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DOES CORRUPTION CAUSE AID FATIGUE?

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Does Corruption Cause Aid Fatigue? Public Opinion, Sustainable Development, and the Paradox of Aid.

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Abstract

Does corruption reduce support for foreign aid? General explanations for aid fatigue, such as meagre development results and the perception that taxpayers' money is being wasted fail to solve what we call the *aid-corruption paradox*, namely that the need for foreign aid is often the greatest in corrupt environments. Corruption can be seen as an external impediment on the effectiveness of aid, but also as an internal and important target of aid-driven efforts to improve governments. This paper explores the influence of corruption on support for foreign aid and conditions under which corruption causes aid fatigue. Building on studies of the motives for foreign aid and the social acceptability of corruption, we suggest that the relationship between corruption and aid fatigue substantially depends on fundamental beliefs about the role of foreign aid. The analysis builds on data from the 2009 Eurobarometer survey. Our findings have implications for understanding the consequences of the remarkable increase in exposure of corruption in recent years, efforts to tackle global environmental challenges, and fundamental relationships between corruption and aid legitimacy.

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Introduction

The debate about support for foreign aid has taken on a greater significance in recent years as aid commitments have climbed sharply. As demand for foreign aid rises with countries seeking to meet the Millennium Development Goals, and donors agreeing on unprecedented increases in aid in emerging fields such as climate change, there is now a new sense of urgency that the supply of aid has to be more forthcoming. One of the few concrete outcomes of the Copenhagen accords on climate change was a promise to deliver \$30 billion emergency aid in the next three years and \$100 billion a year by 2020 for developing countries.

However, several countries are already falling short on their aid commitments (OECD 2010; Hulme 2011). Without solid support for foreign aid among taxpayers and voters, these aid commitments will therefore be difficult to meet and sustain (Paxton and Knack 2008). Moreover, aid legitimacy can influence the quality of aid. According to Collier (2007:183), “the key obstacle to reforming aid is public opinion”, meaning that the necessary reforms to make aid more effective can only come about if public opinion supports strategies that allow policy makers see long-term progress and take risks, rather than aiming for quick photo opportunities that enhance short term domestic electoral support.

Since foreign aid is dependent on supportive public opinion in the long term (Mosley 1985; OECD 2003; Henson, Lindstrom and Haddad 2010), it is critical to understand the factors that can influence the public’s attitudes and opinions on aid. This paper analyses the influence of perceived corruption in recipient countries on support for foreign aid.¹ We suggest that corruption can cause aid fatigue but that public reactions to corruption in aid substantially depend on fundamental beliefs about the role of foreign aid. Three different types of understandings of the role of foreign aid that influences support for development assistance are identified: moral, pragmatic and strategic understandings. The analysis thus investigates how contextual factors and different discourses on what aid can achieve can contribute to explaining the relationship between perceptions of corruption and support for foreign aid in donor countries.

The study thereby makes a number of contributions to the literature. First, we seek to make a theoretical and empirical contribution to the question of how public opinion on foreign aid can be affected by perceptions of corruption. According to Henson et al. (2010:46), “the uncomfortable fact is that we still know relatively little about the factors determining public support

¹ We study opinions about development aid – not humanitarian aid.

for aid to developing countries, and indeed even how we might reliably monitor such attitudes over time.” The two reasons frequently offered for why support for foreign aid can slip are economic malaise in the donor country and corruption in the recipient country. However, the literature on foreign aid is predominately focused on the influence of domestic factors on support for foreign aid (Chong and Gradstein 2008; Paxton and Knack 2008; Mosley 1985). In contrast, we test the hypothesis that attitudes about corruption and governance problems in recipient countries lead to less support for aid using a comprehensive study (2009 Eurobarometer data) to explore how both domestic and international factors affect individuals’ perceptions of development aid.

Moreover, the paper explores *how* the lack of governance effectiveness in aid leads to aid fatigue and how people deal with what we call the ‘*aid-corruption paradox*’, namely that the need for foreign aid is often greatest in corrupt environments. Usually general explanations, such as meager development results and the perception that taxpayers’ money is being wasted are offered to account for weakened support for foreign aid in some countries (Ali and Isse 2005; Lahiri and Raimondos-Møller 2004; Dearden and Salama 2002; Wittkopf 1990). However, such answers are insufficient as they do not offer an understanding of when and *how* the lack of effectiveness in aid leads to aid fatigue. Because corruption scandals and weak performance of foreign aid is not a rarity (Moyo 2009; Boone 1996; Svensson 2000; Knack 2001; Djankov, Montalvo, and Reynal-Querol 2008; Easterly 2006), general claims that corruption in developing countries gives rise to aid fatigue (Lahiri and Raimondos-Møller 2004) provide little understanding about how important corruption is to explain aid fatigue.

Furthermore, the predominant focus on either absolute levels of aid or domestic explanations for aid legitimacy fails to account for the political dynamics through which aid levels are set, and thereby how they change. Even if studies show that aid is in fact distributed to corrupt countries today (Chong and Gradstein 2008), this analysis is insufficient to understand the political legitimacy for increases in aid levels. Dramatic increases in aid levels are a central element of important international regimes, such as the international climate regime. Secondly, they do not provide an understanding of how different framings of the aid debate influence support for foreign aid. Relevant to this study, the international anticorruption regime has exposed corruption to an extent not previously experienced in history. However, we know little about the wider effects of this exposure and whether it may have detrimental effects on support for foreign aid, and in turn on important international efforts to promote sustainable development.

The first part of the paper discusses our current knowledge on the relationship between corruption and aid fatigue, why corruption in donor and recipient countries may influence support for foreign aid, and the social acceptability of different forms of corruption. The second part presents our data and measurements. This study employs 2009 Eurobarometer data to explore how both domestic and international factors affect individuals' perceptions of development aid. The third part presents our results. We show that corruption in recipient countries significantly influences aid fatigue but that this effect is mediated by a number of important conditions pertaining to the fundamental motives for foreign aid. The fourth part concludes.

Corruption and Reduced Support for Foreign Aid

While a large segment of the literature focuses on how aid money is used and its effects on recipient countries, we have limited knowledge on what determines support for foreign aid (see e.g. Alesina and Dollar 2000; Alesina and Weder 2002; Djankov et al 2008; Easterly 2006; Boone 1996; Burnside and Dollar 2000; Svensson 2000; Knack 2001). Although aid agencies have long sought to understand what factors influence public opinion on foreign aid, the academic literature has been slow to follow up on this. The studies that do focus on the public opinion aspect of foreign aid dwell largely on the topic of aid fatigue. This term was used to explain the drops in foreign aid for much of the 1990s (Erixon and Sally 2006). Several authors linked the growing cynicism towards foreign aid at the time to meager development results and corruption in recipient countries (Lahiri and Raimondos-Møller 2004; Wittkopf 1990). However, there are surprisingly few empirical studies on how corruption influences support for foreign aid.²

We are interested in what drives aid fatigue in donor countries, and thus we elect to focus the analysis at the micro-level. The term 'aid fatigue' is used here in a broader sense to understand how citizens' opinions of foreign aid may be influenced by perceptions of corruption and move beyond general explanations for why public support for foreign aid can weaken. Pointing out corruption as a reason for lessening support for foreign aid may appear straight-forward. However, this fails to account for the long history of foreign aid, where corruption and inefficiencies have in fact been continuously present in recipient countries (Boone 1996; Svensson 2000; Knack 2001; Easterly 2006; Djankov et al 2008; Moyo 2009) while support for foreign aid has been high. This

² For notable exceptions, see e.g. Chong and Gradstein 2008; Paxton and Knack 2008; Henson et al 2010.

means that perceptions of recipient countries being corrupt *in general* cannot explain changes in public opinion about foreign aid in donor countries. In other words, there is a surprising lack of focus in the literature on *how* recipient country corruption affects support for foreign aid.

Moreover, much of our current knowledge about how recipient country corruption affects aid is built on studies that show that concern over corruption has thus far not had a significant effect on actual aid disbursements to corrupt countries (Alesina and Dollar 2000; Alesina and Weder 2002; Chong and Gradstein 2008). Chong and Gradstein (2008:12) for example conclude that “recipient country characteristics do not seem to affect the amounts of aid”. While the focus on actual aid levels is interesting as it shows that the selectivity approach (meaning that aid should be targeted at countries with relatively high quality of government to achieve better results, see e.g. Burnside and Dollar 2000; Brautigam 2000) is not widely used in practice, the studies do not consider how recipient country corruption could affect public support for development aid.

In other words, showing that recipient country corruption does not appear to affect *actual aid levels* fails to take into consideration that perceptions of corruption in recipient countries may keep down overall aid budgets and that public support for *increasing* foreign aid may significantly fall as a result of perceptions of corruption in foreign aid. According to Risse-Kappen (1991:510) “in most cases, mass public opinion set broad and unspecified limits to the foreign policy choices”. Public opinion is also important for public policies’ legitimacy and effectiveness (Holsti 2004). It is thus important to study public opinion of foreign aid in order to understand how the policy options of decision-makers can be constrained, with implications for meeting future aid targets.

In this study, we build on the foreign policy literature that finds that while the general public tends to be ill-informed about international affairs, they hold relatively structured opinions about foreign policy (Holsti 1992). Thus while the general public knows little about the size of the aid budget or how that money is spent, they tend to have clear opinions about their support for foreign aid. What is less known, however, is how perceptions of corruption in recipient countries impact opinions regarding support for foreign aid. While the theoretical literature gives insights to possible effects of corruption on support for aid, these accounts tend to be general and untested.

Perhaps the strongest reason for why corruption could cause aid fatigue is that corruption can be perceived as an external impediment to the effectiveness of aid. Concern for aid effectiveness can be expected to be an important concern both for “cooperative internationalists” (Wittkopf 1990; Chanley 1999; Paxton and Knack 2008), who are highly interested and concerned with international development issues, and those who are primarily concerned with how aid com-

petes with the use of tax payers' money for important domestic service provision. Because there has been a discourse shift surrounding corruption that delegitimizes the practice and places the focus on the inefficiencies of corruption, we can expect that citizens now to a greater extent view corruption as an external impediment to the effectiveness of aid.

However, despite theoretical arguments for why perceptions of corruption would affect opinions about foreign aid, we argue that the relationship is more nuanced. In fact, studies on public opinion of foreign aid have shown that high support for foreign aid can coincide with high concern for corruption (Henson et al 2010; Abrahamsson and Ekengren 2010; Riddell 2007). For instance, Henson et al (2010) show that concern about aid effectiveness and corruption is only weakly correlated to support for foreign aid in the UK. Using survey data from Sweden, Abrahamsson and Ekengren (2010) find no significant link between a general concern for corruption and support for Swedish international development assistance. This again points to a more complex relationship between public opinion and corruption than the aid fatigue literature presents.

In sum, there is a discrepancy in the literature where, on the one hand, the aid fatigue literature singles out corruption and waste as a potentially important determinant for lessening support for foreign aid, while on the other hand we lack models to understand the causal mechanisms that lead the public to weaken their support for foreign aid because of perceptions of corruption (e.g., in which context this relationship is most salient). While previous explanations on support for foreign aid have focused predominately on domestic or donor country variables (Chong and Gradstein 2008; Paxton and Knack 2008; Mosley 1985), the theoretical insights presented above suggest that recipient country corruption could be expected to affect support for foreign aid. In the next section we consider how contextual factors that have been overlooked by previous studies can impact on the relationship between perceptions of corruption and aid fatigue.

The Aid- Corruption Paradox

During the extensive history of foreign aid, corruption had for a long time received little attention in diplomatic circles. With the emergence of an international anti-corruption regime in the 1990s, significant changes took place in how corruption was discussed and addressed. In both policy and academic circles, corruption became defined as a development challenge (Holmberg, Rothstein and Nasiritousi 2009). A discussion also arose about whether highly-corrupt countries should receive foreign aid, as it may be morally wrong to support corrupt regimes, while at the same time effi-

ciency concerns were raised about transferring resources to corrupt countries (Burnside and Dollar 2000; Brautigam 2000).

These insights from the corruption debate lie at the heart of the aid-corruption paradox, which can be summed up as follows - while corruption undermines the rationale for foreign aid, the need for foreign aid is often the greatest in corrupt environments. For example, at the bottom of the 2010 Corruption Perceptions Index are four countries that all require substantial foreign aid for their development: Somalia, Myanmar, Afghanistan and Iraq (Transparency International 2010). Thus, while the aid money may have been used more effectively if channeled to less corrupt countries, the fact remains that the need for foreign aid is often greater in more corrupt countries. This paradox raises a number of interesting questions, not least: how do tax payers in donor countries evaluate these opposing propositions? Surprisingly, this relationship is largely unexplored both theoretically and empirically in the literature, thus we attempt to make a first step in contributing to a better understanding of the complex relationship between corruption and support for aid.

Although we predict that attitudes toward corruption in recipient countries will negatively impact aid support all things being equal, we suggest there are several contexts in which the said negative relationship might be offset. We argue that the relationship is highly contextualized and either mediated or reversed depending on how citizens understand the aid-corruption paradox. In particular, we identify three different types of understandings of the how the relationship in could be mediated: by moral, pragmatic and strategic understandings. Below, we highlight three potential intervening factors to, which we argue serve as various proxies for understanding the aid-corruption paradox.

The first can be clearly drawn from previous research on the drivers of support for foreign aid, which has found that one of the main arguments in favour of providing aid to poor countries is a moral duty to help poor areas (Riddell 2007; Henson et al 2010). Andreoni (1990) explains such charitable action as originating from “social pressure, guilt, sympathy, or simply a desire for a ‘warm glow’”. The traditional picture of foreign aid has been of money spent on humanitarian missions to alleviate poverty and hunger. Such missions often have a positive connotation, as aid is seen as an altruistic undertaking. In the context of this study, such attitudes reflect an undertaking that despite high levels of corruption in a recipient country, people who identify with having a moral duty to help those less fortunate have an implicit understanding that it is often the most corrupt countries that need the most assistance. This understanding of the aid-corruption

paradox is thus associated with the view that there is a moral duty to help the poor – even in countries suffering from corruption.

A second explanation for why corruption would not cause aid fatigue is the possibility that people support aid to corrupt contexts if aid is seen to prevent and reduce corruption. People who view corruption as a natural part of development that can be fought through international development assistance are less likely to be of the view that aid should be reduced given that a recipient country is corrupt. Thus the international anticorruption regime could in this way promote the idea that aid is needed the most in corrupt countries and thereby increase the support for targeting aid to countries suffering under corruption. In fact, many aid agencies have now dedicated a greater share of their budgets to institution building in developing countries and this share is expected to rise (World Bank 2011). Recent studies show that targeted efforts may indeed lead to institutional reform in developing countries (Scott and Steele 2011; Heckelman 2010). The opinion that aid can be used to improve governance is thus an aspect of understanding the aid-corruption paradox and therefore expected to play a mediating role in how corruption affects support for foreign aid, such that the negative effect of corruption on support for aid is less amongst those who believe that aid can be used to improve good governance in recipient countries.

Finally, aid support can also be motivated by purely strategic reasons (Riddell 2007; Henson et al 2010; Cuervo-Cazurra 2006). Those who support aid out of self-interest, because they feel that the situation in developing countries affects them personally, or moreover that it helps domestic exports to recipient countries which can lead to overall growth. ‘Strategic thinkers’ may not necessarily lessen their support for aid in the face of corruption scandals in recipient countries, but understand that corruption might be a necessary evil to ‘grease the wheels of commerce’ so to speak. It is possible that such respondents in fact are *more prone* to support foreign aid when they believe recipient countries are corrupt because they believe it is easier to do business, or get around certain labour and environmental laws, ‘red tape’, etc. Alternatively, strategic thinking may also lead to the conclusion that highly corrupt countries need support in order to prevent instability that may spill-over across borders. This perspective would in other words mean that citizens of donor countries understand the aid-corruption paradox in a strategic sense and are willing to provide aid to poor countries in spite of or, more likely, *due to* their corruption levels.

According to these perspectives on the fundamental motivations for foreign aid, the effect of corruption on foreign aid is nuanced by different understandings of the aid-corruption paradox. Certain understandings of the aid-corruption paradox can also be more common in differ-

ent countries depending on experience of domestic corruption, common discourses surrounding corruption and foreign aid based on domestic factors and aid traditions in the country.

One way in which attitudes toward corruption in foreign aid may differ across states is through the effect of domestic corruption in donor countries. As the average citizen in a donor country may not be well informed on matters concerning foreign aid, it is possible that they use domestic cues or shortcuts to determine issues related to tax spending. Anderson (1998) argues that citizens usually use domestic politics as a proxy for European politics, and it is therefore possible that opinions about foreign aid are formed based on domestic conditions. Chong and Gradstein (2008), for example, find that citizens of donor countries that perceive domestic institutions to be inefficient express a lower support for foreign aid. The argument given is that citizens who see their tax money being wasted by their own institutions do not trust that the country's development assistance will fare any better.

Similarly, there have been several recent studies that point to highly divergent attitudes toward investment in countries perceived to be corrupt. On the one hand, 'cleaner' countries tend to be much more critical of corruption abroad, while countries that are themselves more corrupt on average are much more tolerant and at times even more willing to invest or do business with other corrupt countries. For example, Cuervo-Cazurra (2006) finds strong empirical evidence that corrupt countries receive relatively less FDI from states that have signed and ratified the *'Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions'* while corrupt countries receive relatively more FDI from other countries with high levels of corruption themselves. On an individual level in European countries, the World Value Survey points to significantly different levels of tolerance for certain types of corrupt behaviours depending on the level of corruption in their own country.

Further evidence of how understandings of corruption differ across countries can be found in a recent Gallup poll, which found significant variation in citizens' willingness to send aid to countries with corruption problems. For example, the Japanese were relatively tolerant to corruption in aid (18% of the Japanese sample favoured aid only to non corrupt contexts), while as much as 53 % of the US population only supported aid to non corrupt contexts. One explanation for this difference could perhaps be how aid delivery to corrupt countries has been framed in different states. The varying figures could for instance reflect a difference in opinion about whether the best way to drive reform in corrupt countries is through providing aid or through withholding it. Here the discussion about one of the most widely used ways to deliver aid in corrupt countries –

the practice of placing conditions on aid, known as conditionality – could have had an impact. Conditionality is presented as a viable option for delivering aid to high corruption countries by some, but has also received widespread criticism for being ineffective (Mosley, Harrigan and Toyé 1995; Collier 1997; Dreher 2004; White and Morrissey 1997).

This latter observation points to the importance of common discourses and aid traditions for understanding attitudes to aid. In other words, attitudes can be shaped by how foreign policy has been framed and how the purpose of aid has been defined. For instance, many of the new EU member states have recently made the turn from a recipient country to a donor country and have very limited aid budgets. According to Lightfoot (2008), these countries have adopted a more strategic approach to aid than some of the other EU states. Other differences between countries include the level of public awareness of development issues and the level of priority assigned to foreign aid, which could also have an impact on the fundamental beliefs about the role of foreign aid.

Data and Measurements

This study employs data from the Eurobarometer that explores European perceptions of development issues. The lack of cross-country empirical analysis of how recipient country corruption affects support for foreign aid could be due to difficulties in finding appropriate measurements. While country-level analyses exist (Henson et al 2010; TNS 2010; Riddell 2007), cross-country data is weaker in this area. The use of the 2009 Eurobarometer data allows us to avoid some of the data limitations of previous studies by looking at both internal and external factors for aid fatigue. The disadvantage is that the questions do not particularly focus on the issue of corruption and only covers European donor countries, thus leaving out donors such as USA, Japan and Australia³. Nevertheless, together the countries make up around 50% of total development assistance (OECD 2010) and the variety in the countries included in terms of foreign aid budgets, economic situation and cultures makes the data useful.

To explore individual level determinants of the relationship between corruption and support for foreign aid, we investigate whether concern about poor governance in developing countries is related to the wish to reduce the EU's development aid budget. Specifically, the dependent variable comes from the following question: "Would you say that the current level of Eu-

³ Another disadvantage is that it focuses on EU aid and not national aid. However, the 2002 Eurobarometer survey poses both questions about support for national aid and EC aid. Here, the correlation between the two is 0.76, indicating that opinions about aid are largely similar, no matter who distributes it (Eurobarometer 2002).

ropean Union's contribution to development is too big, too small or about right?" We condense this variable into a dichotomous variable, where '1' represents the answer 'too big' and 0 if otherwise, i.e. too small or about right.⁴

The independent variable that is of particular interest in this study is the opinion that one of the biggest challenges facing developing countries is poor governance. The question asks respondents to choose between a list of items (including the food crisis, poverty, health issues, climate change, conflicts, poor governance) as to which two they believe are currently the most challenging facing developing countries (see table 1). Across the European countries in the sample, 17% cite poor governance as one of two most challenging problems facing developing countries. The poor governance answer has particular support in Malta (35%), Northern Ireland (33%), and Sweden (33%) (Eurobarometer 2009).

The analysis thus explores whether perceptions of poor governance in developing countries (which can be seen as a proxy for high corruption) impact on the opinion that the EU's aid budget is too big. We explore individual level variables drawn from the existing literature, including how important one thinks it is to help people in developing countries, level of interest in development issues, perceptions of economic situation and effectiveness of the public administration in own country, left-right alignment, gender, age, education, and whether one knows people from other ethnic backgrounds. The definitions of the variables employed are shown in Table 2.

The analysis further includes three interaction terms to test the competing theories on aid that were described above on why corruption could affect support for foreign aid. To test how different perceptions about the role of aid affects views on corruption in foreign aid, we use the Eurobarometer question on what the main motivations for richer countries to provide development aid to poor countries are. In particular, we explore how motives of self-interest (for example helping poor countries trade will enable them to buy more products from rich countries), moral concerns (have a clear conscience), and views as to opportunities to affect quality of government through foreign aid (encourage democracy and good governance) affect concerns for corruption in foreign aid. The 'encourage good governance' answer means that respondents believe that richer countries use aid to promote better governments and reduce corruption. According to our model, this view should be associated with a positive view of foreign aid in corrupt countries.

⁴ It is important to note that we asked for perceptions of *EU* development aid, where national level corruption may play a lesser role for trusting the EU with tax payers' money

Results

Many people in donor countries can be expected to share the opinion that corruption reduces the effectiveness of aid. However, the implications of this view may differ radically. Is corruption in recipient countries seen as causing a massive waste of money that ultimately makes aid obsolete? Or is it seen as an opportunity for aid to make a difference? Corruption may even potentially be largely irrelevant for public opinion on foreign aid, since the motivation for aid may lie in values or interests that are much stronger than perceptions of waste.

While data limitation may not allow us to fully explore all these questions it does allow us to analyze how perceptions of quality of government being one of the greatest challenges facing developing countries today, influence support for foreign aid.

table one about here

The analysis presents some preliminary results. First, the analysis shows that corruption and quality of government in recipient countries has a significant negative influence on support for development aid. Thus, the perception of bad government quality and corruption as one of the biggest challenges facing developing countries reduces support for EU development aid. However, the model also shows that several other explanations for support for foreign aid are more important than perceptions of corruption in recipient countries. As expected, both interest in development issues and the perceived importance of helping people in developing countries had strong positive effects on support for development aid. Likewise women were less likely to believe that EU development commitment is too big, as were people with sympathies to the left on a left-right political scale and people with a higher education. To give a sense of the magnitude of these effects we calculated the predicted probabilities of a person saying that EU development aid is too big. Our analysis showed that the probability of saying that EU development commitment is too big increases by 0.024 when someone says that governance is a challenge, i.e. a little over 2 %. This figure is substantially lower than the effect of interest and perceived importance, that decreased the probability of saying that EU development commitment is too high by .19 and .29 respectively, but higher than

the effect of both gender, education and political sympathies (all of these influenced the probabilities of saying that EU development commitment was too big by a 1% or less)⁵.

Model 2 compares perceptions of quality of government in developing countries with other challenges facing developing countries: conflict and civil unrest, poverty and climate change. We show that quality of government is the only perceived challenge that reduces support for development aid (i.e. increases the likelihood of saying that EU development commitment is too big). Both perceptions of climate change and poverty as major challenges have the opposite effect and increases support for foreign aid. These results support the idea that different development challenges may have different connotations. In other words, perceptions of the challenges facing recipient countries could have an effect on the level of support for foreign aid, where some challenges are considered more important and worthy of aid than others. In particular some challenges facing developing countries -such as poverty and climate change - may be seen as a shared responsibility while other challenges - such as corruption - can be viewed as self-afflicted problems that get in the way of effective aid delivery.

Model 3 explores three of our theories for circumstances under which corruption causes aid fatigue. We suggest that the effect of corruption on aid fatigue is mitigated by beliefs about the fundamental motives of foreign aid, and whether the fundamental motive for foreign aid is moral, pragmatic or strategic. Our first interaction effect explores the influence of aid as an anti-corruption tool. As outlined above, corruption can potentially be seen both as an external constraint on aid effectiveness or as an important target for anticorruption aid. More specifically, we show that the negative effect of corruption on support for foreign aid is reduced amongst those who think that encouraging democracy and good governance is an important motivation for aid. Thus, if aid promotes anticorruption, corruption is not a reason to reduce aid. This finding is straight-forward. Nevertheless, it does provide an understanding on how people believe that anticorruption aid works. More specifically, this may indicate that withdrawing aid to corrupt countries is not seen as an effective tool to promote incentives for anticorruption reform. However, the results presented here are preliminary and a more comprehensive analysis is warranted.

⁵ Table to predicted probabilities show in appendix

Conclusion

The results show that corruption in recipient countries reduces support for foreign aid. However, the effect of corruption on support for foreign aid can be mediated by perceptions of fundamental motivations for distributing foreign aid. On the one hand, resource redistribution can be viewed as a moral imperative in a highly unequal world, with proponents arguing that aid has helped developing countries with much needed resources. On the other hand, critics argue that foreign aid has resulted in massive waste of taxpayer's money and that the results have been meager at best and counterproductive at worst (Boone 1996; Svensson 2000; Knack 2001; Djankov et al 2008). A strong public concern for aid effectiveness can be important to reduce waste in aid. However, as noted by Collier (2007:183) in *The Bottom Billion*, concerns about measurable effectiveness in aid may also make policy makers and aid agencies risk averse and constrained to deliver aid in sub-optimal ways (cf Paxtron & Knack 2008).

Previous studies tend to either analyze the influence of perceptions of corruption *in general* on support for foreign aid, or simply claim that recipient country corruption does not affect support for foreign aid by pointing at the amount of aid distributed to developing countries with high levels of corruption. Both of these approaches fail to produce a comprehensive understanding of how corruption influences public support for foreign aid, and thereby political constraints on both the size of aid budgets and the type of aid distributed. In other words, just pointing to the fact that aid continues to be distributed to corrupt countries (Chong & Gradstein 2008) provides little understanding of when and how support for aid weakens and the political dynamics of aid policy. In contrast, our analysis provides a more dynamic understanding of support for foreign aid.

Thus, a better understanding of the determinants of aid fatigue is important at a time when international donors increasingly put emphasis on fighting corruption in developing countries, as this allows us to understand fundamental relationships between corruption and aid legitimacy. Ultimately, corruption can be seen as a constraint on aid effectiveness or an opportunity for aid driven QoG reforms, and which of these perspectives that dominates public debates may have implications for both the levels and types of aid distributed to the most poverty ridden countries in the world, as well as future efforts to deal with climate change.

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Tables

TABLE 1. *THE INFLUENCE OF CORRUPTION ON SUPPORT FOR DEVELOPMENT AID (LOGISTIC REGRESSION, UNSTANDARDISED REGRESSION COEFFICIENTS)*

	Model 1	Model 2	Model 3
QoG Challenge	.436***	.329***	.604***
Conflict / civil unrest		.126	
Poverty		-.376**	
Climate Change		-.277**	
Interest in development issues	-1.95***	-1.187***	-1.188**
Importance of helping people in developing countries	.952***	.949***	.941***
Knowledge about development issues	-.065	-.052	-.068
Foreign acquaintance	.201**	.205**	.204**
Perception of public administration in own country	.063	.058	.054
Perception of economic situation in own country	.032	.037	.030
Education	-.025**	-.027**	-.025**
Gender	-.185**	-.175**	-.184**
Age	-.004	-.003**	-.003
Economic self-placement	-.01	-.012	-.008
Political self-placement	-.038**	.037**	.039**
QoG challenge x anticorruption aid			-.400**
QoG challenge x self interest			-.232**
QoG challenge x moral duty			-.040**
constant	-1.467	-1.283	-1.501
Pseudo R2	.19	.19	.19
N	12577	13577	13577

Appendix

Tabel 1. 2009 Eurobarometer survey responses to the question: In your opinion what are the two biggest challenges currently facing developing countries?

Development Challenge	% who mention challenge
Poverty	45%
The economic crisis	32%
The food crisis	22%
Health issues	22%
Poor governance	17%
Civil unrest / conflict	14%
Climate change	7%
Migration	5%
Energy	3%

Table 2. Summary statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Aidsupportdummy	19977	.0856485	.2798513	0	1
QoGChallenge 29768	.1686375	.3744377	0	1	
QoGMotive	29768	.1812349	.3852191	0	1
SelfInterestMotive	29768	.2768409	.4474447	0	1
MoralDutyMotive	29768	.0969497	.2958943	0	1
MediaAttention 24024	2.365842	.6170782	1	3	
HelpPpl	25965	1.761256	.7140723	1	4
HeardMDG	26230	2.68475	.5706818	1	3
ForeignFrind	29458	1.430036	.4950892	1	2
PublicAdminWork	27503	2.700433	.7959808	1	4
AgeStopedEdu 26753	18.37435	5.016956	1	74	
Gender	29768	1.554958	.4969787	1	2
Age	29768	47.52543	18.33625	15	98
LeftRight	23491	5.429994	2.297625	1	10
LevelInSociety 28698	5.3656	1.673575	1	10	