

Domestic Poverty and Support for Foreign Aid: Evidence from China and the United States

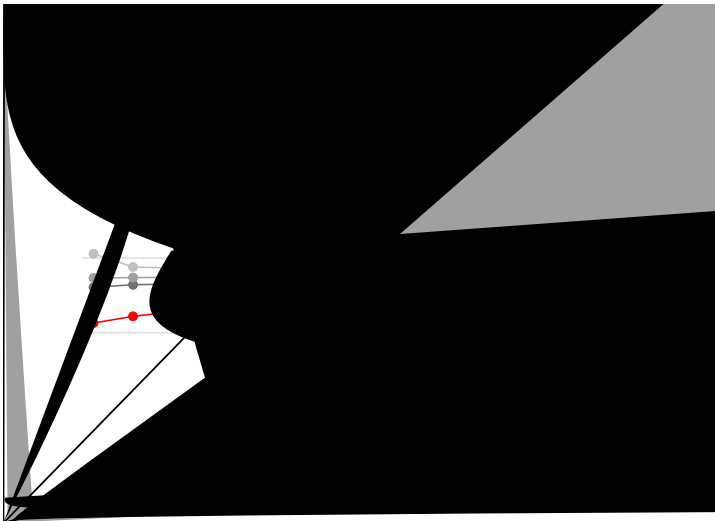
Lauren Prather
UCSD
lprather@ucsd.edu

Weiyi Shi
UCSD
w3shi@ucsd.edu

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Trends in Foreign Aid: China & Traditional Donors



Co-citizens first?

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FOREIGN AID: PUT BRITAIN FIRST

Keep cash for the NHS says top cancer doctor

By Chris Jackson
 THE children of a poor man of South America should be given free access to health care, says a leading surgeon, claiming that while the NHS is underfunded, it is "fantastic" and "one of the best in the world".

Wayne gets a touching birthday boost from his boys
SEE PAGE 2

STOP THE HONOUR AND RESPECTS
THESE AREN'T CRUSADES

Research Questions

- ▶ How does awareness of domestic poverty affect support for foreign economic aid?
- ▶ Are these effects consistent across emerging and established donors?

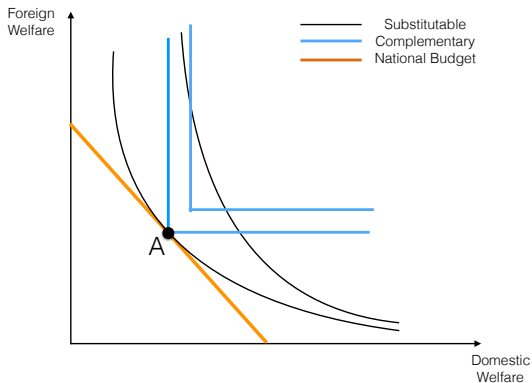
Prior Research

- ▶ Foreign aid reflects the social welfare values of states and individuals (Lumsdaine 1993; Noël and Thérien 1995, 2000; Milner and Tingley 2010, 2011, 2013).
- ▶ States and people externalize welfare values to varying degrees
- ▶ Our contribution
 - ▶ Theoretical: conceptualizing foreign aid as a form of *international* redistribution that occurs (at least perceptually) at the expense of *domestic* redistribution.
 - ▶ Empirical: adding to sparse research on public opinion on foreign aid among emerging donors and authoritarian donors

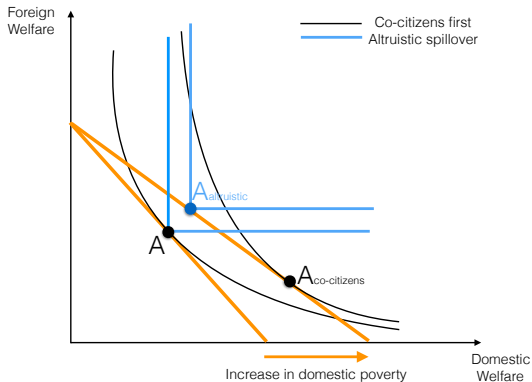
Co-citizens First vs. Altruistic Spillover

- ▶ People's preferences for foreign aid should be jointly determined with preferences for domestic aid.
- ▶ Welfare of co-citizens and foreigners can act as substitutable or complementary goods to be purchased with a given national budget.
 - ▶ Co-citizens first: foreigner welfare is a poor substitute for co-citizen welfare.
 - ▶ Altruistic spillover: foreigner welfare is complementary to co-citizen welfare.

Co-citizens First vs. Altruistic Spillover



Co-citizens First vs. Altruistic Spillover



Co-citizens First vs. Altruistic Spillover

- ▶ Co-citizens first (inverse correlation of support): the higher the perceived need for domestic aid *relative* to foreign aid, the stronger the support for domestic aid and the lower the support for foreign aid.
- ▶ Altruistic spillover (positive correlation of support): the higher the perceived need for domestic aid *relative* to foreign aid, the stronger the support for domestic aid *and* the stronger the support for foreign aid.

Type of Aid

- ▶ Co-citizens first: Inverse correlation should be more apparent for humanitarian foreign aid than self-interested economic aid.
- ▶ Altruistic spillover: Positive correlation should be more apparent for humanitarian foreign aid than self-interested economic aid.

Moderating factors

- ▶ Donor countries' stages of development:
 - ▶ Perceived level of domestic poverty relative to foreign poverty
 - ▶ Overall resources available for redistribution
- ▶ Individual values/beliefs: altruism, (inter)nationalism, beliefs about redistribution and the role of the government, trust in government and belief about its competence

Research Design - Treatment

- ▶ Priming experiments conducted among online subjects in China (800 subjects on zbj.com) and the United States (500 subjects on MTurk)
- ▶ Treatment: domestic poverty prime randomized to half of the subjects
In 2016, around 40 million people in China lived below the poverty line. Were you aware of this statistic before taking this survey?
 - a. Yes, I was aware of this statistic
 - b. No, I was not aware of this statistic.

Research Design -

DVs: support for different types of aid

- ▶ The government currently spends money on programs to help the poor in [developing countries / China]. (if foreign aid: [The goal of many of these programs is to help poor people in developing countries have a better life. / The goal of many of these programs is to improve the economies of developing countries, which allows them to buy more goods from China.] To what extent do you approve or disapprove of the governments programs to help the poor in [developing countries / China]?

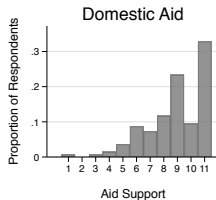
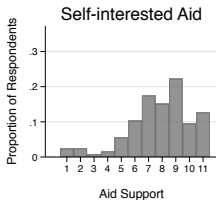
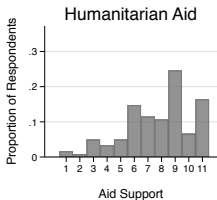
Research Design -

DVs: change in government approval with increased aid spending

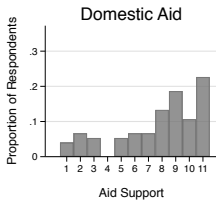
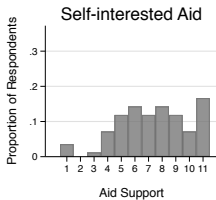
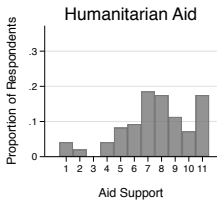
- ▶ If the government significantly increases the amount of money it spends on programs to help the poor in [developing countries / China], how would your approval of the performance of the government change?

Aid Support in China and the U.S.

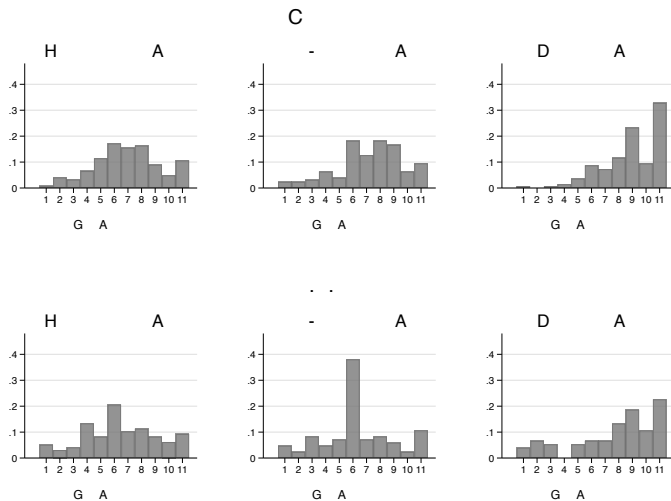
China Sample



U.S. Sample



Aid and Gov Approval in China and the U.S.



Individual Predictors of Foreign Aid Support

	China	U.S.
Woman	()	()
Age	()	()
Income	()	()
College	+	()
Job	()	()
Altruism	+	+
Trust	+	()
Nationalism	+	()
Internationalism	+	+
<i>N</i>	211	168

Key China Results

- ▶ Domestic aid always supported at higher rate than foreign aid regardless of poverty prime.

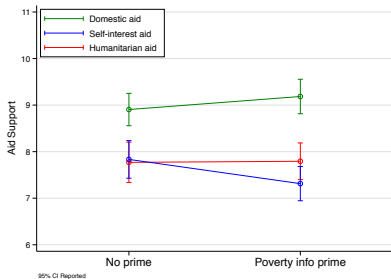
Key China Results

- ▶ Domestic aid always supported at higher rate than foreign aid regardless of poverty prime.
- ▶ No effect of poverty prime on humanitarian foreign aid.
Significant decrease in support for self-interested aid.

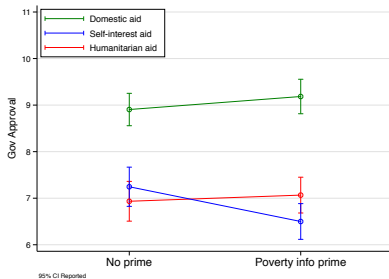
Key China Results

- ▶ Domestic aid always supported at higher rate than foreign aid regardless of poverty prime.
- ▶ No effect of poverty prime on humanitarian foreign aid.
Significant decrease in support for self-interested aid.
- ▶ Significant difference between humanitarian and self-interested foreign aid in poverty prime condition only.

China: Mean levels of support and approval

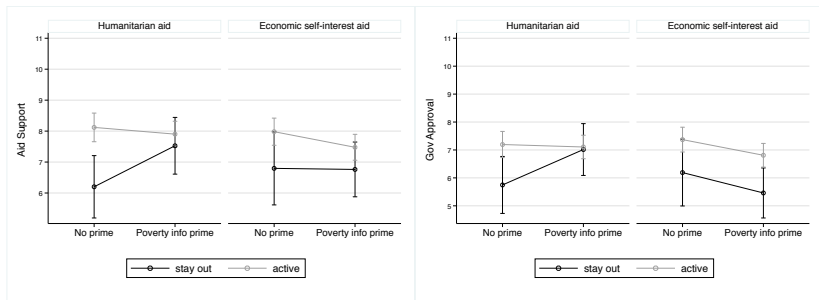


(a) China: Aid Support



(b) China: Gov Approval

China: Internationalism as a Moderator



(a) China: Aid Support

(b) China: Gov Approval

Key U.S. Results

- ▶ Always a significant difference in support/approval between domestic aid and foreign aid w/poverty prime. Mixed without.

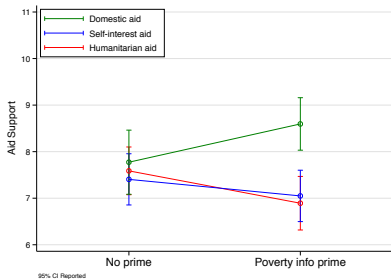
Key U.S. Results

- ▶ Always a significant difference in support/approval between domestic aid and foreign aid w/poverty prime. Mixed without.
- ▶ Poverty prime increases support for domestic aid and marginally decreases support for both types of foreign aid.

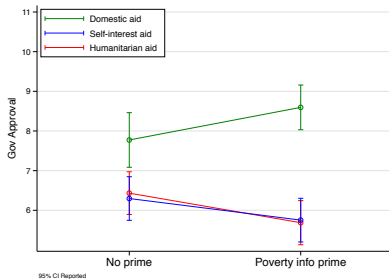
Key U.S. Results

- ▶ Always a significant difference in support/approval between domestic aid and foreign aid w/poverty prime. Mixed without.
- ▶ Poverty prime increases support for domestic aid and marginally decreases support for both types of foreign aid.
- ▶ No differences in types of foreign aid.

USA: Mean levels of support and approval

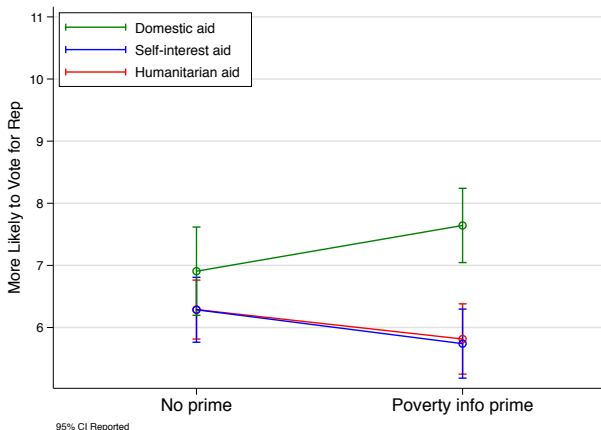


(a) U.S.: Aid Support

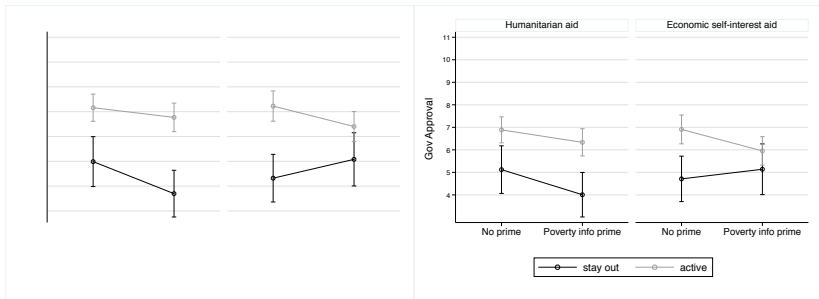


(b) U.S.: Gov Approval

USA: Similar story for likelihood of voting for representative.



USA: Internationalism as a Moderator



(a) U.S.: Aid Support

(b) U.S.: Gov Approval

Conclusion and Next Steps

- ▶ China results are more consistent with altruistic spillover than those of the United States - surprising!
- ▶ Internationalism moderates treatment effect in both countries, but in opposite directions.
- ▶ Findings on government approval/ likelihood of voting demonstrate that policies on foreign aid do matter, even in the context of an autocracy.

Next Steps

- ▶ Clarify causal mechanism (recent experience with poverty in China? more jaded perception of humanitarian aid in the US?)
- ▶ Suggestions on improving design?
- ▶ Extension (e.g. support for domestic aid when primed with poverty abroad; government approval when primed with domestic poverty*foreign aid spending)