Donor Competition and Public Support for Foreign Aid Sanctions

Masaru Kohno[1], Gabriella Montinola[2], Matthew Winters[3], Gento Kato[2]

Abstract

Are there scenarios in which the public will not support foreign aid sanctions against aid-receiving states engaged in human rights violations? We argue that public opinion on aid sanctions can vary with the international environment. Specifically, we examine whether the threat of competition with other~~s~~ donors for influence in an aid-receiving country affects public support in a donor country for aid sanctions against a repressive regime. In studying how voters consider the international environment, we speak to general theories about how the public views foreign aid policy. In particular, w~~W~~e study how support for aid sanctions varies within a sample of Japanese adults. We find that information about the possibility that another donor will substitute for Japanese aid slightly reduces support for sanctions. We provide evidence that this effect runs through a pathway where donor competition triggers concerns for Japanese security. We also find that the effect is larger among those who have pre-existing concerns about the other donor.

[1] Waseda University
[2] University of California, Davis
[3] University of Illinois, Urbana-Champaign

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Introduction

High-income countries use foreign aid to promote multiple foreign policy goals. These goals have included not only reducing poverty in less developed countries but also promoting donor countries' security and economic interests (e.g., Alesina and Dollar 2000, Bermeo 2017, Bueno de Mesquita and Smith 2007, Meernik, Kruger and Poe 1998, Schraeder, Hook and Taylor 1998). In the past 20 years, OECD donors have begun to use the promise of aid or the threat of its withdrawal to promote political criteria such as democracy, human rights and good governance (Claessens, Cassimon, and Van Campenhout 2009, Crawford 2000, Winters and Martinez 2015, Molenaers, Gagiano, and Smets 2017).

A growing body of work suggests that public opinion in donor countries is an important source of decisions surrounding aid policy, as it is for policies in other international arenas including trade, immigration, conflict, and cooperation.[4] A persistent thread in this literature is that citizens' preferences regarding foreign aid are driven by ideology, material interests, and moral values (Milner and Tingley 2013, Paxton and Knack 2012). In this paper, we consider the extent to which citizens incorporate information about the international environment into their assessments of foreign aid policy.

In recent years, the international aid landscape has changed with the rise of so-called non-traditional donors, such as China, India and Brazil. Some foreign aid scholars and aid practitioners have raised concerns regarding these donors, for instance, labeling them as "rogue

[4] See Milner and Tingley (2013) for a recent review of the literature.

donors" (Naim 2007, Woods 2008).[5] They argue that aid from new donors is undermining traditional donors' attempts to promote good governance and the protection of civil and political liberties in less developed countries. Implicit in this argument is the notion that new donors are challenging traditional donors' influence over aid recipients.

In this paper, we investigate whether the presence of new donors affects public opinion on foreign aid in a traditional donor country. We focus in particular on citizens' preferences for using a suspension of aid to sanction a government engaged in human rights violations. Recent work shows that citizens in donor countries believe that foreign aid should be conditioned on protection of human rights (Bodenstein and Faust 2014) and that aid programs should be suspended if aid-receiving governments engage in human rights abuse (Allendoerfer 2017). Studies also show, however, that the public's willingness to cut aid to states engaged in questionable behavior is moderated by their views of how this would affect the donor's material interests (Heinrich and Kobayashi 2018, Heinrich, Kobayashi, and Long 2018).

We extend this work, and the literature on public opinion and foreign aid policy more generally, in three ways. First, we take seriously the international environment in which donor countries make decisions, highlighting the potential for citizens to consider the effects of competition among donors for influence over aid recipients. Second, our work speaks to the debate on the motivations underpinning the public's preferences regarding foreign aid policy. We argue that the potential for donor competition should affect support for aid sanctions by triggering an increased concern for material considerations and decreased concern for moral

[5] Dreher and Fuchs (2015) find little empirical evidence that China's aid flows differ substantially from those of Western donors.

considerations. Third, we extend the scope of previous studies by focusing on public opinion in Japan, one of the largest providers of foreign aid.

Our results show that the international environment does matter. Information regarding potential donor competition reduces public support for suspending aid to countries engaged in human rights abuses. Using mediation models, we explore the extent to which information about donor competition reduces support for aid sanctions by heightening security, economic, reputational, or aid efficacy concerns. Insofar as we are able to find evidence for the way in which information about donor competition modified opinions on aid sanctions, we find evidence for a security concerns mechanism. This claim is additionally supported by evidence that those concerned about the potential competitor – China in our empirical application – are more reactive to the information about competition.

Our work contributes to the literature on whether and under what conditions foreign aid can promote better governance in less developed countries by suggesting that aid policy makers may be constrained by public opinion in their ability to use the threat of aid withdrawal to bring about changes in behavior.[6] While some question whether the public's preferences in donor countries affect aid policy, the case for suspending aid in the face of human rights violations is more likely than not to originate from civil society pressure. This is consistent with macro-level studies that show that the impact of human rights violations on aid allocation depends on media exposure and shaming by international human rights organizations (Nielsen 2013, Peksen, Peterson, and Drury 2014, Murdie 2014).[7] Understanding why the public may be more or less

[6] For a review of the literature including other tools of external pressure, see Krasner and Weinstein (2014).
[7] See Molenaers, Gagiano, and Smets (2017) for an overview of aid suspensions; see Heinrich (2013) for more evidence of the role of media coverage of foreign countries in foreign aid allocation.

likely to support conditioning aid on protection of human rights in recipient countries may help aid practitioners make better arguments regarding the desirability of political conditionality and/or design policies more in line with public preferences.

Donor Competition and Public Opinion on Foreign Aid

Competition for influence over less developed states through foreign aid is certainly not a new phenomenon. During the Cold War, the United States and the Soviet Union used foreign aid to reward states that embraced their respective political-economic systems and supported their policy positions in the international arena (Morgenthau 1962, Shipler 1976, Lundborg 1998). Donor competition through foreign aid became less salient in the 1990s with the fall of the Soviet Union, in large part because the United States and the rest of the major donors were all members of the OECD's Development Assistance Committee (DAC), a forum for coordinating the provision of foreign aid and other official financial flows. The prospect of donor competition through foreign aid, however, has emerged once again with the rise of non-traditional donors, such as China, India, and other emerging market economies. Some of these states had been providing aid, mainly to countries close to home, for decades. What has changed is the amount of aid that they are providing today. By one estimate, as of 2012, non-traditional donors were disbursing $10-$15 billion in aid per year (Chandy 2012).

The public in donor countries may not be fully informed about the amount of aid their own government and other governments are providing to less developed countries (Scotto et al. 2017). Research shows nonetheless that citizens have relatively stable and structured opinions regarding aid policy (Lumsdaine 1993, Milner and Tingley 2010, Paxton and Knack 2013).

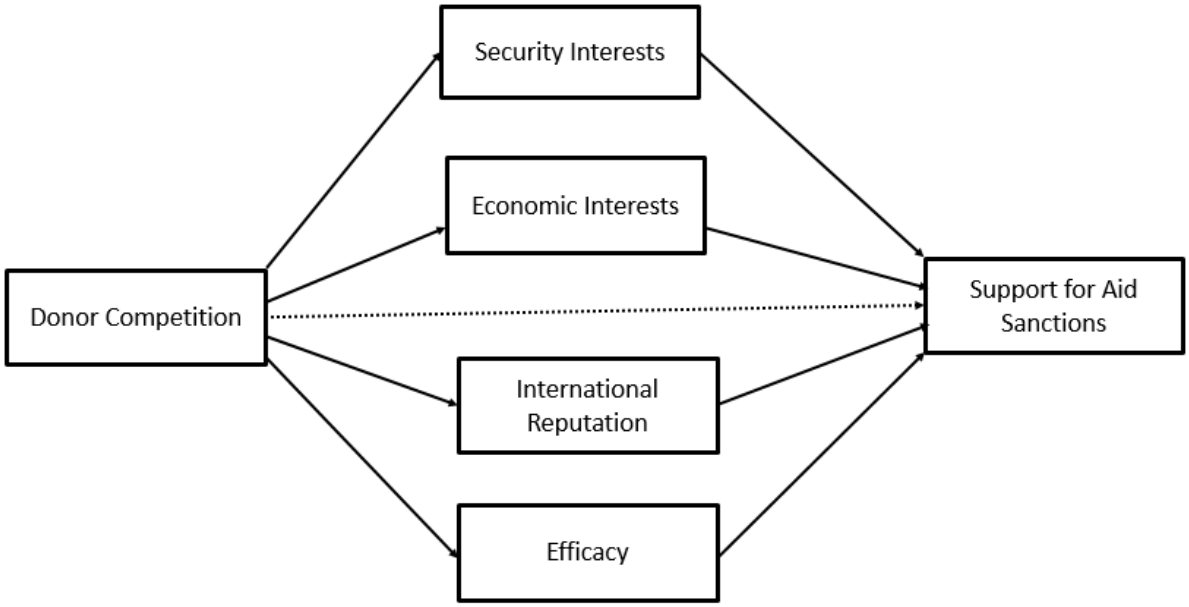
Moreover, when reminded of the material benefits that their own country receives from the provision of aid to less developed countries, citizens in donor countries are more supportive of foreign aid (Tingley 2012).

In the context of aid to governments engaged in human rights violations, moral and material considerations have been identified as sources of donor publics' preferences. In a study among a sample of Americans recruited via Amazon's Mechanical Turk, Allendoerfer (2017) finds decisions regarding foreign aid are driven mainly by concern for the welfare of the people in aid recipient countries. Respondents informed that an aid recipient country—in this case, Chad—had been engaging in human rights abuses were more likely to support suspending aid than respondents who received no information on Chad's human rights conditions, or those informed that conditions were improving. Moreover, Allendoerfer finds that being informed of Chad's economic and strategic value to the United States had little effect on respondents' decisions regarding foreign aid. On the other hand, with more complex scenarios and more sophisticated experimental designs, Heinrich, Kobayashi and Long (2018) and Heinrich and Kobayashi (2018) find that respondents care both about the moral consequences of aid policy and the material benefits derived from maintaining an aid relationship with a given recipient.

In line with these studies, we assume that when deciding whether to support aid sanctions against repressive states, citizens in donor states consider both moral and material considerations. In general, we assume that they would favor suspending aid to countries engaged in human rights violations as punishment for the offensive behavior, or as inducement to change the recipient government's behavior. However, we assume that they would be less likely to support suspending aid for human rights violations in aid recipient states if severing the aid relationship would result in material losses for their own country.

Donor competition might influence citizen support for or against aid sanctions through four mechanisms. Being aware of another donor waiting in the wings might cause citizens to believe that their country's *security interests* might be put at risk by putting aid sanctions in place. The alternative donor might use a deepening of its relations with the aid-receiving state to improve its security position vis-à-vis the original donor. Or citizens might be concerned that another donor replacing reduced aid flows will lead to improved economic and commercial ties with the alternative donor that imply *economic costs* to the donor. Alternatively, citizens might believe that implementing aid sanctions in the face of donor competition is something that will *improve the reputation* of the country because of the principled stance in favor of human rights. Finally, insofar as citizens agree with using aid sanctions to try to induce behavioral changes by the target state, they might worry that the presence of an alternative donor will make such a policy *ineffectual*. Figure 1 presents a diagram of these four potential pathways running between information about donor competition and changing levels of support for aid sanctions.

Figure 1. Donor Competition and Support for Aid Sanctions



If information about donor competition triggers reactions along the security interests, economic interests, or efficacy pathways, we expect citizens to decrease their support for aid sanctions. In this case, we would expect to see a decrease for aid sanctions. Since more of the proposed pathways run in this direction, we offer this claim as our main hypothesis:

- H1: Support for aid sanctions on states engaged in human rights violations will be lower when other states are expected to substitute their resources for those withheld by the donor.

If, however, the international reputation mechanism is particularly powerful, then we would expect to see information about donor competition leading to increased support for the aid sanctions, since taking the principled action in the face of competition will strengthen the donor's reputation.

- H1a: If the dominant reaction to information about donor competition is along the reputational pathway, then support for aid sanctions on states engaged in human rights violations will be higher when other states are expected to substitute their resources for those withheld by the donor.

Beyond the reactions that we expect to our experimental stimulus, we expect to observe direct effects of the mediating variables. Terminating an aid relationship is likely to result in the loss of economic and strategic benefits that the donor country was receiving from the relationship even if there is no other donor waiting in the wings to step in. On the other hand, cancelling aid programs due to human rights violations may increase the state's international reputation for integrity even in the absence of a competing donor. Citizens who believe that aid sanctions are likely to bring about change in the target state's behavior will be more likely to support aid sanctions *ceteris paribus*.

- H2a: Individuals who view aid sanctions as damaging to their state's security or economic interests will be less likely to support aid sanctions.
- H2b: Individuals who view aid sanctions as improving their state's reputation will be more likely to support aid sanctions.
- H2c: Individuals who view aid sanctions as reducing the target government's human rights violations will be more likely to support aid sanctions.

Finally, as described above, we expect to find evidence of the four pathways mediating individuals' decisions to support aid sanctions:

- H3a: Information about donor competition will lower support for aid sanctions by increasing the probability that respondents view aid sanctions as damaging to their state's security or economic interests.
- H3b: Information about donor competition will increase support for aid sanctions by increasing the probability that respondents view aid sanctions as improving their state's reputation.
- H3c: Information about donor competition will lower support for aid sanctions by increasing the probability that respondents view aid sanctions as less likely to be efficacious.

Research Design

We test our hypotheses with a survey experiment on Japanese residents registered in an online survey pool maintained by Nikkei Research, one of the major survey firms in Japan. By a stratified random sampling procedure, the appropriate number of respondents was assigned to each category of gender as well as six regions of Japan in proportion to the actual demographic data reported in the most recent edition of Jūminkihondaichō (Basic Residence Register). Due to the skewed distribution of internet users among the elderly, the sample is limited to those between 20 and 70 years of age. The median respondent in the sample is thus slightly younger than the median Japanese resident. In previous comparisons between Nikkei Research online samples and the Japanese population, the samples are also shown to skew slightly higher income and more educated (results available upon request).

Japan is a particularly interesting case for two reasons. First, Japan relies heavily on foreign aid as a tool to influence other states because it is prohibited by its constitution from using force to settle international disputes (Komiya et al. 2018). Thus, how aid is used and its consequences for the country are particularly important. Given this, the Japanese public may be more sensitive to the potential for competition from other donors – especially those whose goals may be in conflict with the foreign policy goals of Japan – than publics in other donor countries. In effect, Japan would be a crucial case that must "closely fit a theory if one is to have confidence in the theory's validity" (Eckstein 2000:148). Second, previous research on public opinion and aid sanctions has tended to focus on the views of citizens of the United States or the United Kingdom. We thus extend the scope of previous studies by focusing on public opinion in Japan, one of the five largest OECD-DAC donors.

Our work also differs from previous research that uses survey experiments by employing stimuli that focus on real-world examples of human rights abuse in Myanmar and the Philippines, two countries in which Japan has substantial economic stakes. Since the types of human rights abuses in Myanmar and the Philippines differ substantially—our information stimuli refer to the Myanmar government's treatment of the minority Rohingya and the Philippine government's treatment of criminal suspects—we are able to explore whether responses differ by the type of victim of human rights abuse.

Members of our sample of 4,322 respondents were randomly assigned to hear about either Myanmar or the Philippines, and then to either the control or treatment condition referring to that country. In both the control and treatment conditions, respondents were asked to consider human rights abuses in the corresponding country and to engage with the question of whether or not Japan should suspend its aid. In the treatment condition, we included an extra statement to

prime respondents to think about donor competition. The control condition for respondents assigned to hear about Myanmar read as follows:

> Next, we would like to ask you about Japan′s aid toward Myanmar in particular. Japan has regarded its relations with Myanmar as very important for economic interests of trade and investment and from the consideration of national security, and thus has provided aid in the amount of 50 to 250 billion yen annually. However, in recent years, the government of Myanmar has been widely criticized in the international community for oppressing the ethnic minority group called the Rohingya, with several hundred thousands being estimated to be the casualties of rape and torture. International organizations, such as Amnesty International and the United Nations have harshly condemned human rights violations by the Myanmar government. In light of this development, some argue that Japan should also reconsider its aid policy toward Myanmar. On the other hand, there is also an opinion that, despite the human rights violations, Japan should not cancel its aid to Myanmar.

For the Philippines, the text was similar except that the human rights violations were described as "inhumane treatment of subjects under the name of the war on drugs, with more than ten thousands being estimated to be dead."

In the treatment condition, we added a concluding clause designed to inform respondents of the potential for donor competition: "… with the consideration that, if Japan cancels its official development assistance, China might step in and increase its aid to substitute for the deficit and thus expand its influence in the region."

Naming China as Japan's potential competition in the provision of foreign aid to other Asian countries should make the treatment quite relevant to Japanese citizens. China began to receive aid from Japan in 1979 and quickly became one of Japan's largest aid recipients (Katada 2001, Jerdén, and Hagström, 2012). Public criticism, which began in the late 1990s, led Japan to suspend its concessional loans to China in 2008; by then, however, China's phenomenal growth

had facilitated its rapid military build-up. While estimates are disputed due to the lack of official statistics, China's aid to Asian countries is clearly growing, creating cause for apprehension in Japan (Kim and Potter 2012).

To ensure that our analysis concentrates on valid responses from attentive survey takers, we employed two attention check questions to filter out inattentive respondents or "satisficers." These questions were simple instructed-response items that anyone paying attention should be able to answer.[8] Respondents were excluded from subsequent analysis if they answered either question incorrectly. We also dropped from the analysis those who responded "Don't want to answer" to the main outcome variable and/or one or more of the mediator questions. After filtering out survey satisficers and respondents with missing responses on either the outcome or mediating variables, we retain 3,179 respondents for our analysis.[9]

Table 1 provides a breakdown of the sample by treatment group, with the count of respondents used in the analysis in parentheses. We do not observe any correlation between treatment assignment and the probability of being dropped from the study: the proportion of respondents retained in each condition is similar. For those in the Myanmar conditions, 0.74 of those in control and 0.73 of those in the treatment group were retained, while the corresponding proportions for those in the Philippine conditions were 0.74 and 0.73.

[8] One item states "from the five options below, select the options located at the second from bottom and the first from top." The correct answers are (1) and (4). The other item instructs the respondent to "…choose 'Supreme Court'" from a series of options that includes other political institutions.

[9] 613 respondents gave incorrect answers to the questions intended to detect satisficers, and 530 respondents are dropped due to missing responses.

Table 1. Experiment Conditions

	Recipient Country Focus	
	Myanmar	Philippines
Control	N=1,078	N=1,137
	(796)	(846)
Treatment (Donor Competition)	N=1,059	N=1,048
	(769)	(768)

After each respondent received either treatment or control, we then asked a series of questions to measure respondents' views on the impact of aid sanctions on Japan's material interests and international reputation as well as their perceptions of the efficacy of aid sanctions. These questions capture attitudes that are likely to mediate the impact of the information about donor competition on support for aid sanctions and to determine baseline levels of support for aid sanctions.

In particular, we asked respondents: How do you think cancellation of ODA to {Myanmar, the Philippines} would influence:

- Japan's national interests in terms of national security, such as Japan's defense and regional stability?
- Japan's national interests in terms of economic benefits such as trade and investment opportunities?
- Japan's reputation in the international community?

- Government behavior in {Myanmar, the Philippines} in terms of human rights violations?

Since we are interested in the extent to which the treatment changes these attitudes as a pathway to changing support for aid sanctions, for ease of interpretation, we recoded the responses to these questions on a five-point scale with 1 representing positive answers (i.e., cancellation of ODA will improve Japan's security, economy, and international reputation; and reduce the target state's human rights violations) and 5 representing negative answers (i.e., cancellation of ODA will harm Japan's security, economy, and international reputation; and increase the target state's human rights violations.

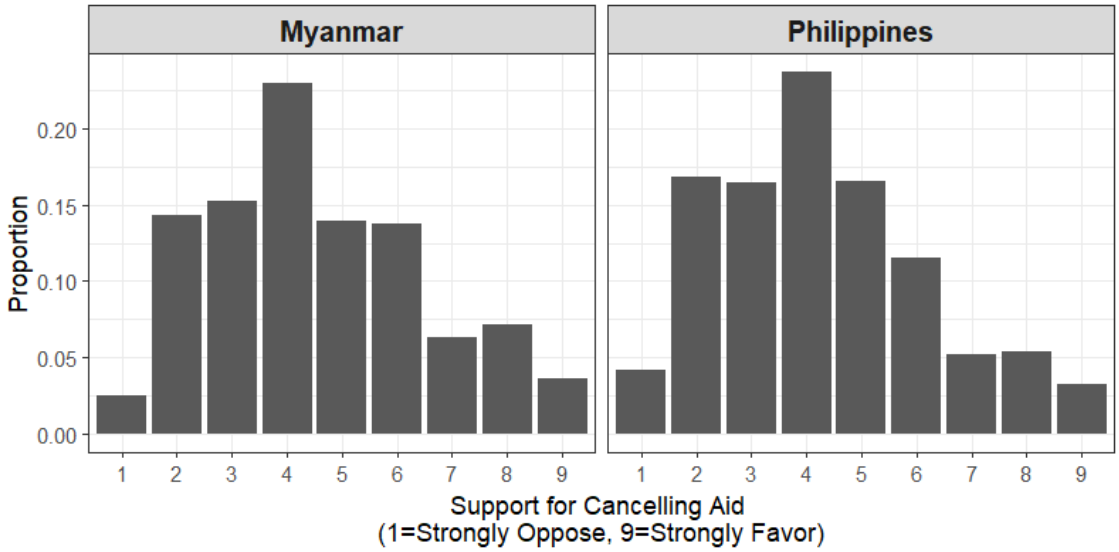
These items were followed by the outcome variable, a question measuring support for suspending aid to the countries whose governments were criticized for human rights abuses:

- Do you or do you not think Japan should cancel its ODA for {Myanmar, the Philippines}?

The answer choices for this question were "should not cancel", "it's difficult to say one way or the other", "should cancel." This three-category response item was further disaggregated with follow-up questions. Individuals who answered that Japan should or should not cancel aid were asked how strongly they felt about their answer: very strongly, somewhat strongly, or not so strongly. Individuals who answered that it was hard to say received the following prompt: "You answered, 'it's difficult to answer' but if you were forced to answer, which would you be inclined to say?", and were given the option to express whether they would support or not support aid sanctions if forced to answer, or whether it was still too difficult to say. This procedure results in the responses for the main dependent variable being coded on a nine-point

scale where 1 indicates that the respondent did not support canceling the aid (i.e., implementing the sanctions) and 9 indicates that the respondent was most strongly in support of cancelling aid (i.e., carrying out the sanctions).

Figure 2 shows the distribution of the outcome variable. For both Myanmar and the Philippines, values are approximately normally distributed with a peak at 4 (i.e., "it's difficult to answer, but I oppose cancelling aid if forced to choose"). Given that our outcome variable takes on nine values and has an approximately normal distribution, we treat it as continuous throughout the analysis; results are robust to models that treat the outcome variable as categorical (results available upon request).



Results

To examine H1, we start by applying simple ordinary least square regressions with robust standard errors. Table 2 presents these results. We show the results for the vignettes involving each of the two recipient countries separately. For each set of vignettes, the first model includes

only the binary treatment variable (i.e., 0 = control, 1 = treated), whereas the second model includes potentially relevant covariates to reduce variance in the estimation. The relevant covariates include gender, age, and ideology, which are expected to affect support for aid cancellation. They also include attitudinal variables based on questions asked of respondents before the information treatment. These variables measure the respondent's view of:

- Threat the aid recipient country (i.e., Myanmar or the Philippines) poses to Japan.
- Importance of Japan's maintaining relations with the recipient country.
- Potential of the recipient country to develop an important economic relationship with Japan in the future.
- Importance of Official Development Aid (ODA) for pursuit of Japan's national interest.
- Interest in international political issues.

As shown in Table 2, for both Myanmar and Philippines, the donor competition treatment has a negative effect on support for cancelling aid. On average, support for canceling aid (i.e., implementing aid sanctions) among those who are treated is 0.202 - 0.253 points lower than for respondents in the control conditions. The effects are statistically significant at the 10% level using a two-tailed test with robust standard errors. While the size of these effects are relatively small, they support H1. They indicate that support for aid sanctions among the Japanese public is lower among those informed that another donor, in this case China, might provide aid to a government engaged in human rights abuses should Japan suspend its aid. The estimated effect sizes are statistically indistinguishable across the vignettes referencing Myanmar and the vignettes referencing the Philippines. Moreover, these results do not support H1a which argues that reputation is the dominant pathway between donor competition and support for sanctions, although reputational concerns may yet have a mediating effect.

Table 2: Treatment Effect on the Support for Cancelling Aid

	Myanmar	**Myanmar**	**Philippines**	**Philippines**
(Intercept)	4.657***	6.153***	4.411***	6.964***
	(0.072)	(0.264)	(0.069)	(0.262)
Treatment (Donor Competition)	-0.202*	-0.206*	-0.239*	-0.253**
	(0.100)	(0.093)	(0.097)	(0.083)
Recipient's Threat (Moderate)		0.212†		0.085
		(0.111)		(0.092)
Recipient's Threat (High)		0.774**		0.379†
		(0.240)		(0.204)
Recipient's Importance (Moderate)		0.024		-0.525**
		(0.165)		(0.165)
Recipient's Importance (High)		-0.076		-0.745***
		(0.169)		(0.166)
Recipient's Potential (Moderate)		-0.461***		-0.251*
		(0.135)		(0.123)
Recipient's Potential (High)		-0.871***		-0.725***
		(0.153)		(0.139)
Political Interest (Moderate)		0.297**		0.044
		(0.115)		(0.111)
Political Interest (High)		0.225		-0.278*
		(0.148)		(0.136)
ODA Importance		-1.552***		-1.938***
		(0.129)		(0.121)
Gender (Female)		0.192*		0.367***
		(0.095)		(0.084)
Age		-0.002		-0.000
		(0.004)		(0.003)
Ideology (Moderate)		0.043		-0.050
		(0.127)		(0.115)
Ideology (Right)		-0.012		-0.335**
		(0.123)		(0.117)
R^2	0.003	0.145	0.004	0.272
Adj. R^2	0.002	0.137	0.003	0.266
Num. obs.	1565	1565	1614	1614
RMSE	1.989	1.849	1.943	1.667

***p < 0.001, **p < 0.01, *p < 0.05, †p < 0.1

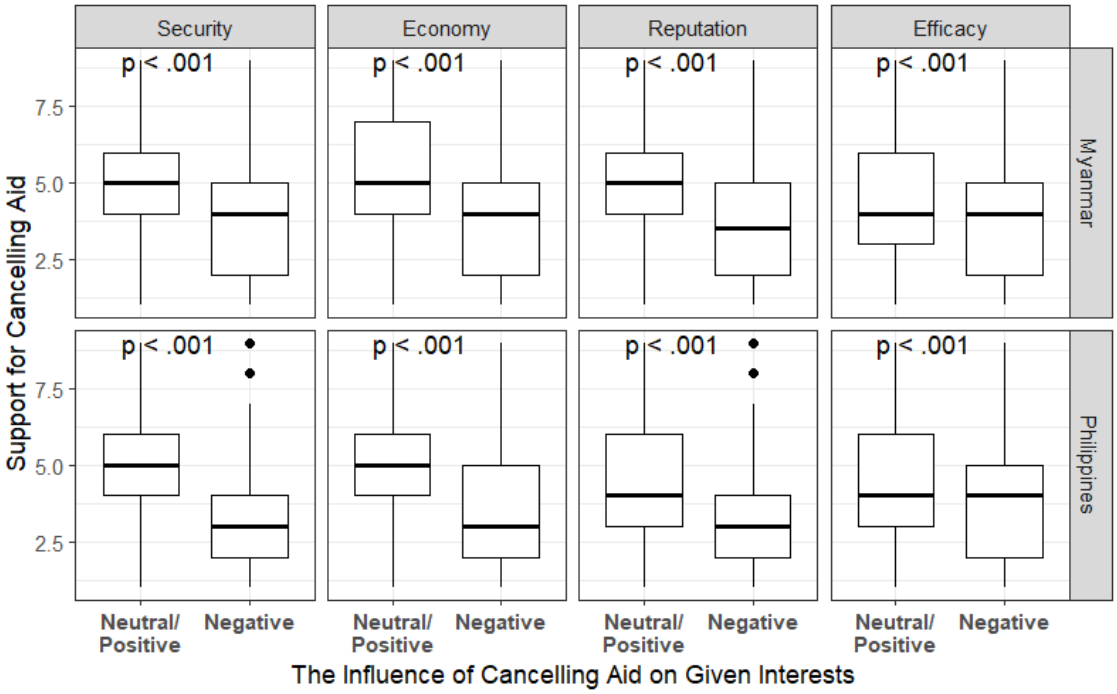
Estimated by ordinary least square (OLS) regression. Robust Standard Errors in Parentheses.

Exploring Four Possible Treatment Pathways

Before examining whether the treatment effects reported in Table 2 are mediated through respondents' concerns regarding the impact of aid sanctions on their country's strategic and economic interests, international reputation, and the likelihood of affecting the target government's behavior, we first explore whether the proposed mediators are correlated with the outcome variable. If the mediators are not associated with the outcome, then any impact our donor competition treatment has on the mediators is unlikely to influence the outcome. For ease of presentation, we collapse respondents into two groups for each mediator: (1) those who state that suspending aid will have a neutral or positive effect on Japan's interests in terms of security, the economy, reputation, and efficacy with respect to reducing human rights violations (i.e., those who chose 1-3 on the 5-point scales), and (2) those who state that suspending aid will have a negative influence on Japan's interests (i.e., those who chose 4 or 5). We then display the two groups' distribution of responses on the outcome variable in Figure 3 using boxplots.

As shown in each cell in Figure 3, on average those who think cancelling aid has a negative influence on the given interest exhibit lower support for cancelling aid than those who think cancelling aid has a neutral or positive influence on the given interest. Based on Welch's t-tests, all of these differences are statistically significant at the 1% level. These results support H2a-H2c.

Figure 3. Potential Mediators Have Strong Associations with the Outcome Variable



Having established that our donor competition treatment decreases support for suspending aid to Myanmar and the Philippines, and that our proposed mediators (attitudes regarding the effect of aid sanctions on donor interests and target government's behavior) are strongly associated with support for aid sanctions, we now assess H3a-H3c, which state that the impact of donor competition on support for aid sanctions will be mediated by changing attitudes regarding the effects of aid sanctions. To do this, we use causal mediation analysis within the counterfactual framework described in Imai et al. (2011). For each mediator, the method decomposes the total treatment effect (shown in Table 2) into direct and indirect (mediated) effects. In contrast to the structural equation-based method which only allows linear models, this method allows flexible statistical modelling at each stage of estimation. In subsequent analyses, we collapse each mediator into two categories (1=negative influence, 0=not) and use a

generalized linear model with logistic regression to estimate the treatment effect on the mediators. We then use linear regression to model the effect on the outcome (which is treated as continuous).[10] We use the **mediation** package in the statistical software R (Tingley et.al. 2014).

Before presenting the results, it is important to note that while our treatment was randomly assigned, the mediators were not. Thus, in order for our estimates to be valid, the sequential ignorability assumption must hold. This assumption consists of two statements. First, all pre-treatment confounders that cause both the mediators and the outcome must be measured and included in the model as covariates. While we cannot definitively state that we have measured all pre-treatment confounders, we include the pre-treatment covariates described above in the analysis to meet this condition. These are variables that can potentially cause both the mediators (i.e., the perceived influence of aid cancellation on different types of national interests) and the outcome (i.e., support for cancelling aid).

Second, the sequential ignorability assumption states that there should be no post-treatment confounders. In our research design, this statement implies that there should be no causal relationships among our mediators. We have no theoretical reason to expect that any one mediator precedes and causes the others. For example, there is no theory for why we would expect that perceptions of the influence of aid cancellation on national security causes—or is caused by—perceptions of aid cancellation's influence on national economic interests. To guard against the possibility that the responses to these questions might be correlated because of consistency bias, we randomized the order to which the questions for the mediating variables

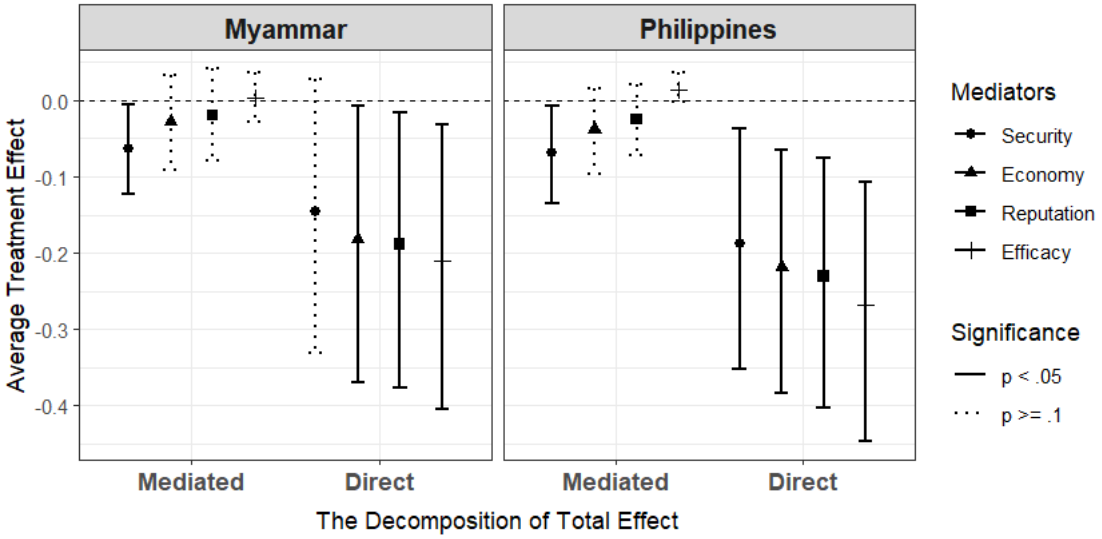
[10] Results are robust to various alternative model specifications. Mediators are collapsed to increase the frequency within each category, but the results are similar even when the mediators are modelled as ordered categorical variables with three or more categories. The models we present assume no treatment-mediator interaction, but the findings are the same even when the interaction term is included. Results available upon request.

were asked. Thus, assuming no unobserved/omitted pre- and post-treatment confounders, we expect to be able to estimate consistently the mediation effect of each mediator and ignore the existence of other, causally unrelated, mediators.

Figure 4 presents results of our causal mediation analysis. In Figure 4, we decompose the total effect of the treatment with pre-treatment confounders as covariates (as presented in Table 2) into mediated and direct effects given each potential mediator. Because we assume no relationship between our mediators, we model the mediated effect of each mediator separately. Thus the estimate of each mediated effect is accompanied with the estimate of direct effects, which essentially include the effect of the other mediators and all other paths through which the treatment affects the outcome. The sum of the mediated and direct (unmodeled) effects is approximately -0.196 for the models on Myanmar and -0.245 for the models on the Philippines.[11]

[11] Due to the method's simulation approach to estimation, the size of total treatment effects differ slightly across mediation models, which is why the effects presented in Figure 4 are not exactly the same as the values presented in Table 2.

Figure 4. Decomposed Causal Effect of Donor Competition Treatment



Note: Lines represent 95% confidence intervals estimated from quasi-Bayesian Monte Carlo method based on normal approximation using robust standard errors. The mediator model is estimated by logistic regression and the outcome model is estimated by OLS regression.

As shown in Figure 4, among either respondents who heard about Myanmar or those who heard about the Philippines, of the four potential mediators, only security interests mediate the treatment effect; this mediated effect is statistically significant at the 5% level. Holding all covariates constant, the treatment effect mediated through security interests reduces support for aid sanctions by 0.065 for Myanmar, and by 0.066 for the Philippines. When the potential mediator is economic interests, international reputation, or the efficacy of the aid sanctions, the mediated treatment effect is very small and statistically insignificant. These results provide only partial support for H3a. Although all mediators are strongly associated with the outcome variable (as shown in Figure 2), on average, making respondents aware of China as a potential alternative donor reduces the Japanese public's support for aid sanctions through increasing concern for national security interests and other unmodeled pathways but not through increasing concern for economic consequences, through the belief that aid sanctions will improve Japan's reputation, or through concerns about the efficacy of the sanctions.

Exploring Conditional Treatment Effects

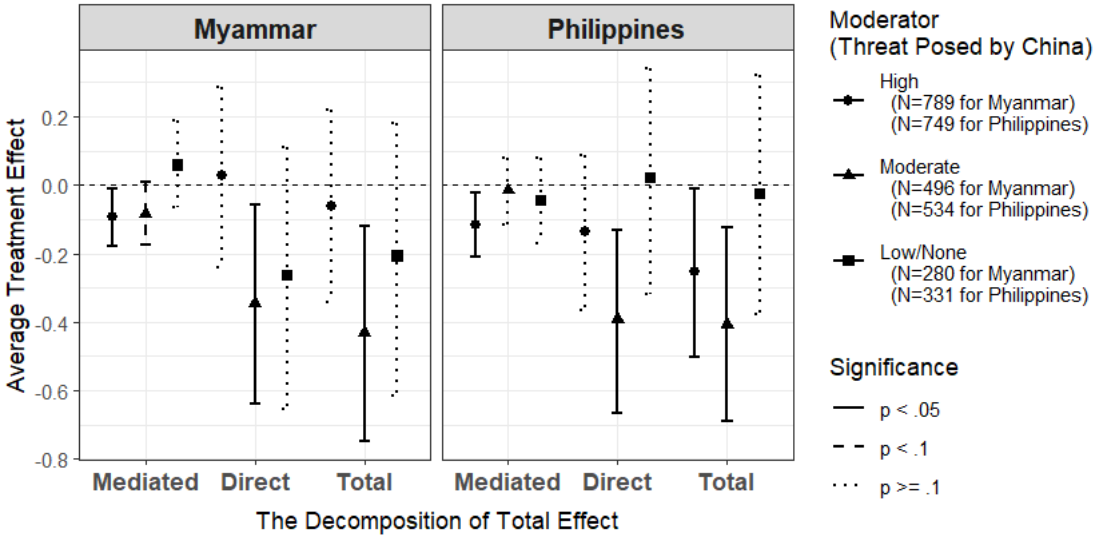
Given the finding that security concerns are the most potent pathway for explaining how information about donor competition might decrease support for aid sanctions, we consider whether respondents' prior perceptions of the threat posed by China moderate the impact of information regarding China as a potential alternative donor on attitudes toward aid sanctions. To do this, we employ responses from the following pre-treatment question: How much of a threat do you feel China poses to Japan? Responses were recorded on a five-point scale where 1 indicates the respondent does not feel threatened at all and 5 indicates the respondent feels most strongly that China poses a threat to Japan. The analysis treats those who scored 1, 2, or 3 in the above question as "weakly threatened" (N=611), those who score 4 as "moderately threatened" (N=1,030), and those who scored 5 as "highly threatened" (N=1,538). This moderator is included in the analysis as a categorical variable. Given that the donor competition treatment stimulates concerns about security, we expect those who feel strongly about the threat China poses to Japan will be more responsive to the treatment than those who feel only weakly threatened.

Figure 5 presents results of this moderated mediation analysis. Here we present the total effects of the treatment on each group of respondents as well as the decomposed (mediated and direct) effects. We start by looking at the treatment's total effects. As shown in Figure 5, the total treatment effect is largest among those who are moderately threatened (approximately -0.43 for Myanmar, -0.41 for the Philippines), and this effect is statistically significant at the 5% level. Among weakly and highly threatened respondents, the total treatment effects are statistically significant at the 5% level only for highly threatened respondents assigned to hear about the

Philippines. These results imply that the strongest reactions to the treatment are observed among respondents who feel threatened—but not too threatened—by China. Those who are weakly threatened may not care if China is presented as a potential alternative donor, and those who are highly threatened may already have China in mind when they consider their preference for aid sanctions, regardless of whether they were assigned to the treatment condition (where we provided information about competition from China) or the control condition (where we did not).

When it comes to the pathway through which the donor competition treatment might lead to reduced support for aid sanctions, we study only the national security interests pathway. Among respondents who are highly threatened by China, we find evidence that the treatment's effect on the outcome variable goes through the national security pathway. For highly threatened respondents assigned to the Myanmar condition, this mediated effect competes with an unmodeled direct effect that is slightly positive, leading to the null total effect. For moderately threatened respondents in the Myanmar condition, we see that the total effect decomposes into a marginally significant pathway through security interests and a significant unmodeled direct effect. For highly threatened respondents in the Philippines condition, the total effect is significant because of the pathway that runs through national security interests, while for moderately threatened respondents in the same condition, the treatment's negative effect on support for aid sanctions runs through unmodeled pathways.

Figure 5. The Effect of Donor Competition Treatment Moderated by the Perception of Threat Posed by China to Japan



Note: Lines represent 95% confidence intervals estimated from quasi-Bayesian Monte Carlo method based on normal approximation using robust standard errors. The mediator model is estimated by logistic regression and the outcome model is estimated by OLS regression.

Conclusion

Scholars have long questioned whether development aid accomplishes its stated goals of bringing about economic development and poverty alleviation (Easterly 2003, Wright and Winters 2010). One explanation for the poor record of development aid is that donor governments allocate aid in large part to serve states' commercial and strategic interests (Alesina and Dollar 2000, Bueno de Mesquita and Smith 2007, Meernik, Kruger and Poe 1998, Schraeder, Hook and Taylor 1998). One method of using aid in a strategic fashion is withdrawing it in response to undesirable behavior on the part of an aid-receiving state: that is, employing an aid sanction.[12]

In this paper, we examine how the mass public in an aid-giving country thinks about the potential for using aid sanctions. In particular, we question whether they might not recognize the risk in pursuing a morally-motivated foreign policy that cuts off aid flows to strategically important countries when there is another donor are willing and able to provide substitute financing for the lost aid.

The prospect of this kind of donor competition for influence over less developed countries is increasing with the rise of non-traditional donors. Among these donors, none has attracted as much apprehension as China, whose financial assistance has been called "rogue aid." The label derives from the argument that "China's disregard for good governance principles diminishes the effectiveness of aid from more 'enlightened' donors" (Naim 2007:96). Although some research suggests that concerns regarding China's aid may be overblown (Brautigam 2009,

[12] Notably, the literature on economic sanctions is generally skeptical about their effectiveness (Baldwin 2000, Tostensen and Bull 2002).

Humphrey and Michaelowa 2018), anecdotal evidence suggests that traditional aid agencies believe recipient countries are accepting aid from China in lieu of aid from traditional donors (Naim 2007, Welle-Strand and Kjollesdal 2010). Moreover, there is growing empirical evidence that traditional donors are altering the amount, composition and/or modality of the aid they provide to countries who are also recipients of Chinese aid (Kilama 2016), as well as increasing evidence that China, like traditional donors, uses aid to reward states that support its positions in world affairs (Dreher et.al. 2018). Thus, even if China's aid is not particularly rogue, nor likely to re-order the aid landscape dramatically (Humphrey and Michaelowa 2018), it is not surprising that the public in traditional donors may believe these things to be true.

We conducted a large public opinion survey in Japan, a large donor that is highly dependent on the use of foreign aid for pursuing foreign policy goals. Our initial analyses show that, on average, the prospect of donor competition with China has a negative effect on the Japanese public's willingness to support sanctions against governments engaged in human rights violations.

Although in the expected direction, the effect is not particularly large. This might be because the treatment was not sufficiently strong. We mentioned the risk of China substituting Japanese aid only at the end of a paragraph about the human rights situation in the aid-receiving country and the goals of implementing aid sanctions. Or the effect might be small because we primed respondents in the control condition to be equally skeptical of cutting off aid through the series of mediator questions that we asked before asking the ultimate outcome question. Or the effect might be small because the Japanese public already thinks about competition with other donors when considering the possibility of aid sanctions.

Through mediation analysis, we find that the negative effect of information about donor competition on support for aid sanctions runs through increasing concerns about Japan's national security. Why might "security concerns" stand out, among the four mediation paths that we proposed, in influencing the Japanese attitudes toward aid sanctions? There are at least three possibilities. First, as has been shown repeatedly by public opinion surveys, ordinary people in Japan currently regard China's territorial ambition as the most serious, concrete threat to their national security. Especially since the "Senkaku boat collision" incident in 2010, the Japanese public is constantly on "high alert" against continuous infringements of territorial waters by Chinese fishing boats and coastguard vessels. The worst nightmare for the Japanese, therefore, would be a situation where strategically important friendly countries, such as Myanmar and the Philippines, would move closer to China than Japan. Second, Japan's economy relies far more heavily on domestic consumption and exports to advanced industrial countries than trade and investment with developing countries, such as Myanmar and the Philippines. Therefore, many Japanese people might not place much priority on Japan's economic relations with these two countries. Third, ordinary Japanese people are generally confident in their image and reputation in the international community, and thus may view any negative reputational effects from continuing to provide aid to dictators engaged in human rights abuse as negligible.

Studying the extent to which respondents' perceptions of a threat from China moderate their reactions to the treatment (and the extent to which they flow through the national security concerns path), we find the largest treatment effects among respondents who feel moderately threatened by China. Those respondents who feel most threatened by China may already be concerned about donor competition, although there is some evidence that even among this group

the treatment changes opinions about aid sanctions by influencing their perceptions of the national security effects of aid sanctions.

In future work, we look forward to seeing if the effects of donor competition on support for aid sanctions that we find among the Japanese public is generalizable to other donor publics. We speculate that citizens of the United States, still the leading donor country in the world, may not be influenced by what other donors do; citizens in emerging donors like China, however, may think more strategically and be more responsive to other donors' behavior.

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