highly clientelist, and this has been one way for the single-party government of the National Resistance Movement (NRM) led by President Museveni to retain power for many years (Green 2010; van de Walle 2007).

Since the 1990s, aid has been equal to roughly 70 percent of Uganda's government expenditures and 15 percent of its total GDP, though the proportion of aid per GDP declined to 10 percent by 2010, mostly due to rising Ugandan GDP growth occurring alongside relatively stable aid flows. Uganda thus remains heavily aid dependent. The combination of high-levels of clientelism and large amounts of aid make Uganda an ideal location to consider the theoretical argument about citizens' perception of an escape route from the voter's dilemma.

We conducted a nationally and politically representative study that randomly selected subjects. We randomly assigned actual pipeline aid project descriptions to citizens in their villages and neighborhoods. The projects were co-financed by multiple agencies, which allowed us to manipulate the donor presented to the subjects as well as the type of project: an infrastructure project (electricity) and an education project. The projects are jointly funded by multilateral and bilateral donors, with the government also involved in the funding and implementation of the project.

We used a random sampling procedure in which any Ugandan adult had roughly an equal chance of being selected for the subject pool. We started with census data to select the subject pool, matching the number of parliamentary constituencies by region proportional to the census data. Fifty-five constituencies were selected in all, with 15 in the Central region, 15 in the North, 14 in the West, and 11 in the East. We then selected two sub-counties in each constituency, one parish in each sub-county, and one polling station in each parish so that, finally, each parliamentary constituency had two polling stations that served as the Sampling

Start Points (SSPs). Uganda's one-party dominance prompted us to oversample opposition strongholds. See online appendix for additional sampling details.

The instrument was administered to 3,582 respondents by 84 Ugandan enumerators in the four different regions of Uganda during the months of June and July 2012. The average interview time was 59.7 minutes. The instrument was translated into 11 local languages that the enumerators spoke; 420 (12 percent) of the interviews were conducted in English.

English is the official language of Uganda, where multiple mutually unintelligible language families reside, so subjects who received the instrument in English were fluent speakers. We used tablet computers to record the results of the face-to-face interviews.

We further randomized the adult within the household to whom the instrument was administered. To accomplish this, enumerators obtained a list of all adults in the household (by gender, alternating homes) and then randomly chose one of those adults and asked whether they would complete the interview if at home. In all, 48.4 percent of the subjects were male and 51.6 percent were female, suggesting that our balancing procedure worked reasonably well. Likewise, education, gender, age, party, religion, and regional variables were not significantly related to whether subjects received given experimental conditions.

The experimental manipulation presented the subjects with a randomly assigned single project description and a randomly assigned provider of funds for that project.

Enumerators then invited the subjects to support the project by signing a petition and



sending an SMS message.<sup>2</sup> The two projects we chose were in electricity and education. Neither project type was significantly preferred over the other in the between-subjects design, which may reflect the fact that both types of projects are desperately sought after in Uganda.

Our framing question was: “The Electricity Sector Development Project will improve the reliability of and increase access to electricity. One major aspect of the project is to extend electricity to those who do not yet have access to it. The project may require your community to provide funding for maintenance in the future. [This project will be funded by the {RANDOMLY ASSIGNED FUNDER}.] How much would you support this project?” See online appendix for education project description.

We included the sentence about future expenses (“may require your community to provide funding...”) to increase the respondents’ sense that this project might cost them something to support. Given that aid may be perceived as “free money” whereas government programs may imply increased taxes, we were concerned that offering a project without any noted costs might lead all subjects to support it.

In September of 2012, we performed a subsequent study of 460 randomly selected subjects. We randomly assigned half of the subjects to receive information about the projects without the cost condition added; the other half heard the cost condition. In the end,

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<sup>2</sup> Manipulation checks show that subjects recalled the type of project and the type of donor in most cases (89% of the time for project and 63% of the time for donor).

assignment to the cost condition had no significant effect on support for the projects, which was overwhelmingly high in both conditions. Less than three percent of subjects somewhat or strongly opposed the projects, but more than 97 percent either somewhat (9 percent for education, 13 percent for electricity) or strongly (89 percent for education, 84 percent for electricity) supported the projects. Assignment to the cost condition did not significantly alter these proportions, suggesting that subjects are relatively indifferent to costs for development projects they perceive as desperately needed. While we acknowledge that the cost condition may be weak, available evidence suggests that relative subject indifference to the costs of vital development projects is a more plausible explanation.

We find little evidence that the average Ugandan pays more for government programs than foreign ones. First, the majority of Ugandans are exempt from paying any income tax. The threshold for income tax payment is 1.56 million Ugandan shillings (USh) per year, which equates to roughly 604 U.S. dollars (in October of 2012). Our average subject reported earning 20,543 USh per week, which sums to 1.07 million USh per year – well below the threshold. Indeed, only 488 of 3,582 subjects, or 13.6 percent, reported earnings exceeding the income-tax threshold, meaning that 86 percent of subjects were exempt from income tax. And of the 14 percent not exempt, it is unclear what proportion actually pays taxes. Subjects should not be sensitive to tax costs if they do not pay taxes. It is possible that a larger share of Ugandans occasionally pays sales or value-added tax when they engage in the formal economy. But again, the proportion of formal transactions is very small given that most Ugandans do business in informal markets and pay cash. Ugandan tax collection is notoriously ineffective, making what taxes are due much less menacing. This suggests that

there are not significant cost differences for the average Ugandan between aid- and government-financed projects.

Despite this, a skeptic might still assert that “free” aid resources will feel to Ugandans like they come in addition to government projects that they can already take for granted. However, here it is essential to avoid adopting a rich-country mindset when contemplating the subjects’ options. Average Ugandans typically see relatively little evidence of public goods projects, either from foreign donors or the government, so they ought to (and this study finds they do) support needed projects in high numbers. Ugandans are citizens of one of the poorest countries in the world, and 80 percent of them live in rural poverty. Given that they do not receive reliable public goods from the government, any project is a significant step change from what they currently have. There are few government resources they can take for granted.

Further, the study reported here employs a between-subjects design, so subjects are not comparing in any way foreign aid to government projects. Subjects only see one condition. There is no additional project mentioned. There is only the one, which enables us to look for meaningful differences in levels of support between identical projects that are randomly assigned as originating from a foreign donor or the government. In addition, we undertake one subgroup analysis that directly tests our claim and that suggests the cost condition is not driving the results: we examine differences between those who believe the government is very clientelist and corrupt and those who do not. If we are right, we should find significant differences between these two groups in their support for aid. The former

group should be much more supportive of aid even though both groups received the same cost condition.

Additionally, we would argue that it is defensible to take our subjects' responses at face value when we probe the mechanisms underlying the behavioral support. As we report below, when we ask about differences in trust, clientelism, and transparency between aid and government funding, the divergence is stark. A natural conclusion is that the strong contrast in citizens' perceptions of foreign donors vs. the government should show up in the behavioral outcomes.

And finally, we not only see treatment effects between aid and the government control, we see some significant differences in citizen support between multilateral and bilateral donors and among some individual donors themselves. And the treatment effects map directly onto these differences in views about the politicization and transparency of the government versus donors; subjects are more willing to support projects from donors they see as less prone to enable corruption and clientelism. Since, by the logic of "free money," all forms of foreign aid should be perceived as equally free, it is likely that cost is therefore not driving the treatment effects.

The funding organizations we randomly assigned were the World Bank, the African Development Bank, the Government of the United States, the Government of China, a generic multilateral institution ("an international organization funded by many countries"), a generic bilateral agency ("a single foreign country"), and No Donor, where we omitted the sentence indicating which agency was funding the project. In this last case we assumed that recipients would associate this case with their own domestic government spending. We elected not to

name the government explicitly out of fear that generalized paranoia toward government might bias responses. Given that the instrument was delivered by Ugandan enumerators in the local language, that no association was made with foreign aid until later in the instrument, and that reference was made to a public policy development project, the assumption of government association with the project seems tenable.

Again, we tested this conjecture with the follow-up study involving 460 randomly selected subjects. We presented them with the projects in the control condition exactly as in the main study, leaving off the identification of the donor, and then we followed up with a question asking who funded the project. The question was open-ended, allowing free response and giving subjects no options from which to choose. In reply, more than half of all subjects stated that they believed the project was funded by some branch of government (51 percent for electricity and 52 percent for education).

However, in the follow-up survey an additional 38 percent of subjects for the electricity project and 37 percent for education surmised that the project came from an international donor. Thus, the control condition was mostly – but not entirely – successful in bringing to mind the government as funder of the projects. However, any attribution to foreign donors should shrink the gap between treatment and control and thereby favor the null hypothesis that there is no difference between conditions. Thus, for the more than one third of subjects who attributed the projects in the control group to foreign donors, the results reported below very likely *understate* the treatment effects, making aid seem less preferred than it actually is.

For the behavioral outcomes, if subjects answered that they endorsed the projects – and 80 to 90 percent did in the main study – we invited them to sign a paper petition and send an SMS text message in support. Subjects were told that the petition and texts would be forwarded to donors, which occurred upon completion of the study. If subjects agreed to sign, they were presented with the petition and enumerators recorded whether or not they actually signed.

If subjects agreed to send an SMS message, they were given a slip of paper with the SMS number printed on it and asked to send a text later that day. SMS texts cost Ugandans between 50 and 130 USH, so the text represented an actual cost to the subjects that they did not expect to recover. And given the low weekly incomes reported above, for the vast majority of subjects the cost likely appeared non-trivial. All SMS calls to the number were tallied on a crowdsourcing platform and relayed to potential donors upon completion of the study. All subjects who sent texts were reimbursed for the cost of the text, though we never signaled this intent up front.

In the survey we asked subjects to relate their reasons for supporting or opposing these projects. We were interested in the causal mechanisms linking their preferences to the outcomes. To assess politicization, we asked a series of questions probing subjects' perceptions of funders' interest in serving needy people in the country versus providing payoffs to friends or allies as clientelist exchanges dictate. To measure transparency we asked subjects to assess the ease of observing where funds were spent among different funders. Survey questions also examined subjects' perceptions of the government's and donors' effectiveness in achieving development objectives. Finally, we asked a series of

standard questions to learn how subjects differentiated among the various funders in the levels of trust accorded them.

## **Foreign Donor vs. Government Provision Results**

### **Descriptive Background**

In the survey accompanying our experiment, we asked several sets of questions that explored public attitudes toward aid generally. Using data on all subjects in the sample, we find strong support for foreign aid. Our first questions asked whether the respondent thought foreign aid for Uganda and for their district should be increased, kept the same, or decreased. For the country as a whole, 81 percent thought it should be increased a lot in contrast to 1 percent who thought it should be decreased a lot. And the proportion that thought aid should be increased at all versus decreased was 93 percent versus less than 3 percent. The support for aid was even higher (95 percent support an increase) when we asked about aid directed to their district. Overwhelming majorities then supported increasing aid and many supported increasing it by a lot. Moreover, 67 percent thought aid had a positive or very positive effect on the Ugandan economy. Similarly large majorities thought it had positive effects on the central and local governments, roughly 71 percent and 66 percent, respectively. A smaller proportion, however – only 42 percent – thought it had a positive effect on individuals like themselves. Many Ugandans thus see aid as a positive factor in their national context. This provides some evidence that Ugandans see foreign aid as providing public goods.

Ugandans do not hold just positive views of aid, however. Nearly 80 percent reported that they had never benefited personally from an aid project. In addition, they are not happy about how aid funds are spent. More than 35 percent felt that more than half of all aid dollars do not go to the projects they were intended to support. These latter findings are consistent with the claims of many critics of aid. But this presents only half of the picture. The only way to adequately assess the effectiveness of aid is to ask how it compares to other policies that affect the living standards of the poor, especially government programs.

Hence we turn to a comparison along several dimensions of Ugandans' views of foreign aid relative to government projects. When we asked Ugandans who they thought could most effectively carry out the randomly assigned project, the largest percentage replied with the name of a foreign aid donor (31 percent). The next most popular were NGOs (27 percent). But the least effective in respondents' minds were the local and national Ugandan governments (10 percent and 15 percent, respectively).

## **Experimental Results**

If the public believes that aid projects are more likely to succeed in meeting their needs than government-sponsored programs, then they should be more likely to state support for aid and, more importantly, pay costs to demonstrate that support. This finding should be especially true for those who believe the government is very clientelist. What follows, especially the behavioral outcomes of the petition and SMS response, comprised the central experimental portion of the study.



Relative to government-sponsored programs, individuals are generally more likely to give verbal support for aid. When we asked subjects if they were willing to sign a petition or send a text, their responses were usually positive but treatment effects for aid vs. government were mixed. However, when considering the behavioral responses, we see significant and consistent differences in the likelihood that citizens will take actions imposing personal costs to support foreign aid relative to domestic government projects. While Ugandans want the presented foreign aid projects, they are willing to do more to promote the projects funded by foreign donors compared to their government.

Overall, stated support for these projects, no matter the funding group, is high: 77 percent of subjects strongly support the foreign-funded projects. Another 11 percent supported it somewhat, compared to 73 percent and 14 percent in the control condition implying the domestic government. The mean level of support for foreign aid – where 1 is strongly oppose and 4 is strongly support – is 3.56, and 3.52 for government. The difference in means on basic support levels is not statistically significant ( $p = 0.42$ ). Nevertheless, when we ask respondents if they are willing to tell their local village leaders that they support the project, we do see significant differences in the aid and control conditions. The mean for those in the aid condition is 0.94, while the mean for the government provision condition is 0.91, which is significantly lower ( $p = 0.021$ ). See Table 1. As we discuss below, limiting the analysis to those subjects that perceive government corruption and clientelism improves these findings, and focusing the analysis on subjects passing a manipulation check strengthens these results significantly.

In behavioral outcomes shown in Table 1, where subject responses are likely more meaningful given the costs involved, subjects are significantly more likely to take action to demonstrate their support for the foreign aid initiatives over government projects. Among those who were assigned a foreign donor, 80.2 percent actually signed the petition compared to 76.6 percent in the control condition. The difference was statistically significant at the 0.1 level ( $p = 0.060$ ), and the result is stronger when the analysis is limited to subjects perceiving corruption and much stronger when limiting the sample to those passing the manipulation check. In addition, when we asked respondents if they were willing to send an SMS telling of their support, a significantly larger percent responded yes to this in the foreign aid condition than in the control: 0.64 versus 0.59 ( $p = 0.056$ ).

Finally, the proportion of subjects with cell phones that actually sent the SMS text message was nearly double (4.9 percent) in the aid condition compared to the control (2.5 percent). Of course, in both conditions the proportion is very small, perhaps suggesting that citizens were willing to pay fewer tangible costs to support the project. But it may also indicate that subjects had to recall their promise to send a text, recover the slip of paper with the number, and actually send the SMS. The difference between the aid treatments and the control is also statistically significant at the 0.1 level ( $p = 0.057$ ) and this holds for subjects perceiving corruption and subjects who passed the manipulation check. The statistical differences between subjects' expressions of willingness to take action and their actual behavior underscore the importance of measuring action rather than merely attitudes.

A more telling means of probing our hypotheses involves sub-group analysis of the subjects perceiving corruption and clientelism compared to subjects not voicing such

concerns. Our argument about aid helping to resolve the clientelist trap assumes that citizens perceive the government to be highly clientelist; for those who don't believe this, our claims should not apply. If our argument is correct, we should find substantial differences in support for aid between the two subgroups. In key ways subgroup analysis presents a higher hurdle for recovering heterogeneous treatment effects than regression with interaction terms, and it also proves easier to interpret. More than three-fourths of subjects, or 76.5 percent, agreed (16.4 percent) or strongly agreed (60.1 percent) with the statement that "The current government leaders take government money to benefit *themselves and their friends*." The remainder agreed (11.0 percent) with, strongly agreed (10.8 percent) with, or expressed neutrality (1.7 percent) toward the statement that "The current government leaders use government money to benefit *everyone in the country*."

Analyzing these two groups separately, we found that the treatment effects in favor of aid hold in the analysis for the subgroup of subjects perceiving clientelism and corruption. All of the *t* statistics are correctly signed and most are stronger than when all subjects are grouped together. For the subgroup that did not perceive pervasive corruption and clientelism in the government the effects of the aid treatment are all positively signed and null (meaning that subjects favored government over aid) – or significantly positive at the 0.1 level for expressing support for the project.

In the results reported above in Table 1, we include all subjects assigned to a treatment or control condition. Unfortunately, some of the subjects may not have fully understood parts of the experiment. For this reason we included manipulation checks asking if subjects recalled the named donor. When we exclude subjects who failed the manipulation

check, which came 13 questions after the experimental prompt and followed shortly after the verbal and behavioral outcome measures, the results are strengthened. All six experimental outcomes are statistically significant: expressing support for the project ( $p = 0.000$ ); being willing to tell of their support ( $p = 0.000$ ); being willing to sign the petition ( $p = 0.001$ ); actually signing the petition ( $p = 0.000$ ); being willing to send the SMS ( $p = 0.000$ ); and sending the SMS ( $p = 0.058$ ). Hence when limiting the sample to those who understood the experiment, we find strong support for our argument across all six dependent variables.

A question may arise as to the substantive significance of these results. After all, at most the main effects involved a shift of only a few percentage points. Of course, the substantive significance of the results increases dramatically when we restrict the analysis to the two thirds of subjects that passed the manipulation check. Part of the perception of small treatment effects might relate to the very high base rates of support for the projects. Another way to think about the substantive effects is therefore to reverse the proportions and consider instead the people who opposed the projects or either refused or failed to undertake the requested behaviors. Take, for example, the proportion failing to sign the petition among the subjects perceiving corruption. In the control condition the proportion failing to sign the petition was 26 percent, but in the aid treatment condition the proportion was only 20 percent, which marked an improvement of better than one fourth from the base rate. Of course, these substantive results are much greater when restricting the analysis to subjects passing the manipulation check.

There would certainly be justification for reporting the results with only those that pass the manipulation check, especially because those subjects understood the prompt and

hence the experiment more completely. We opted for the more conservative approach of reporting all subjects because dropping subjects may affect the representativeness of the overall sample (Berinsky, Margolis, and Sances 2012). Indeed, a follow-up analysis shows that individuals who perceived clientelism and reported higher education, higher wealth, and greater media exposure were more likely to pass the manipulation check. Since these subjects may be most likely to follow and engage in the aid and development process, these latter results may be especially relevant.

In the online appendix we discuss further and show the results from robustness tests about these manipulation checks. Because passing the manipulation check may be non-random, we estimated a Heckman selection model for expressing support for the project and Heckman probit models on the other five outcomes (See Table 2). All of the coefficients for the aid treatment, save for one, remain statistically significant.

The results are strengthened further when, rather than employing a selection model, we interacted the treatment with the manipulation check, as shown in Online Appendix Table 3 and Appendix Figure 1. Critically, the marginal effects are all statistically significant in the expected direction, with the aid treatment causing significantly greater attitudinal and behavioral support for subjects passing the manipulation check. Treatment effects for subjects failing the manipulation check were negative and often significant.

In sum, the results are intriguing when we include all subjects in the analysis, especially given that the most meaningful outcomes – signing a petition and sending an SMS – were statistically significant. But limiting the sample to those who believed the government to be very clientelist strengthens the results. Citizens given the aid treatment and passing the

manipulation check are also more likely on all outcome measures, save expression of willingness to send the SMS in the selection model, to verbalize support and to take supportive actions imposing personal costs. There is thus considerable evidence that citizens prefer foreign-funded development projects to government-sponsored projects.

## Causal Mechanisms

Why do Ugandan citizens have a stronger preference for foreign aid relative to domestic programs? We asked subjects to choose between similar statements about how foreign aid funds and domestic government funds are allocated, and respondents strongly believed that aid projects benefited the poorest and neediest more than the political allies of the agency or government, and they thought aid dollars were more likely than domestic government funds to go to the poorest and neediest than to political cronies. We asked whether they agreed more with statement 1 or 2: “*Statement 1*: Aid from a [foreign donor] most helps the friends or allies of the donor that is giving the money. Or *Statement 2*: Aid from a [foreign donor] most helps the neediest people in your country.” As noted above, we also asked them to choose between these two statements about their own government: “*Statement 1*: The current government leaders take government money to benefit themselves and their friends. *Statement 2*: The current government leaders use government money to benefit everyone in the country.” On a scale of 1 (agreeing with statement 1 the most) to 5

(agreeing with statement 2 the most), the mean for the foreign aid question was significantly greater than that for the government (3.20 vs. 1.96,  $p = 0.0000$ ).<sup>3</sup> Ugandans thus believe that domestic government programs are far more politicized than foreign aid projects.

They also trust the foreign agencies and international organizations more than they do all of their main domestic political institutions. We asked Ugandans about their levels of trust for a number of different institutions. We asked about their local village council leaders (LC III), provincial governors (LC V), their members of parliament (MP), parliament overall, the dominant NRM party, and the president. For international institutions we asked respondents to state their level of trust in the IMF, USAID, the World Bank, and UNDP. In nearly all comparisons there was a statistically significant difference between the domestic and the international institution.<sup>4</sup> See Table 2. Only when the IMF was compared to some domestic institutions were there statistically insignificant results. Ugandans thus evince a strong preference for international institutions that provide aid in comparison to their own government.

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<sup>3</sup> When restricted to those who passed the manipulation checks, the results are similar: the mean for the foreign aid question was significantly greater than that for the government (3.15 vs. 1.84,  $p = 0.0000$ ).

<sup>4</sup> The Trust question for the international institutions was only asked of people who said they had heard of the institution.

We also asked respondents about their views of aid conditionality. Conventional wisdom, supported by mass protests against international financial institutions in multiple countries, assumes that the vast majority of recipients do not like conditions that are imposed on their aid flows. We asked subjects to choose between Statements 1 and 2:

*Statement 1:* “The conditions or requirements set by [an individual foreign government or an international institution] in order for Uganda to receive aid are unfair and hurt Uganda. Or

*Statement 2:* “The conditions or requirements set by [an individual foreign government or an international institution] in order for Uganda to receive aid help Uganda to reform and become a better country.” We find that roughly 50 percent of subjects approve of conditionality by aid agencies. A much higher proportion thus supports conditionality than conventional wisdom suggests. This appears consistent with our argument advancing aid conditionality as a counterweight to corruption and clientelism. In sum, the survey and experimental data support the four main hypotheses that we outlined above, buttressing our argument that the public may see foreign aid as a way out of the voter’s dilemma posed by clientelism. Ugandans support foreign aid projects more than domestic government programs, they feel there is less politicization in the foreign projects, they trust the foreign aid agencies more than their own government, and a significantly higher proportion supports conditionality than conventional wisdom suggests.



## Multilateral vs. Bilateral Donors Results

### Descriptive Background

Next we turn to subjects' behavioral responses to random assignment of different foreign aid donors. As noted, USAID primarily contracts with U.S.-based companies, NGOs, and their partners.<sup>5</sup> In contrast, the World Bank and African Development Bank provide most of their aid funds directly to the government, which then implements the projects while abiding by strict procurement and accounting criteria.<sup>6</sup> Other bilateral aid agencies are somewhere in the middle, giving both direct government aid and contracting to do their own projects. Citizens appear to pick up on the differences across donors.

When we asked respondents whether aid from multilaterals versus bilaterals had the most impact and the least waste in achieving its goals, 61 percent thought multilaterals did better compared to 34 percent in favor of bilaterals. When we asked them whether aid projects funded by multilateral organizations versus those funded by bilaterals most often

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<sup>5</sup> For Uganda, the OECD Creditor Reporting System shows that it received only \$0.2m in 2010 for budget support from the USAID, which was 0.05% of total U.S. ODA received.

<sup>6</sup> In 2010, according to the OECD Creditor Reporting System, the World Bank gave \$100.9m in budget support to Uganda. Uganda received 30.7% of IDA funds as budget support, while other developing countries received only 21.1%. Budget support is not the only group of funds that goes directly to the government, but it is the easiest to count.

matched the needs of their community, nearly twice as many (59 to 34 percent) said that the multilaterals were better.

### **Experimental Results for Bilateral vs. Multilateral Donors**

We explored the treatment effects of assignment to four different donors. First we focus on the broader distinction between multilateral and bilateral aid programs, collapsing the four categories (U.S. Government, Chinese Government vs. World Bank, African Development Bank) into two (bilateral and multilateral). In general, we found several significant differences in attitudes toward the donors at the broadest level. Ugandan citizens who had heard of the institutions assigned to them seemed to prefer multilateral aid donors over bilateral ones. They were more willing to express support for projects by multilateral donors than bilaterals (3.68 vs. 3.60,  $p = 0.086$ ). They were more willing to agree to sign a petition (0.88 vs. 0.83,  $p = 0.032$ ) and actually signed the petitions more often (0.85 vs. 0.81,  $p = 0.033$ ) when in the multilateral condition.<sup>7</sup> These results lend some credence to the survey responses reported above indicating a preference for multilateral donors.

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<sup>7</sup> When we also include the generic categories of a “single foreign government” and an “international organization,” our results weaken. Then only the willingness to express support is significant (3.63 for multilateral vs. 3.56 for bilateral,  $p = 0.065$ ). Excluding all those who did not pass the manipulation checks weakens our results here.

The public in Uganda perceived a few significant differences between the U.S. and the Chinese bilateral programs, but none between the World Bank and the AfDB. For the U.S. and China, individuals were significantly more willing ( $p = 0.014$ ) to tell their local leaders of their support for U.S. projects (0.96) than for Chinese ones (0.91). And citizens with cellphones also sent the SMS significantly more often ( $p = .021$ ) in the US condition (9.0%) than in the China condition (3.2%). None of the other bilateral differences were significant. Thus overall, some evidence suggests that Ugandans prefer multilateral aid projects over bilateral ones and that they prefer the U.S. to give them aid rather than the Chinese.

### Survey Measures of Mechanisms

Interestingly, in the survey there were two areas that revealed significant differences between citizens' perceptions of bilateral and multilateral aid, as shown in Table 3. These findings provide support for our main hypotheses about why recipients should prefer foreign aid generally and multilateral aid in particular. In both cases multilateral aid is again preferred. In some areas where we expected differences to emerge between bilateral and multilateral donors, they did not. Citizens did not seem to believe that multilateral aid was significantly more likely to help the neediest people than bilateral projects, nor that multilateral projects were significantly more likely to be located where they will do the most good. However, probing recipient's trust did reveal a stronger preference for multilateral aid. When aggregating trust across multilaterals and bilaterals, respondents clearly have much higher levels of trust for multilateral organizations (mean = 3.26 for ML vs. 2.80 for BL,  $p = 0.00$ ).

In addition, when examining citizens' perceptions of transparency, we find again that multilateral donors are seen as more transparent. We asked respondents to choose between two statements: "*Statement 1*: It is easier to see where aid from [an international organization] is spent and to monitor how it is used. Or *Statement 2*: It is easier to see where aid from [an individual foreign government] is spent and to monitor how it is used." The first was significantly more likely for international organizations than for individual country governments ( $p = 0.00$ ) thus indicating that citizens perceive much greater transparency in multilaterals than bilaterals. Finally, Ugandans do not distinguish between the value of conditionality for multilateral versus bilateral aid donors ( $p = 0.96$ ). In the survey results, then, we found some support for our hypothesized mechanisms. Ugandans prefer multilateral donors because they appear more transparent and thus more trustworthy, not because they are more effective, less politicized or impose conditionality more forcefully. The macro literature that focuses on these latter mechanisms may therefore need to be adjusted with these findings in mind.

## Conclusions

Ugandans express significant verbal and behavioral support for foreign aid. They strongly desire aid projects and are willing to take actions imposing personal costs to show this support, especially when compared to most realistic alternative to aid, domestic government projects. We have argued that citizens may see foreign aid as a way of promoting public goods without strengthening clientelism and its associated corruption, patronage, and vote buying. Our survey and experimental data support our four hypotheses: 1. Citizens are

more willing to support aid by taking behavioral action imposing personal costs through signing a petition and sending an SMS, 2. They view aid as less politicized than government programs, 3. They evince greater trust in foreign donor agencies than government institutions, and 4. A large share of citizens support aid conditionality. In addition, we show that a direct implication of our argument holds: citizens who perceive the government to be very clientelist and corrupt are much more likely to prefer aid than those who view the government more favorably. We also identified the causal mechanisms associated with greater support for foreign projects: less politicization, greater trust, and support for conditionality. For voters these mechanisms may serve as ways that public projects can escape from the voter's dilemma posed by clientelism in weakly institutionalized polities such as Uganda. Our research thus brings together the well-developed comparative politics literature detailing pervasive clientelism and corruption in developing countries with the political economy research on foreign aid.

We also explored the difference between aid donors. We asked whether the micro-level data we collected might support the extant claims that multilateral aid was preferred to bilateral. Our experiment provides some support for the related hypotheses. Citizens support multilateral aid behaviorally by expressing willingness to sign a petition and actually signing a petition in greater proportions than for bilateral aid. Although they do not see multilateral aid as more effective, citizens do trust multilateral donors more than bilateral agencies, and they see multilaterals as more transparent.

Several factors may have led us to underestimate the effects of our experiment. First, the percentages of Ugandans who support the aid projects (89%) and want more aid (93%)

are extremely high, bordering on 100%. This imposes a ceiling on our positive results.

Second, before and during the time our survey was running a highly controversial issue was pitting many Ugandans against Western aid agencies. Legislators in 2009 and 2012 proposed a bill that would make homosexuality a capital crime. Western governments and aid agencies vigorously campaigned against this and threatened to cut off aid. Ugandans reacted very negatively against these groups for their intervention in local politics.<sup>8</sup>

These findings have implications for scholarship and policy on foreign aid. First, it is important when discussing the effectiveness of a policy instrument to compare it to other actual alternatives, especially those most likely to be used in its absence. Aid may not be that effective, but no other realistic alternative may be better. It is important to place foreign aid within the context of the well-known problems of government provision of public goods in poor, developing nations.

Second, we provide some of the first systematic evidence on recipients' beliefs about foreign aid. The high-profile debate about aid effectiveness has occurred largely devoid of attention to recipient views. And this neglect of beneficiaries' opinions only deepens the irony of the broken feedback loop. Donors should prioritize the views of recipients; it is likely that recipients possess information not simply about their aid preferences but also about the effectiveness of the projects themselves.

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<sup>8</sup> See e.g., Kron (2012).

Third, we provide evidence about the mechanisms that make recipients value aid relative to government programs. The sharpest comparisons relate to the differences recipients perceive between the politicization, transparency, and effectiveness of foreign aid relative to government programs. Consistently, recipients view aid as less prone to political manipulation and as better able to provide public goods compared to government activities. These findings raise questions about theories of foreign aid that predict that the public in recipient countries is the loser. While it is claimed that “Paradoxically, the losers from aid are the average citizens in recipient states: precisely the people who are the nominal beneficiaries,” our study suggests that this assertion must be put into a larger perspective (Bueno de Mesquita and Smith 2009, 336). Citizens in poor, clientelist countries may believe they gain even less from government programs than from aid.

Is our finding confined only to Uganda? We think that similar results are likely in other developing countries that have weak political institutions and limited democracy. We expect that as countries grow richer and more democratic our findings would weaken. Government programs in these latter types of countries are probably less subject to clientelism and corruption and hence more effective; if so this would improve citizens’ perceptions of government programs and lessen the contrast to foreign aid projects.<sup>9</sup>

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<sup>9</sup> Scholars have shown that democracies provide public goods at higher rates than autocracies (e.g., Baum and Lake 2003).

Finally, these findings are related to the issue of accountability and the differences that aid agencies can make. Clientelism is a serious problem in poor, weakly institutionalized democratizing polities such as Uganda. Development projects run by governments may be very ineffective as they succumb to clientelist pressures, and voters may relinquish their accountability mechanism in exchange for whatever government benefits they can acquire. Citizens may believe that aid agencies, even with poor monitoring and conditionality, may be better equipped to deter clientelism and ensure project efficacy in such weak polities. Citizens may thus see foreign intervention as a way out of the voter's dilemma in clientelist systems.



**Table 1: Experimental Results**

	<b>Support Project</b>	<b>Tell Support</b>	<b>Willing to Sign</b>	<b>Signed Petition</b>	<b>Willing to SMS</b>	<b>Sent SMS</b>
<b>All respondents</b>						
Control/Gov't.	3.52	0.91	0.82	0.77	0.59	0.02
Aid	3.56	<b>0.94</b>	0.83	<i>0.80</i>	<i>0.64</i>	<i>0.05</i>
T-test	-0.81	-2.31	-0.83	-1.88	-1.92	-1.91
P-value	0.420	0.021	0.405	0.060	0.056	0.057
<b>Subgroup Perceiving Corruption &amp; Clientelism</b>						
Control/Gov't.	3.46	0.90	0.80	0.74	0.69	0.03
Aid	3.55	<b>0.94</b>	0.83	<b>0.80</b>	0.71	<i>0.05</i>
T-test	-1.68	-2.25	-1.23	-2.23	-0.56	-1.92
P-value	0.09	0.03	0.22	0.03	0.58	0.06
<b>Subgroup Not Perceiving Corruption &amp; Clientelism</b>						
Control/Gov't.	3.70	0.94	0.86	0.83	0.86	0.02
Aid	<i>3.58</i>	0.92	0.84	0.82	0.78	0.03
T-test	1.71	0.69	0.53	0.20	1.38	0.40
P-value	0.09	0.49	0.60	0.84	0.17	0.69
<b>Passed manipulation check</b>						
Control/Gov't.	3.42	0.88	0.78	0.72	0.54	<i>0.03</i>
Aid	<b>3.66</b>	<b>0.96</b>	<b>0.85</b>	<b>0.83</b>	<b>0.68</b>	<i>0.06</i>
T-test	-4.19	-4.01	-3.30	-4.10	-5.12	-1.91
P-value	0.000	0.000	0.001	0.000	0.000	0.058

Negative t-test values mean that the second row is larger than the first row. A positive value means that the first row is larger than the second. Italicized means indicate that the difference is significant at the 0.10 level; bold at the 0.05 level.

**Table 2: Trust Levels for Domestic Versus International Institutions**

	Intl	IMF	USAID	WB	UNDP	AFDB
Domestic	<i>Means</i>	<i>3.07</i>	<i>3.38</i>	<i>3.34</i>	<i>3.29</i>	<i>3.15</i>
LC5	<i>2.92</i>	<b>-4.07</b>	<b>-15.41</b>	<b>-16.53</b>	<b>-9.93</b>	<b>-6.86</b>
LC3	<i>3.07</i>	0.01	<b>-11.15</b>	<b>-11.35</b>	<b>-6.41</b>	<b>-2.63</b>
MP	<i>3.02</i>	-1.38	<b>-12.24</b>	<b>-12.81</b>	<b>-7.38</b>	<b>-3.99</b>
Parliament	<i>3.03</i>	-0.95	<b>-12.43</b>	<b>-12.83</b>	<b>-7.42</b>	<b>-3.70</b>
NRM	<i>2.89</i>	<b>-4.43</b>	<b>-14.76</b>	<b>-16.16</b>	<b>-9.56</b>	<b>-6.96</b>
President	<i>3.06</i>	-0.09	<b>-10.04</b>	<b>-10.41</b>	<b>-5.73</b>	<b>-2.44</b>

Note: Mean trust in italics; t-statistics in cells. Bold t-stats indicate significant differences.

**Table 3: Survey Outcome Results for Multilateral vs. Bilateral Aid**

	<b>Mean (Multilateral Aid)</b>	<b>Mean (Bilateral Aid)</b>	<b><i>t</i> stat on difference</b>
Trust	3.27	2.80	9.86
Transparency	0.63	0.37	21.15

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