The Electoral Effects of Foreign Aid: Evidence from Sub-National Data*

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August 1, 2025

Paper presented at the "Analyzing Global Development with the Geocoded Official Development Assistance Dataset (GODAD)" workshop

Abstract: This study examines the electoral impact of foreign aid across subnational regions in Africa, addressing a key gap in research that has largely focused on aid's effects on legitimacy, public opinion, or leadership survival. We argue that the political effects of aid depend on domestic institutional context. In weakly institutionalized settings—characterized by low transparency, high corruption, and clientelist norms—incumbents can capture and strategically allocate aid to electorally valuable constituencies, claim credit, and convert aid into votes. In contrast, in stronger institutional environments, voters are more likely to attribute aid to donors, expect equitable distribution, and interpret aid-funded projects as signs of government weakness or favoritism, reducing or even reversing their political impact. We test this argument using geo-coded aid disbursements from 18 donors combined with new subnational electoral data for 45 African countries (1993–2020). To address endogeneity, we use an

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instrumental variable strategy based on donor budget shocks and aid allocation patterns. We find that aid has no effect on vote share on average, but increases incumbent support in weakly governed contexts and decreases it in stronger ones. These findings highlight how institutional context shapes the political returns to foreign aid.

Keywords: foreign aid, favoritism, election outcomes
JEL codes: F35, D72

1 Introduction

Scholars have long debated the role of foreign development aid in shaping political landscapes, particularly its unintended consequences on domestic politics and governance. While aid is primarily intended to promote economic development and improve citizen welfare, substantial evidence suggests that donors strategically allocate aid to enhance the electoral prospects of favored governments (Faye and Niehaus 2012, Rommel and Schaudt 2020), and recipient governments often redirect aid to strengthen their political base (Jablonski 2014, Hodler and Raschky 2014, Briggs 2017, Dreher et al. 2019, Anaxagorou et al. 2020, Bommer et al. 2022). Despite strong evidence that foreign aid is inherently political, significant questions remain about the extent to which foreign aid effectively shapes the electoral fortunes of political actors in recipient governments. Much of the existing literature has focused on the broader impacts of aid on governance and legitimacy, leaving the direct effects of foreign aid on the political behavior of voters in recipient countries underexplored.

Using new data on election outcomes, our study seeks to fill this gap by examining the relationship between foreign aid and the political behavior of citizens during elections. We argue that the electoral impact of foreign aid is conditional on the strength of domestic institutions. In weakly institutionalized contexts—characterized by low transparency, high corruption, and clientelist norms—incumbents can more easily capture aid flows, steer them toward electorally valuable regions, and credibly claim credit for externally funded projects. In these settings, voters often operate under the belief—shaped by experience and reinforced by limited institutional trust—that access to resources depends on political connections. Aid is thus perceived as part of a zero-sum game in which voting for the incumbent increases the likelihood of material rewards. Government control over media and messaging further amplifies this perception, enabling incumbents to frame donor-funded projects as regime-provided goods. In contrast, in stronger institutional environments where voters expect impartial bureaucratic governance, attribution is clearer, programmatic norms are stronger, and the political returns to aid diminish. Voters in these contexts are more likely to credit donors for development outcomes and may interpret targeted aid distribution as favoritism or even evidence of state failure. As a result, the same aid flows that bolster incumbents in weak systems may have no effect—or even erode support—in stronger ones.

To evaluate this argument empirically, we leverage new geo-coded data on foreign aid disbursements from 18 European donors and the United States to subnational jurisdictions in 45 African countries over the period from 1993 to 2020 (Bomprezzi et al. 2025). We combine the data on aid with novel data on sub-national vote shares for the incumbent in national elections from a number of sources. We draw on Tang (2026), who provides data for presidential and legislative elections for 47 countries in Africa, and add original data for a number of additional countries and elections. Using OLS and 2SLS regression analyses, we find strong support for our theoretical expectations. On average, foreign aid has no effect on incumbent vote share. However, in weakly institutionalized environments—where incumbents can capture and politicize aid—foreign aid significantly increases electoral support. In contrast, in more strongly institutionalized contexts, aid tends to reduce vote shares, likely because voters attribute aid to donors or view it as a sign of government weakness or favoritism.

These results underscore the importance of the strategic capture and allocation of aid in shaping its electoral consequences, and thereby contribute to the literature on the political effects of foreign aid by addressing a central and unresolved question: does foreign aid effectively bolster public support for recipient governments and enhance their vote share during elections? While substantial evidence shows that the allocation of foreign aid—both across and within recipient countries—is intimately related to the desire to get re-elected, findings on aid's actual effectiveness in boosting support and vote shares during elections remain scarce. Due to a previous lack of high-quality election data, existing research has focused on analyzing the impact of foreign aid on survey-based vote intentions (Blattman et al. 2018, Briggs 2019, Knutsen and Kotsadam 2020, Han 2024, Jablonski 2024), government legitimacy (Dietrich and Wright 2015, Dietrich et al. 2018, Guiteras and Mobarak 2015, Baldwin and Winters 2020, Blair and Roessler 2021), or leadership survival in political office (Kono and Montinola 2009, Licht 2010, Ahmed 2012, Rota-Graziosi et al. 2012, Briggs 2015, Cruz and Schneider 2017, Allen et al. 2023).[1] However, public opinion polls and leadership tenure are often not the best indicators of actual political behavior during elections.[2] Our study provides first large-scale, subnational, and multi-country empirical evidence that foreign aid inflows can in fact influence the political behavior of citizens during elections, by increasing vote shares of incumbent parties in districts where citizens stand to benefit from foreign aid, and in contexts where incumbents control aid flows.[3]

[1]A related literature also connects foreign aid to support for foreign donors (Zheng and Li 2022, Blair et al. 2022, Wellner et al. 2025).

[2]Scholars have found several challenges relating public opinion polls to actual vote shares (Graefe 2014, Ganser and Riordan 2015, Lewis-Beck and Dassonneville 2015, Murr et al. 2021, Zhou et al. 2021, Kotak and Moore 2022). These include sampling challenges, and nonresponse bias can skew results if certain demographics are underrepresented. Social desirability bias may lead respondents to misreport their true preferences, while dynamic voter behavior means opinions can shift before election day. Expectation-based polling and prediction markets often provide more accurate forecasts by incorporating broader social perceptions and aggregated insights. In addition, while the effects of aid on leadership tenure are important in their own right, there exist a host of other factors that are related to the receipt of foreign aid and leadership survival in office, but not to actual increases in vote shares, especially weakly institutionalized systems. This makes it more difficult to infer whether the effects can be interpreted as supporting electoral success or other means through which leaders can use foreign aid to sustain themselves in office.

[3]Our findings thereby complement existing work that has focused on individual case studies or the effects of credit claiming in contexts where political actors have no control over foreign aid resources (Briggs 2012, Jablonski 2014, Cruz and Schneider 2017).

With our focus on the conditional effect of aid on election outcomes, our findings also provide new theoretical insights to the existing work that links foreign aid to government support, which has produced mixed findings. Some studies suggest that foreign aid increases incumbents' public support and legitimacy (Kono and Montinola 2009, Guiteras and Mobarak 2015, Dietrich et al. 2018, Blair and Roessler 2021). Other research indicates that aid can have negligible or even adverse effects, eroding public trust and diminishing the perceived competence and legitimacy of recipient governments, particularly when it highlights government dependency on external actors (Bratton 1989, Fowler 1991, Dietrich and Wright 2015, Brass 2016, Baldwin and Winters 2020, Oliveros et al. 2023), fails to meet voters' expectations (Bratton 1989, Fowler 1991, Brass 2016, Briggs 2019, Baldwin and Winters 2020, Wang et al. 2022), or produces backlash by citizens who fail to benefit the aid projects (O'Brien-Udry 2023a,b, Jablonski 2024, Jablonski and Seim 2024). Although we focus on political behavior during elections, our study helps reconcile these conflicting findings by offering a unified theoretical framework: the political effects of aid depend on the strength of domestic institutions. In weakly institutionalized settings, governments are able to capture aid, direct it toward key constituencies, and claim credit—generating electoral gains. In contrast, in stronger institutional contexts, where attribution is clearer, expectations of fairness are higher, and voters are more likely to detect favoritism or incompetence, the same aid flows can erode support or provoke backlash.

In addition to presenting new evidence that the electoral effects of foreign aid depend on the strength of domestic institutions, our study makes several key empirical contributions. First, we provide the most comprehensive test to date of whether—and under what conditions—foreign aid influences incumbent vote shares during elections, capturing the actual political behavior of voters exposed to aid inflows. Prior research has made important strides in linking foreign aid to political outcomes by examining related but distinct concepts such as vote intentions, legitimacy, and leadership survival. However, these outcomes are not direct measures of electoral success, and much of this work has faced challenges in identifying causal effects due to the strategic allocation of aid. Because aid is often directed toward regions that already support the incumbent, distinguishing correlation from causation remains a persistent concern. We address this issue using an identification strategy that instruments subnational aid flows with exogenous variation in donor budgets interacted with probabilities of receiving aid, allowing us to estimate the causal impact of aid on electoral outcomes at the local level. Second, we leverage an original dataset combining geo-coded aid disbursements from 18 donors with subnational vote share data for presidential and legislative elections in up to 45 African countries from 1993 to 2020. This fine-grained spatial and temporal resolution enables us to systematically analyze how incumbents use aid in competitive electoral contexts and how voters respond; something that national-level analyses or single-donor studies cannot capture. Third, by focusing on realized electoral behavior rather than perceptions or intentions, we provide a more direct measure of incumbents' ability to convert aid into votes. Taken together, these contributions offer new empirical leverage on a long-standing question and provide the strongest evidence to date that the political effectiveness of aid depends critically on whether governments can control, target, and claim credit for its distribution.

2 The Argument

Can foreign aid increase the electoral prospects of governments in democratic recipient countries? In a nutshell, we argue that the effect of foreign aid on national elections is conditional on the institutional context that shapes both government behavior and voter perceptions. In well-institutionalized settings—characterized by transparency, impartial bureaucracies, and strong rule of law—voters are more likely to recognize the role of external donors in development projects and expect equitable service provision. These norms constrain the government's ability to claim political credit for aid and may even cast reliance on foreign assistance as a sign of weakness. In contrast, in contexts marked by weak institutions, high corruption, and clientelism, voters often view the allocation of public resources, including foreign aid, through a politicized lens. Conditioned by experience and reinforced by limited access to independent information, they expect leaders to use aid to reward political loyalty and anticipate personal or communal benefits when incumbents retain power. Governments in these environments can strategically capture and channel aid to electorally valuable regions and employ media control or symbolic messaging to frame donor-funded projects as regime achievements. Thus, the political effects of foreign aid emerge not because voters are uninformed or irrational, but because their expectations are shaped by institutional realities that affect both the flow of resources and the credibility of attribution. Under these conditions, incumbents are better able to convert foreign aid into political capital, whereas in stronger systems, aid may yield fewer electoral returns or even provoke backlash.

Foreign aid is a vital source of income for many developing countries, often constituting a significant share of national budgets. In Sub-Saharan Africa, for example, foreign aid accounts for an average of 10% of gross national income (GNI), with some countries such as Malawi and Mozambique relying on aid for as much as 25-30% of their GNI. This financial assistance plays a critical role in enabling governments to provide essential goods, services, and infrastructure. Because of its relevance for domestic budgets and the provision of public goods, opportunistic governments seeking reelection should have strong incentives to exploit the influx of foreign aid to enhance their chances of staying in power. Evidence from the economic voting literature demonstrates that voters often reward governments for perceived improvements in public goods provision, economic welfare, and living standards (Lewis-Beck 1980, 2006, Duch and Stevenson 2008, 2010), all of which can be influenced by foreign aid flows. For example, when governments fund visible and impactful projects—such as building schools, clinics, or roads—they signal effective governance and responsiveness to citizen needs. Voters tend to reward governments that visibly address their needs and enhance their prospects for economic welfare, associating such improvements with effective leadership and stability. Investments in new schools or hospitals, the expansion of road networks, or subsidies for basic commodities often generate widespread goodwill among the electorate. These tangible benefits create a direct and immediate connection between government action and perceived citizen welfare, reinforcing voter loyalty.

In principle, this logic should extend to situations where governments gain access to additional resources, regardless of their source, as long as those resources are effectively used to provide visible benefits to the public. However, the relationship between public goods provision and voter support becomes less straightforward when it involves foreign aid resources. A critical factor in this dynamic is the attribution of responsibility (Powell and Whitten 1993, Rudolph 2003, Duch and Stevenson 2013). In domestic contexts, voters typically credit the government for public goods and services, associating these improvements with its competence and effective governance.[4] Foreign aid projects blur this attribution. Because these initiatives are funded by external donors and frequently implemented with the support of international organizations, contracted companies, or non-governmental organizations (McLean 2017), they may not signal government competence, unless political actors are directly participating in its subnational allocation or implementation.

In fact, foreign aid projects can create an impression that the government is either unable or unwilling to independently provide essential goods, services, or infrastructure to its citizens (Bratton 1989, Fowler 1991, Dietrich and Wright 2015, Brass 2016, Baldwin and Winters 2020). This perception of dependency on foreign donors may undermine the legitimacy of the government, particularly if voters view the aid as compensating for governmental inadequacies. For example, when donors visibly brand projects with their logos or emphasize their role in financing and implementation, it can shift any political credit away from the government and onto external actors (Dietrich and Wright 2015).[5] In such cases, rather than reinforcing support for the incumbent, the provision of basic goods through foreign aid might highlight the government's shortcomings, leading to reduced voter support. The risk of negative perceptions may be heightened in contexts where citizens are already skeptical of government performance or where aid projects fail

[4]A good example is the work on the electoral effect of domestic cash transfer programs (Blattman et al. 2018, De La O 2013, Labonne 2013).

[5]Dietrich et al. (2019) further show that publics in donor countries believe branding is effective. But branding is not always effective, and can also lead to greater support for governments (Dietrich et al. 2018).

to align with local needs and priorities. In other words, while domestic public goods provision typically strengthens the bond between governments and their citizens, foreign aid may, in certain circumstances, do the opposite—exposing the government's reliance on external resources and eroding its perceived legitimacy.

Despite this potential political fallacy of foreign aid, foreign aid can also benefit governments' electoral fortunes. We argue that the ability of governments to exploit foreign aid for their own electoral benefit hinges on their capacity to capture these resources and effectively claim credit for improving citizen welfare, thereby increasing believes in their government capacity and performance. The capture of foreign aid and effective credit-claiming is particularly feasible in contexts characterized by lower transparency, higher corruption, and political clientelism. In such environments, governments are better positioned to divert foreign aid from its intended purposes or manipulate its distribution to serve their political interests without facing direct accountability. By prioritizing aid projects in regions that are electorally important—such as swing districts or strongholds where voter turnout can be maximized—they can effectively transform foreign resources into political capital.[6] Alternatively, governments may ensure that aid is visibly linked to their own efforts, even when it has been earmarked by donors for specific uses, thereby claiming credit for welfare improvements.

The mechanisms of capturing foreign aid are often embedded in broader practices of political clientelism and patronage, where political elites use public resources to secure voter loyalty through targeted benefits (Keefer 2007, Keefer and Vlaicu 2007, Kitschelt and Wilkinson 2007, Hicken 2011, Labonne 2013, Guiteras and Mobarak 2015, Anaxagorou et al. 2020). Governments may strategically influence the implementation of aid projects to disproportionately benefit their political supporters, ensuring that development initiatives—such as road construction, agricultural subsidies, or food distribution—are directed toward local constituencies that maximize electoral returns. Even when foreign aid is formally allocated to specific subnational units or tied to particular projects, recipient governments often retain significant control over key aspects of implementation, including contracting, resource allocation, staffing, and administrative facilitation. This allows them to manipulate how aid is distributed, claimed, and ultimately perceived by voters.

One mechanism through which governments capture aid is by controlling the selection of contractors or suppliers responsible for project implementation. In contexts of weak rule of law and high corruption, governments may steer contracts toward

[6]An alternative strategy would be the capture of foreign aid sources for a strategic allocation to electorally-important regions. Although the regional allocation of aid is often endogenous to political motivations of national governments, we do not focus on this theoretical mechanism here because our empirical strategies to deal with endogeneity imply that we cannot test this argument explicitly. However, we expect that this strategy would complement the political strategies that we discuss in this paper. Our findings are therefore conservative, and likely would be stronger if we took into account endogenously distributed foreign aid.

politically connected firms or individuals, ensuring that both financial resources and employment opportunities flow to political allies. These contractors, in turn, may return portions of the funds to political elites through kickbacks or preferential treatment, reinforcing patronage networks. Even when donors attempt to regulate procurement processes, recipient governments can exploit loopholes by setting contract requirements that favor domestic firms aligned with the ruling party or by selectively enforcing regulatory oversight. The Chinsali–Nakonde Road project, jointly financed by the African Development Bank (AfDB) and the European Union (EU), illustrates how local contractor requirements can be manipulated for patronage. A senior executive at the Zambian Road Development Agency (RDA) explained that while regulations mandate that a percentage of the project be awarded to local contractors, in practice, these firms are often owned by sons of ministers or politically connected elites. "On paper, it looks like local firms are benefiting, but in reality, these companies exist just to win the contracts," the executive noted.[7] "They take the money, add their markup, and immediately subcontract the actual work to Chinese firms, who were originally excluded from direct bidding."[8] This multi-layered subcontracting process inflates costs while ensuring that politically connected individuals capture rents without contributing technical expertise. Although donors attempt to enforce procurement standards, the ruling party's control over regulatory agencies allows these practices to persist, making foreign aid a lucrative tool for patronage.

Beyond the contracting process, governments influence aid effectiveness by determining which projects receive additional domestic resources, which are fast-tracked, and which are stalled or neglected. While they may not always control where donor-funded projects are initially located, they can manipulate local implementation by assigning more competent staff to politically important regions, streamlining bureaucratic hurdles for targeted projects, and ensuring that high-profile initiatives receive domestic co-financing to amplify their visibility. Conversely, projects in opposition strongholds may be delayed, underfunded, or burdened with excessive administrative red tape, reducing their effectiveness and making government opponents appear less capable of delivering development. For example, Ijaz (2023) demonstrates how the dependence of donors on local politicians to provide "last-mile access"—that is, removing bureaucratic and physical barriers that stand in the way for individual recipients to move beyond eligibility and obtain the benefits of foreign aid programs—provides local politicians with considerable power over effective implementation of aid projects across different localities.

Additionally, governments can influence aid effectiveness by controlling public messaging around aid projects, ensuring that the state—not external donors—receives

[7]Interview with a senior executive at the Road Development Agency of Zambia, Lusaka, Zambia, May 10, 2022.

[8]Ibid.

credit for development initiatives. This can include high-profile inauguration ceremonies, government officials' presence at project launches, or selective media coverage that emphasizes the ruling party's role in bringing resources to the community (Guiteras and Mobarak 2015, Cruz and Schneider 2017). Even when aid is clearly branded as a donor initiative, these strategies help shape voter perceptions, reinforcing the idea that the incumbent government is responsible for securing and delivering foreign assistance (Dietrich et al. 2018).[9] For example, after the EU, European Investment Bank (EIB), and the AfDB financed the T4 road connecting Zambia to Mozambique, the government erected an oversized billboard featuring Zambian President Banda and the slogan "The government will do it," strategically placed in front of the EU sign to obscure donor recognition.[10] USAID projects face similar issues, prompting the agency to erect more billboards across Lusaka to counteract political credit-claiming.[11] Despite such efforts, ruling parties often control local messaging, limiting donor visibility and reinforcing the perception that development benefits stem from the government.

This ability to claim credit is reinforced by the broader political and institutional environment in which aid is delivered. In weakly institutionalized contexts—marked by clientelism, corruption, and low bureaucratic autonomy—citizens often experience the distribution of public goods, whether domestically or externally funded, as contingent on political mediation. Decades of exposure to discretionary governance condition voters to see resource flows as politically allocated rather than impartially administered. In this environment, foreign aid is not viewed as a neutral or technocratic tool of development but as part of a political economy in which leaders reward loyalty and punish opposition. As a result, voters do not necessarily distinguish between aid-funded and state-funded goods. Instead, they interpret visible development projects as signals of the incumbent's power and willingness to deliver material benefits to supporters.

Importantly, this does not imply that voters are uninformed or easily manipulated. Rather, their expectations reflect a rational response to institutional realities. In systems where programmatic policymaking is weak and institutional safeguards are lacking, voters understand that political alignment with those in power may be the most reliable pathway to accessing resources. Supporting incumbents who appear capable of delivering aid—regardless of its true source—can therefore be a strategic choice. Moreover, in highly corrupt environments, where bureaucratic obstacles, permit approvals, or local co-financing arrangements can delay or derail project implementation, citizens often assume that no project would succeed without government facilitation. This perception is compounded by government control over media and public messaging, which allows incumbents to frame donor-funded projects as regime achievements through symbolic acts

[9]Though also see Oliveros et al. (2023) who show that political branding can backfire.
[10]Interview with EU delegation officials, Lusaka, May 5, 2022.
[11]Interview with USAID Zambia official, Lusaka, May 13, 2022.

like ribbon-cuttings, signage, or selective news coverage. These efforts reinforce the belief that the incumbent is instrumental in securing and delivering development, increasing voter loyalty and cultivating fears that political turnover could jeopardize future benefits. In this way, voters rationally reward incumbents who demonstrate capacity to provide aid—whether through actual performance or persuasive framing—because continued access to these resources is seen as politically contingent.

Importantly, the political benefits of foreign aid are not contingent on whether aid improves economic growth or overall development outcomes. Instead, what matters is whether aid can be visibly linked to the incumbent and framed as a government-delivered good. In weakly institutionalized contexts, even incomplete or inefficient projects can generate electoral returns if they are strategically targeted and symbolically branded. This diverges from standard models of economic voting that emphasize retrospective evaluations of performance. Here, voter support reflects perceptions of access and responsiveness rather than objective developmental impact.

This logic changes in countries with higher levels of transparency, meritocratic bureaucracies, and programmatic political competition, where both governments and voters operate under different constraints and expectations. Institutionalized oversight mechanisms and more autonomous bureaucracies limit incumbents' ability to divert or politicize foreign aid. Procurement regulations, independent auditing bodies, and donor monitoring reduce opportunities for leaders to selectively allocate projects or engage in overt credit-claiming. Moreover, functioning intergovernmental systems often delegate key aspects of aid implementation to technocratic agencies or local governments, diluting the political salience of aid flows at the national level. At the same time, voters in these settings are socialized into norms of impartial and rules-based governance, which shape both their expectations and their preferences. They are more likely to attribute development outcomes to bureaucratic competence or donor institutions rather than to individual politicians. Stronger democratic competition and a history of programmatic party behavior increase voter demand for broad-based public goods over targeted or clientelistic benefits. In this context, efforts by incumbents to claim credit for donor-funded projects are less credible and may even backfire, especially when voters view foreign aid as evidence of government dependency or a failure to deliver through domestic means. As a result, the same aid flows that bolster incumbents in weak systems may be politically neutral—or even counterproductive—in stronger ones. Rather than rewarding incumbents for externally funded projects, voters may interpret them as insufficient substitutes for sustained public investment, or as signs that the government lacks autonomy, capacity, or legitimacy.

In sum, the electoral impact of foreign aid depends on the capacity of governments to control its distribution and shape public perceptions around it. In contexts where clientelism dominates and institutional constraints are weak, foreign aid becomes an additional resource that incumbents can leverage to consolidate power. Control over contracting, implementation, and publicity enables political elites to convert externally funded projects into visible signals of responsiveness, rewarding key constituencies and enhancing electoral support. These strategies allow governments to use aid not only for development but also for political gain, often at the expense of aid's intended objectives.[12] In such environments, voters—conditioned by experience to see public resources as politically mediated—respond rationally to targeted benefits by rewarding incumbents who appear capable of delivering them. By contrast, in more institutionalized systems where programmatic norms are stronger and attribution is clearer, these strategies are less effective and may even provoke backlash. Consistent with the logic of economic voting, we expect that *foreign aid inflow will increase voter support for incumbent governments, but only in weakly institutionalized contexts*, where aid can be more easily captured, politicized, and credited to the regime.

3 Method and Data

We investigate the influence of foreign aid on electoral outcomes across subnational jurisdictions in up to 45 African countries from 1993 to 2020. The subnational units in our analysis are more than 700 first-level (ADM1) administrative regions, which include divisions such as provinces or states.[13]

Our empirical strategy is based on the following regression model:

$$VoteShare_{it} = \beta_1 Aid_{it-1} + \beta_2 Pop_{it-1} + \alpha_{ct} + \delta_i + \nu_{it}, \tag{1}$$

where α_{ct} denotes country-year fixed effects, δ_i captures ADM1-region fixed effects, and β_1 is the coefficient of interest measuring the impact of (the logarithm of) foreign aid on election outcomes. We control for (the logarithm of) population size (Pop) of region i at time $t-1$, derived from high-resolution data on global population distribution provided by the Center for International Earth Science Information Network (CIESIN) (CIESIN 2018). We cluster standard errors by country, allowing for arbitrary spatial and temporal correlation among all regions within a country.

We measure our dependent variable, *Vote Share*, as the vote share of an incumbent party in each subnational unit during national legislative or executive elections. To measure this variable, we combine election data from a number of sources. Tang (2026) provides data for presidential and legislative elections for 47 countries in Africa.

[12]In related work, we show that foreign aid can also increase targeted political violence during elections, particularly in weakly institutionalized settings where the value of capturing aid is high and legal constraints are limited (Dreher et al. 2025).

[13]We employ subnational boundaries from the Database of Global Administrative Areas (GADM, 3.6).

This dataset, drawing on a wide range of sources, records the regional legislative and presidential election outcomes for incumbent parties, as well as information on the year of legislative or presidential elections.[14] The construction of this dataset involves several steps. First, we identify the election years within the study period. Second, we determine the incumbent party at the time. We define the incumbent party as the same party or party coalition shared by the head of government.[15] In cases of party turnover during an election year, we define the incumbent party as the one in power before being voted out. Third, we calculate the incumbent party's vote share as a proportion of the total votes within each ADM1 region. Given the significant redistricting that occurred during the study period, we standardize all ADM1-level outcomes based on the GADM (3.6) boundaries. If a larger region was split into smaller ones and only the larger region's election data is available, we assign the same vote share to each of the newly created regions. Conversely, if smaller regions were merged into a larger one and only their individual vote shares are available, we compute the average vote share across these smaller regions to represent the newly formed region. This dataset is the first of its kind to provide subnational-level incumbent vote share data covering both presidential and legislative elections across such a broad range of countries and years. While our main analysis focuses on election outcomes, we complement data on actual election outcomes with data on vote intentions using public opinion polls from Afrobarometer (Afrobarometer 2019, Wang et al. 2022) in additional regressions.[16] Whereas these data allow us to cover a larger sample, and vote intention data are oftentimes used as a predictor of election outcomes, they have the disadvantage that the correlation between vote intention and electoral outcomes are often weak (Zhou et al. 2021, Kotak and Moore 2022).

Our main explanatory variable is the flow of foreign development aid to particular regions. We use Bomprezzi et al.'s (2025) Geocoded Official Development Dataset

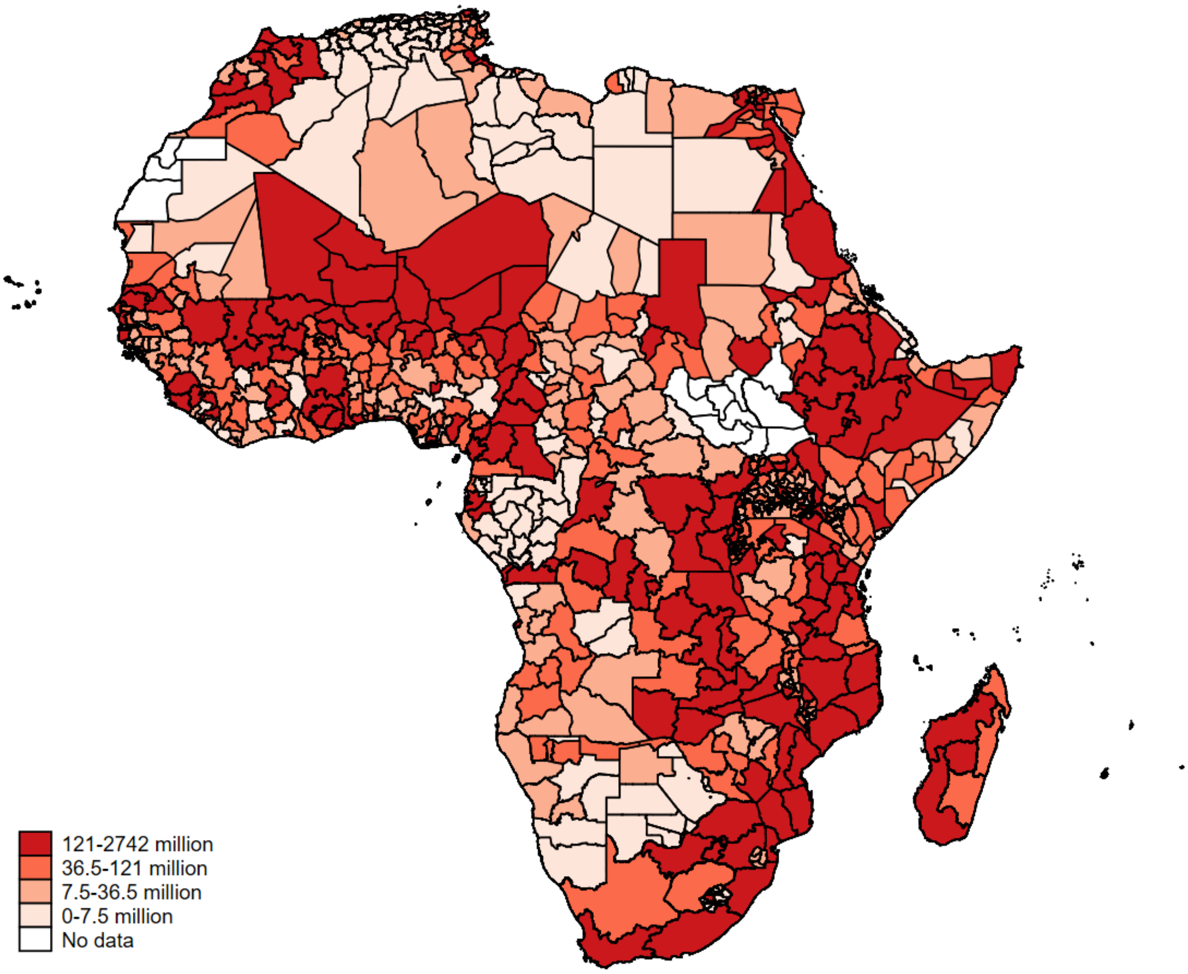
[14]The sources include the African Election Database, Constituency-Level Elections Archive (CLEA), Election Passport, Electoral Geography 2.0, Psephos Adam Carr's Election Archive, multiple country-specific Ph.D. dissertations or journal articles, as well as various national electoral commissions. In addition, when there are multiple rounds of elections, we focus on the final round to code our voting variable. A detailed description and data source for each election is in Appendix 1 of Tang (2026). We have added data for Liberia and Algeria to this draft and intend to expand our data with election results for countries outside of Africa and for elections taking place at the level of ADM1 regions rather than the national level.

[15]When the main incumbent party is a coalition rather than an independent party, we measure the incumbent vote share using the coalition vote share, because of several reasons. Many data sources, such as CLEA for legislative elections, only provide information on the coalition as a whole rather than its constituent parties (like Madagascar for instance). It's rare to find subnational vote shares for individual parties. Moreover, in the cases of ethno-federalism—such as the EPRDF in Ethiopia, which comprises five regionally based parties—each party only contests in its home region. Coding subnational vote shares for these parties across the entire country would be misleading, as many received zero votes outside their home regions. This makes it difficult to capture the national perception of the coalition as a unified political actor.

[16]We focus on responses to the question "Which party do you plan to vote for?"

(GODAD), which includes aid disbursement information from 18 European donors and the United States in constant 2014 US dollars. *Aid* is then the logarithm of ODA disbursements from these donors (plus 1) given to region i, available for the 1990–2020 period. Figure 1 illustrates the allocation of aid from these Western donors across ADM1 regions. The figure illustrates that there is significant variation between ADM1 regions within recipient countries, as well es between the countries in our dataset.

Figure 1 – Aid in ADM1 regions, 1990–2020



Note: The figure plots average aid received at the ADM1 level, over the 1990-2020 period (in million constant 2014 US dollars from Bomprezzi et al. 2025).

In addition to testing the average effect of aid on electoral outcomes, we are interested in the effect of aid on the recipient country's quality of institutions and level of democracy. In particular, our argument predicts that the effect of foreign aid flows on electoral outcomes is conditional on the quality of governance within the recipient country, with recipient governments in low-quality governance contexts being more able to capture aid for political purposes. We use a broad indicator of governance—political risk—taken from the PRS Group's International Country Risk Guide, ICRG, ranging from 0 to 100, with higher values indicating better governance (The PRS Group 2024). Our second indicator is the absence of corruption, taken from the same source, with values from 0 to 6, where higher values again measure better governance. The ICRG's index of law and order forms our third indicator, also measured on a 0–6 scale.

We also make use of Cheibub et al.'s (2010) binary democracy indicator, updated by Bjørnskov and Rode (2020) to test whether the effect of aid differs in democracies. On the one hand, democracy is a proxy for institutional quality, so in line with our arguments above the effect of aid should be weaker. On the other hand, elections are more consequential in democracies compared to autocracies, so the incentives to misappropriate aid for political purposes are starker.

Our baseline model is parsimonious and does not include additional control variables, following standard practice in subnational aid effect studies (Dreher and Lohmann 2015, Dreher et al. 2021). Country-year fixed effects control for any factors affecting all subnational regions within a country and year, while region fixed effects account for geographic, institutional, and other time-invariant influences. Given the overlap in our different datasets, the sample period we receive spans 1993-2020, with a maximum of more than 700 sub-national regions from 45 African countries.

We lag values of *Aid* by one year only, assuming that the effects on election outcomes are immediate (we do not include them contemporaneously given that elections could then precede rather than lag the aid). The use of lagged variables and fixed effects alleviates concerns that unobserved, time-varying factors could jointly influence both aid disbursement and regional election outcomes. Given substantial correlation of aid volumes within regions over time, omitted variables bias and reverse causality may however still bias the coefficients in OLS regressions. To address such potential endogeneity, we employ a two-stage least squares (2SLS) approach based on the instrument proposed in Dreher and Langlotz (2020) and Dreher et al. (2021). Dreher and Langlotz (2020) exploit temporal variation in donor-country government fractionalization, which they interact with a time-invariant measure of the likelihood of receiving aid from a specific donor at the donor-recipient level. Intuitively, larger fractionalization increases demands on the government's budget, ultimately leading to larger ones. This increase in the overall budget translates to larger development budgets as well. Dreher and Langlotz (2020) then show that more frequent recipients of aid receive larger chunks of this aid, on average. This instrument however lacks power in the first-stage regression we introduce below. We therefore follow Dreher et al. (2021) and use donor countries' aid budgets to measure the availability of aid in any year.[17]

Building on Nunn and Qian (2014), Ahmed (2016) and Chauvet and Ehrhart

[17] Whether the additional resources are given to traditional recipients or rather to new ones is an empirical question. Bilateral donors tend to give them to established clientele, while multilateral donors extend aid to less regular recipients (Lang 2021, Dreher et al. 2021).

(2018), Dreher and Langlotz (2020) introduce variation at the recipient country level by interacting their proxy for the supply of aid for every donor with the share of years over the sample period during which a country received aid from specific donors. We adapt this strategy to the subnational context and use the probability of a sub-national region to receive aid—$p_{j,i}$—to construct the instrumental variable.[18]

We estimate a first-stage regression at the recipient-region-year level as follows:

$$Aid_{it} = \beta_1 IV_{it-1} + \beta_2 IV_{it-2} + \beta_3 IV_{it-3} + \beta_4 Pop_{it-1} + \eta_i + \tau_{ct} + \epsilon_{it}, \quad (2)$$

where we define IV_{it} as $\sum_j BUDGET_{jt} * p_{ji}$, with $BUDGET_{jt}$ measuring aid commitments by donor j in year t (in millions of constant 2022 US$).

This setup uses donor government budgets in combination with regional likelihoods of receiving aid to instrument for aid disbursements at the subnational level.[19] We include the instrument with three different lags given that aid commitments may affect disbursements in multiple years and the power of the three instruments turns out to be considerably larger compared to using just one. We estimate the first stage based on all data available in order to increase the efficiency of the estimator and ensure the stability of the first-stage estimates across samples.[20] Following Dreher and Langlotz (2020), our model can be interpreted as a difference-in-differences approach, leveraging variations in donor government resource availability to estimate differential impacts of aid on regions with high versus low probabilities of receiving aid. Our identification hinges on the assumption that trends in electoral outcomes do not systematically vary across regions based on their probability of receiving aid, apart from through changes in aid flows themselves.

Following Christian and Barrett (2024), Figure 2 probes the plausibility of this assumption. The figure illustrates variations in government's aid budgets in relation to average aid received and the incumbent's vote share across two groups. These groups are defined by the median probability of receiving aid. The results provide no evidence to suggest that the parallel-trends assumption is violated. Aid budgets and probability-specific aid receipts trend upward with time. With the exception of the year 1998 where frequent recipient regions receive little aid, regions that receive aid in more years receive

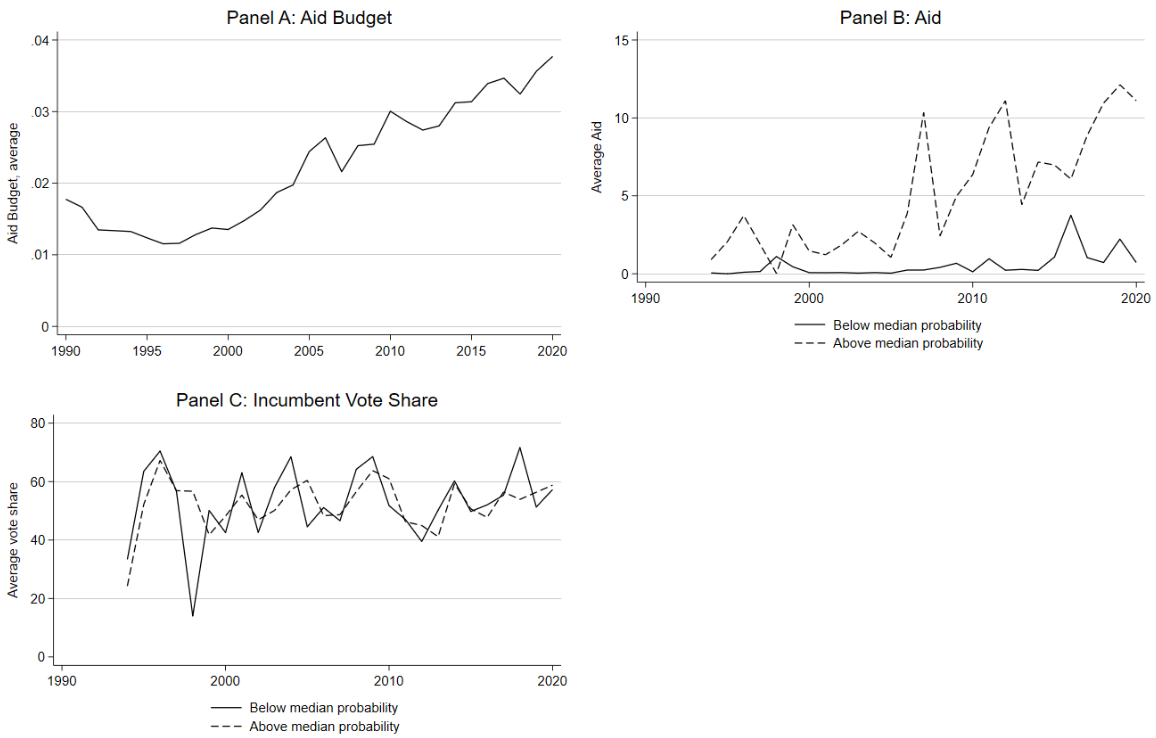
[18] Specifically, a region's probability to receive aid from a particular donor j is $\bar{p_{ji}} = \frac{1}{31}\sum_{t=1990}^{2020} p_{jit}$, with p_{jit} indicating whether recipient region i received positive amounts of aid from donor j in year t. As Dreher and Langlotz (2020) explain, their approach is equivalent to using a "zero stage procedure" that runs a zero stage regression at the donor-recipient-period level where bilateral aid from all donors j to all recipient regions i is predicted with the instrumental variable, and than aggregated over donors.

[19] Using a constructed instrument yields IV standard errors that are consistently estimated as long as the second-stage error term is not correlated with our donor-recipient-specific instrument ($BUDGET_{j,t} * p_{i,j}$) from the zero-stage regression (Wooldridge 2010).

[20] Our results do not depend on this choice, however, though the first stage is weaker when we build it based on the reduced second-stage regression sample.

larger amounts too. The vote share of the incumbent appears largely parallel across regular recipients (those with an above-median probability of receiving aid) and irregular recipients (those with a below-median probability) however. Furthermore, there is no nonlinear trend in aid and vote shares that distinguishes regular recipients from irregular recipients (and linear trends are covered by the inclusion of fixed effects for country-years).

Figure 2 – Trends in Aid, Votes, and Aid Budgets, 1990-2020



Note: Panel A shows donors' aid budgets over time. Panel B shows average aid receipts in ADM1 regions within the group that is below the median of the probability of receiving it and the group that is above the median over time. Panel C shows the average vote share of the incumbent within these two groups over time. For the construction of the averages, we use observations from the sample of column 1 in Table 1.

We estimate our second stages as:

$$VoteShare_{it} = \beta_1 Aid_{it-1} + \beta_2 Population_{it-1} + \eta_i + \tau_{ct} + \hat{\epsilon}_{it} + u_{it}, \tag{3}$$

$$\begin{aligned} VoteShare_{it} = \beta_1 Aid_{it-1} + \beta_2 (Aid_{it-1} \times INTER_{it-1}) \\ + \beta_3 Population_{it-1} + \eta_i + \tau_{ct} + \hat{\epsilon}_{it} + u_{it}. \end{aligned} \tag{4}$$

In both equations, we include the residual from the first-stage regression in eq. (2), denoted as $\hat{\epsilon}_{it}$, to implement a Control Function Approach (CFA). When aid is not interacted with other variables—in eq. (3)—the CFA yields coefficient estimates identical to those obtained via standard two-stage least squares (2SLS). We prefer the CFA, however, because it allows for a direct test of the exogeneity of aid via the Durbin-Wu-Hausman test: under the assumption that the instrument satisfies the exclusion restriction, a statistically significant coefficient on the residual term indicates that the hypothesis of exogenous aid is rejected.[21]

In eq. (4) we introduce interactions between aid and measures of institutional quality or other country-level characteristics.[22] We estimate this specification using the same CFA framework, which is more efficient than the standard 2SLS approach of interacting the instrument with the interacted variable to form a second instrument (Wooldridge 2015). Thus, we continue to address potential endogeneity by including the first-stage residual from eq. (2) (which continues to exclude the interaction).[23]

4 Empirical Results

Table 1 presents our basic results. We report OLS regressions in Panel A. Panel B shows results from the 2SLS approach introduced above. The first-stage F-statistic is clearly above the commonly cited rule-of-thumb value of 10.[24]

Column 1 presents the results for our main election indicator, including data on both legislative and executive elections. The results in Panel A indicate a positive correlation between aid and the incumbent's vote share, which is however imprecisely estimated. This result holds in the 2SLS regression shown in Panel B; note however, that we cannot reject the hypothesis that aid is exogenous (see the p-value given in Table 1). We therefore should rely on the more efficient estimate of Panel A for how we interpret this result but given the consistent lack of significant average coefficients both estimates lead to the same conclusion: On average, aid does not affect the incumbent's share of votes.

Columns 2 and 3 split the sample for different types of elections. Column 2 includes vote shares in presidential elections only, and Column 3 shows the results for a sample of legislative elections. The results allow us to analyze the distinct roles of presidential and

[21]Because the second stage includes a predicted regressor (the residual from the first stage), standard errors differ slightly from those produced by 2SLS. To address this, we report bootstrapped standard errors that account for both stages of estimation in a later version of this paper. However, due to the computational burden of bootstrapping with ADM1-level and country-year fixed effects in a large sample, the main tables report conventional standard errors.

[22]The levels of these variables are absorbed by the country-year fixed effects.

[23]The gain in efficiency relies on an additional assumption: the endogeneity bias must be constant across levels of the interacted variables. In the robustness section, we show that our results do not hinge on this assumption.

[24]Stock and Yogo (2005) propose more specific sets of critical values for weak identification tests based on the number of endogenous regressors, the number of instruments and the acceptable maximum bias of the 2SLS relative to an OLS regression, or the maximum Wald test size distortion. For example, a 15% 2SLS size distortion of a 5% Wald test is associated with a critical value of 12.83, compared to the value of 16.2 associated with our first stage.

legislative elections in African political systems. Presidential elections dominate political life due to the extreme concentration of formal and informal power in the executive branch (van Cranenburgh 2008, Chaisty et al. 2014, Bleck and Van de Walle 2019). Presidents control national ministries that channel development budgets—including foreign aid—to local constituencies, often bypassing subnational authorities (Khomba and Trew 2022). For example, roughly one-third of U.S. foreign aid is channeled through recipient governments, with project locations frequently determined by presidential allies in central ministries rather than local input (Ritchie et al. 2022). As a result, voters may associate aid benefits directly with the president rather than legislators or district officials, reinforcing electoral support for the incumbent. In contrast, legislative elections are shaped by more localized factors, such as personal networks, patronage hierarchies, and regional issues, which weaken the direct link between aid and incumbent party performance.

Table 1 – Incumbent Vote Share and Aid, ADM1

	(1)	(2)	(3)	(4)	(5)
Elections:	all	executive	legislative	all & intentions	intentions
			Panel A: OLS		
(log) Aid (t-1)	0.079	0.147	0.069	0.001	0.001
	(1.28)	(1.37)	(0.78)	(0.04)	(0.83)
			Panel B: 2SLS, aid budget instruments		
(log) Aid (t-1)	0.051	-0.756	3.343*	0.790	-0.032***
	(0.03)	(0.39)	(1.84)	(0.75)	(2.81)
Exogeneity (p-value)	0.99	0.65	0.08	0.46	0.01
Kleibergen-Paap F-stat	15.88	15.88	15.88	15.88	15.88
First year	1994	1994	1994	1994	2002
Last year	2020	2020	2020	2020	2018
Number of countries	44	28	40	45	34
Number of regions	691	483	631	721	568
Number of observations	3325	1921	2353	5627	2616

Note: The dependent variable in column 1 is the share of votes for the incumbent in a executive or legislative election year. Column 2 (3) focuses on executive (legislative) elections. Column 4 includes the share of voters who claim they intend to vote for the incumbent, based on "which party you plan to vote for?" from Afrobarometer; column 5 uses voting intensions exclusively. We measure Aid as the logarithm of ODA disbursements of 18 European bilateral donors and the U.S. (plus 1). Panel B shows results of 2SLS where we instrument lagged aid with donors' aid budgets interacted with the recipient region's probability to receive aid (lagged by two years, three years, and four years). All regressions include ADM1 fixed effects, country-year fixed effects, and the logarithm of a region's population size. Standard errors are clustered at the country level.
t-statistics in parentheses; * p<0.10, ** p<0.05, *** p<0.01.

The OLS results indicate that foreign aid has a positive effect on vote shares in both types of elections, but both coefficients are again estimated imprecisely. However, the hypothesis that aid is exogenous to legislative elections is rejected at the ten-percent level of significance and results change substantially when we turn to the results of the 2SLS regression. As can be seen in the table, the effect of aid on vote shares in legislative elections is positive, significant at the ten-percent level, and substantial. According to the results, a one percent increase in aid increases the incumbent vote share by 3.3 percentage points.

Whereas we prefer to estimate the effect of aid on a sample that includes election outcomes only, column 4 shows that the average coefficient is again not significant when we include data on voting intentions. The same holds according to the OLS regressions of Panel A when we exclusively use vote intention data from the Afrobarometer (in column 5). The coefficient of aid however turns significant and negative when we instrument aid (in Panel B) and the hypothesis of exogenous aid is rejected in this specification. While the results across regressions are not directly comparable—they include different countries and years—and are estimated over different periods of time, they illustrate the importance of investigating actual outcomes rather than just voting intentions when being interested in the consequences of aid on incumbent success.

The results so far indicate that foreign aid has no significant effect on the electoral fortunes of recipient governments, in the combined sample of executive and legislative elections. In our theory, we argued that foreign aid only has a positive effect on vote shares in contexts of high political risk where governments are better able to capture foreign aid resources and use them for clientelistic purposes. We now turn to analyzing these conditional effects. Table 2 shows how the average results vary with differences in political risk, focussing on our preferred indicator of (legislative and executive) election outcomes.[25] Results are overall consistent between the OLS regression shown in Panel A and the regression estimated with the Control Function Approach in Panel B. According to the p-values shown in Panel B, we can however not reject the hypothesis that aid is exogenous to vote shares at the regional level, so we rely on the more efficient estimates from the OLS regressions for the quantitative interpretation of our results.

Column 1 presents the results that include an interaction between *Aid* and *Political Risk*. The findings support our theoretical argument, indicating that governments benefit from foreign aid influx in contexts where they can use foreign aid more readily for political purposes. To ease interpretation, Figure 3 plots the marginal effect of aid over the range of political risk. At the worst possible level of governance—a value of zero on the political risk score—a one percent increase in aid increases the incumbent vote share by 1.4 percentage points, significant at the five-percent level. The effect vanishes once governance scores reach around 60. That is, in countries that are better governed, foreign

[25] Results are however similar when we include voting intentions in the vote share indicator.

aid does not increase the incumbent's vote share, as we expected. In very high-quality environments, the effect even becomes negative and significant. This might be interpreted in line with previous findings that the influx of foreign aid is interpreted as a sign of government incompetence—which is most likely in countries with high transparency and low corruption. This interpretation finds further support when we split our sample according to the median of political risk rather than including it as an interaction with aid. Our results show that aid significantly increases the incumbent's vote share when governance is low (Column 2), but has no significant effect on the vote share when governance quality is above the median (Column 3).

Columns 4-6 in Table 2 replace political risk as part of the interaction with similar indicators of governance: Column 4 replaces risk with the ICRG's indicator of law and order. Column 5 uses the perceived absence of corruption from ICRG at the country-year level, while Column 6 instead focuses on corruption at the level of ADM1 regions. We use data from Crombach and Smits's (2024) Subnational Corruption Database, which measures corruption on a scale of 0–100, with higher values indicating less corruption, and control for the level of corruption in this regression, as it is not captured by our fixed effects for country-years. The results are highly similar across Panels A and B. Again, we cannot reject the hypothesis that aid is exogenous in any of our regressions. Relying on the more efficient OLS results in Panel A, we find that aid substantially increases the incumbent's vote share when the quality of governance is low. In line with our argument, incumbents are more likely to benefit from foreign aid the lower the quality of law and order (Column 4), with an imprecisely estimated coefficient, however. We find similar effects when we use measures of corruption in Columns 5 and 6, with coefficients being estimated more precisely.

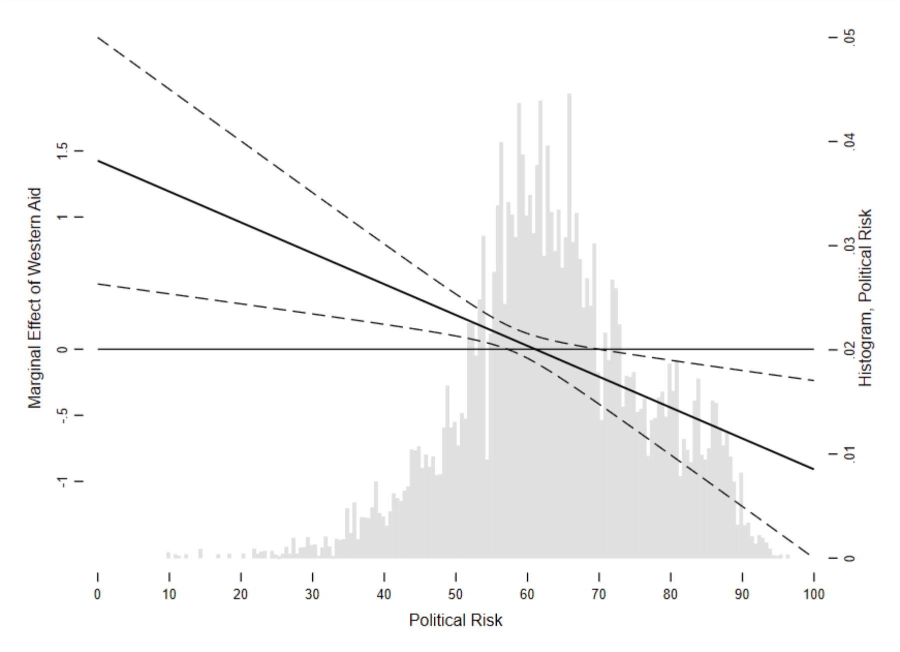
The final column 7 instead interacts aid with a binary indicator for democracy. We expect the effect of aid to turn stronger in more strongly institutionalized democracies, where elections tend to matter more, but weaker when the effect of better governance associated with more democracy dominates. The results show that the coefficient of the interaction term is positive but fails to reach the ten-percent level of significance, potentially indicating that effects in opposing directions cancel themselves out.

Table 2 – Incumbent Vote Share and Aid, ADM1

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
INTER:	(no) risk	high risk	low risk	law & order	corruption	corruption subnational	democracy
				Panel A: OLS			
(log) Aid (t-1)	1.424**	0.334**	-0.044	0.445	0.475**	0.636**	-0.006
	(2.50)	(2.09)	(0.45)	(1.57)	(2.60)	(2.10)	(0.06)
Aid*INTER	-0.023**			-0.114	-0.191**	-0.011**	0.114
	(2.39)			(1.32)	(2.57)	(2.03)	(0.65)
				Panel B: CFA, aid budget instruments			
(log) Aid (t-1)	1.238	-1.829	1.076	0.345	0.011	0.656	1.083
	(0.84)	(0.58)	(0.70)	(0.23)	(0.01)	(0.48)	(0.83)
Aid*INTER	-0.023**			-0.114	-0.192**	-0.011*	0.123
	(2.37)			(1.30)	(2.32)	(1.95)	(0.72)
Exogeneity (p-value)	0.91	0.51	0.46	0.95	0.78	0.98	0.40
Kleibergen-Paap F-stat	15.88	15.88	15.88	15.88	15.88	15.88	15.88
First year	1994	1994	1994	1994	1994	1995	1994
Last year	2020	2020	2020	2020	2020	2020	2018
Number of countries	35	21	29	35	35	41	43
Number of regions	597	421	409	597	597	653	665
Number of observations	2913	1468	1668	2913	2913	3097	2874

Note: The dependent variable is the share of votes for the incumbent in a executive or legislative election year. We measure aid as the logarithm of ODA disbursements of 18 European bilateral donors and the U.S. (plus 1). Columns 2 and 3 split the sample across the median value of the Political Risk Score indicator *risk*, taken from the PRS Group's International Country Risk Guide, ICRG, and ranging from 0–100. INTER is: (1) *risk*; (4) law and order and (5) corruption, the latter variables also taken from the ICRG, with scales of 0–6. Column 6 interacts with an indicator from Crombach and Smits's (2024) Subnational Corruption Database, which measures corruption at the ADM1 level on a scale of 0–100 (note that we control for the level of sub-national corruption in this regression). Column 7 interacts with a binary democracy indicator (Bjørnskov and Rode 2020). For all variables, higher values indicate better governance/democracy. Panel B uses a Control Function Approach (CFA) where we instrument lagged aid with donors' aid budgets interacted with the recipient region's probability to receive aid (lagged by two years, three years, and four years). All regressions include ADM1 fixed effects, country-year fixed effects, and the logarithm of a region's population size. Standard errors are clustered at the country level.
t-statistics in parentheses; * p<0.10, ** p<0.05, *** p<0.01.

Figure 3 – Effects of Aid on the Incumbent Vote Share Conditional on Risk



Note: The figure plots the marginal effects and 90% confidence interval of (log) aid conditional on the value of political risk, corresponding to column 1 of Table 2. The histogram plots political risk, where higher values imply better governance.

Overall, our results provide strong support for our theoretical argument. On average, foreign aid does not systematically increase incumbents' vote shares (in our combined sample of executive and legislative elections). Instead, its electoral impact depends on the government's ability to strategically capture and allocate aid for political gain. In recipient countries characterized by weak governance, high corruption, and low transparency, governments are better positioned to use aid to reinforce clientelistic networks and direct resources toward politically significant constituencies, thereby increasing their electoral support. In these contexts, incumbents can manipulate aid distribution, expedite implementation in key districts, and engage in credit-claiming strategies that make voters more likely to associate aid-driven improvements with government action. In contrast, in more transparent countries with lower corruption and stronger institutional constraints, voters are more capable of discerning the true source of foreign aid and are less likely to credit governments for externally funded projects. As a result, foreign aid delivers fewer electoral benefits to incumbents in these environments. These findings highlight the conditional nature of foreign aid's political effects, reinforcing the argument that aid can serve as an electoral asset only when governments have the institutional flexibility to leverage it for strategic advantage.

5 Conclusion

Foreign aid plays a central role in the economic and political landscapes of many developing countries, yet its effects on electoral outcomes remain poorly understood. While aid is often expected to promote development and improve citizen welfare, its unintended political consequences raise important questions about how external resources shape democratic competition. Our study contributes to this debate by demonstrating that foreign aid does not inherently benefit incumbent governments at the ballot box; rather, its electoral impact depends on the institutional context and the government's ability to strategically capture and claim credit for aid projects. Using a novel combination of geo-coded aid disbursement data and subnational electoral results from 45 African countries between 1993 and 2020, we show that incumbents gain electoral support from aid only in settings characterized by weak governance, high corruption, and low transparency, where they can manipulate aid distribution and attribution. In contrast, in more transparent contexts with stronger institutions, voters are more likely to recognize the role of donors and less likely to credit the government for externally funded projects, reducing the electoral benefits of aid.

Our findings make several important contributions to existing research on the political economy of foreign aid and electoral competition. First, while previous studies have examined the strategic allocation of aid by donors and recipients, they have largely overlooked the extent to which aid influences election outcomes. By directly linking foreign aid to electoral performance, our study fills this gap and highlights the conditions under which incumbents can leverage aid to consolidate political power. Second, we move beyond national-level analyses by leveraging subnational electoral data, allowing us to capture variation in how aid is distributed and perceived within countries. This approach enables a more precise understanding of how incumbents manipulate aid to maximize electoral gains. Third, our findings contribute to the broader literature on clientelism and political accountability by demonstrating that foreign aid reinforces clientelistic politics in weakly institutionalized settings, while failing to produce similar electoral benefits in more transparent, rule-based systems.

Ultimately, our study highlights the double-edged nature of foreign aid in electoral politics. While aid has the potential to improve citizen welfare, its political consequences depend on the institutional environment in which it operates. In weakly institutionalized democracies, aid can become a resource for incumbents to secure electoral advantages, reinforcing existing patterns of clientelism. In more transparent settings, however, its impact on elections is muted, offering hope that stronger institutions can prevent aid from being co-opted for political gain. These findings underscore the broader lesson that in politics resources are rarely neutral—they can empower, entrench, or expose, depending on who controls them and how they are used.

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Appendix

A List of Countries

Algeria	Gambia	Namibia
Angola	Ghana	Niger
Benin	Guinea	Nigeria
Botswana	Guinea-Bissau	Republic of Congo
Burkina Faso	Kenya	Rwanda
Burundi	Lesotho	Senegal
Cameroon	Liberia	Sierra Leone
Cape Verde	Libya	South Africa
Comoros	Madagascar	Tanzania
Côte d'Ivoire	Malawi	Togo
Demo. Rep. of Congo	Mali	Tunisia
Djibouti	Mauritania	Uganda
Egypt	Mauritius	Zambia
Ethiopia	Morocco	Zimbabwe
Gabon	Mozambique	

Note: This table lists the countries included in the estimation sample of column 1 in Table 1.

B Variable Definitions

Variable	Definition	Source
Vote share, all	Share of votes in a region for the incumbent's party or coalition, executive and legislative elections	Tang (2026), own calculation
Vote share, executive	Share of votes in a region for the incumbent's party or coalition, executive elections	Tang (2026), own calculation
Vote share, legislative	Share of votes in a region for the incumbent's party or coalition, legislative elections	Tang (2026), own calculation
Voting intentions	Share of respondents in a region that plans to vote for the incumbent's party, based on responses to the question "Which party do you plan to vote for?"	Afrobarometer (2019)
(log) Aid	(log) Aid disbursements (plus 1) from 18 European donors and the U.S.	Bomprezzi et al. (2025)
Aid budget IV	Donor government aid budget instrumental variable	own calculation
(log) Population*	(log) Population count in the region	CIESIN (2018)
Political Risk Score	Political risk score, with higher values indicating better governance	The PRS Group (2024)
Law and Order	Law and order score, with higher values indicating stronger legal institutions and better compliance with the law by the public	The PRS Group (2024)
Corruption	Absence of corruption—the abuse of entrusted power for private gain—where higher values measure better governance, country level	The PRS Group (2024)

Variable	Definition	Source
Corruption, subnational*	Subnational corruption index, ADM1 level	Crombach and Smits (2024)
Democracy	Democratic regime, binary	Cheibub et al. (2010), Bjørnskov and Rode (2020)

* We take these variables from Bomprezzi et al. (2025).

C Descriptive Statistics

variable	count	mean	sd	min	max
Vote share, all	3325	53.20	25.90	0.00	100.00
Vote share, executive	2286	58.54	27.11	0.01	100.00
Vote share, legislative	2727	46.59	24.64	0.00	100.00
Voting intentions	353	0.39	0.24	0.00	1.00
(log) Aid	3325	9.08	6.54	0.00	19.44
Aid budget IV	3325	82711.45	71127.26	0.00	460579.69
(log) Population	3325	13.39	1.36	8.38	17.44
Political Risk Score	2913	56.18	8.16	34.29	79.00
Law and Order	2913	3.07	1.02	0.50	6.00
Corruption	2913	2.00	0.69	0.00	5.00
Corruption, subnational	3101	52.75	12.99	13.90	83.90
Democracy	2875	0.38	0.48	0.00	1.00

Note: Descriptive statistics are for the estimation sample of column 1 in Table 1.