

The Choice among Aid Donors: The Effects of Multilateral vs. Bilateral Aid on Recipient Behavioral Support¹

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Abstract

Scholars studying foreign assistance differ over whether multilateral aid is preferable to bilateral aid for promoting development, but nearly all build their cases primarily on highly aggregated cross-national time-series data. We investigate this topic experimentally from the perspective of those whom the foreign aid directly affects: recipient citizens and elites. We thus report results of a survey experiment with behavioral outcomes on more than 3,000 Ugandan citizens and over 300 members of Uganda's Parliament. In spite of a large literature suggesting differences, the findings generally reveal few substantive differences in citizens' and elites' preferences and behavior toward the two types of aid. While no strong pattern of differences emerges, limited evidence suggests that the public evinces greater trust in multilateral institutions, and both masses and elites feel that multilateral aid is more transparent. Overall, these null results inform an ever-expanding literature, which is increasingly articulating distinctions between multilateral and bilateral aid. At least in the minds of the recipients, however, multilateral and bilateral aid may not in fact be all that different. This accords with the literature noting the strong overlap in aid organizations and bemoaning the fact that they do not specialize more. Our results raise the question about why have both multilateral and bilateral aid donors if they in effect do the same thing.

Keywords: Foreign aid; experiments; foreign donors; international organizations

Introduction

Scholars have debated whether bilateral aid or multilateral assistance does more to promote development.² Theoretically, multilateral aid is often seen as less political since it is less specifically tied to donors' foreign policy agendas, which are believed to be driven in turn by their political interests. As Martens et al. (2002) write, "Multilateral aid agencies may be somewhat shielded against direct political pressure from their member states." Rodrik (1996) adds that multilateral aid agencies provide more information about recipient countries and allow conditionality to be more effectively imposed on them, concluding that "multilateral flows are less governed by political considerations than bilateral ones." Some macro-level empirical studies have produced results suggesting that multilateral agencies fund different countries and projects from bilateral ones, and that multilateral projects tend to go to poorer countries and to those with greater needs compared to bilateral aid (Maizels and Nissanke 1984; Tsoutsoplides 1991; Frey and Schneider 1986; Burnside and Dollar 2000; Neumayer 2003; Girod 2008).

On the other hand, dissenting scholars have contended that multilateral aid can be highly political as well (Gartzke and Naoi 2011). Evidence suggests that UN Security Council (UNSC) membership influences World Bank (WB) loans (Dreher et al. 2009) and that World Bank projects appear to actually sway votes in the United Nations (UN) (Dreher and Sturm 2012; Dreher et al. 2009). Indeed, some have argued that because developing coun-

² On the effectiveness of bilateral versus multilateral aid, see Alvi and Senbeta (2012); Headey (2008); Kizhakethalackal et al. (2013); Minoiu and Reddy (2007, 2010); Ram (2003, 2004). At the subnational level, see Dreher et al. (2016); Isaksson and Kotsadam (2016).

tries are members of multilateral development banks and sometimes jointly hold near or full majorities of voting shares, recipients can more readily turn the internal politics of the multilaterals toward their interests (Lyne et al. 2006, 2009; Christensen et al. 2011).

Both camps of scholars therefore contend that the way in which aid is delivered — specifically, whether it is given by a multilateral or a bilateral donor — may affect its impact. They have built their competing cases on highly aggregated, large-*n* statistical, observational evidence. In another literature on aid, scholars have noted that there is great donor fragmentation and overlap (Acharya et al. 2006; Frot and Santiso 2009). Recipients are often given aid by many donors, multilateral and bilateral; and these donors often contribute to the exact same sectors and locations, and often to the same projects (Djankov et al. 2009; Knack and Rahman 2007). A failure by donors to coordinate and specialize is often bemoaned in the scholarly literature, and calls have been made to increase harmonization of aid donors (Easterly 2007; Steinwand 2015; Knack and Smets 2013). These studies suggest that aid donors may be indistinguishable from each other, as they all provide aid to the same sets of countries for the same types of projects in the same areas. These studies raise questions about why there are so many aid agencies and especially why multilateral and bilateral ones both exist if they overlap so much.

In an attempt to bring a different type of evidence to bear on the debate, we premise this study on the idea that the actual recipients of the aid should perceive any meaningful differences between the types of foreign assistance and should reflect these views in their attitudes and behavior toward projects from different donors. Recipient citizens' ability to discern between different donors and their ability to develop differing preferences over aid from different sources is important from an aid effectiveness standpoint. Citizens' ability

to discern the origins of foreign funding for a project is critical because it will increase accountability for the projects and thus, presumably, improve their performance. Indeed, we identify five reasons that individuals might give for their preferences about aid programs: politicization, conditionality, transparency, efficiency, and alignment, which we define later. Does greater support for multilateral over bilateral projects, or vice versa, have to do with how politicized it is, how much conditionality is imposed, how transparent and accountable the projects are, how efficiently the project is carried out and/or how aligned the project is with recipients' preferences?

We explore these issues with what, to the best of our knowledge, is the first nationally representative, large-N ($n = 3,017$) study about aid perceptions and behaviors in an aid-dependent developing country. We accompanied the experiment with an extensive survey to probe the causal mechanisms behind the behavioral outcomes. We also performed a substantively similar survey experiment on 339 members of Uganda's parliament. This enables an experimental analysis of both mass and elite attitudes and behavior toward aid from different types of donors. Like many aid recipients, Uganda is a poor country with high levels of aid flows: on-budget together with off-budget aid equaled roughly 43 percent of national economic and development budget expenditures in 2012, the year of this study (Tierney et al. 2011; Kiwanuka 2012). Thus it is a good candidate for a study of recipients' reactions to aid. Micro-level data, such as that we collected, provide an important evidentiary supplement in addressing questions probing differences between the two main types of aid. Our survey work thus provides evidence enabling us to learn whether either citizens or elites see multilateral or bilateral aid as better at meeting their interests. The survey ex-

periments additionally enable exploration of the reasons recipient citizens and elites give for their preferences toward aid from different donors.

For two actual aid projects in the pipeline financed by multiple international organizations and governments, we randomly assigned prompts naming the different donors and assessed the effects on respondents' support measured by their attitudes and actions. In the survey experiment we included the major donors to Uganda: the World Bank and African Development Bank for multilateral funds and the United States and China aid for the bilateral ones. Prior research suggests some differences, especially, between Chinese aid and the other donors (Dreher et al. 2015, though see also Dreher and Fuchs (2015)). In general, however, neither citizens nor elites express major differences in their attitudes and behaviors toward aid from bilateral compared to multilateral donors. Any differences are small substantively and only rarely significant statistically. Given the set of possible analyses, the few statistically significant results do not add up to a unified and robust conclusion in support of multilateral or bilateral aid in the views of recipients. This seems consistent with the literature that notes the heavy overlap in the operations of aid donors and their failure to coordinate and specialize.

Among the isolated results that surface, citizens who are familiar with the donors are significantly more supportive overall for projects funded by multilateral organizations (World Bank and African Development Bank) compared to bilateral donors (the U.S. and China) in two of six conditions (and also in a combined outcome index). However, citizen familiarity with the givers of aid varies across the donors, so treatment effects are likely biased by selection. For two of six outcomes MPs prefer bilateral donors to multilateral donors, opposite of what the public expresses, but the results are isolated and do not emerge

in the outcome index. Comparing individual donors, citizen respondents are more willing to express their support to local leaders and to send an SMS message for American projects than for Chinese aid, but they remain indifferent for the other outcomes. In addition, the reasons that publics may prefer the donors they know are not ones identified as much in the prior literature but rather citizens seem to respond more to issues related to lack of conditionality, better transparency, more trust, and greater efficacy. In what follows we motivate the study, describe the research design, and analyze results.

Theory and Hypotheses

Why would recipients have different preferences for aid projects given the type of provider? It seems likely that recipients will prefer donors who give them aid with more benefits at lower cost. It may be the case that different donors, because of their practices and preferences, give aid in ways that have distinct consequences. Some recipients might gain much more as different aid packages are provided by different donors (relative to other aid donors' packages). Donors appear to have a particular type of aid package they prefer to deliver: this might entail the sector the aid targets, the means of delivering aid, or the amount of conditions attached to aid (Bermeo 2011, 2016, 2010; Dietrich 2016). Other scholars, such as Autesserre (2010), have suggested that foreign actors in developing countries approach their projects with a dominant narrative that arises from their own domestic situations or past interventions and are not necessarily appropriate for the country at hand. Some evidence suggests that different donors provide distinctly different aid packages (e.g., Dietrich 2016). It is therefore possible that recipients have some knowledge of

how these different donors' practices affect the projects that are being implemented and thus their well-being.

Consistent with the literature, we subdivide aid donors into two broad types: bilateral and multilateral. Bilateral donors are represented by single country agencies that provide aid directly to developing countries or NGOs. USAID is an example of a bilateral agency, and since 2000 it has been the biggest bilateral donor to Uganda, the country in which the present study was executed, followed by China, the UK, Denmark, Netherlands and Norway (Tierney et al. 2011; Strange et al. 2015). Many scholars contend that, because domestic politics are much more likely to be reflected by bilateral agencies whose marching orders come directly from domestic politicians, these political interests are thought to distort bilateral aid away from the needs of the recipient countries — especially poverty reduction — and toward the policy goals of the donors (Maizels and Nissanke, 1984; Frey and Schneider, 1986; Tsoutsoplides, 1991).

Alternatively, multilateral donors exist where more than two bilateral donors pool their aid flows and, through the international organization's own decision processes that aggregate the member countries' preferences, then provide the aid to developing countries or NGOs. The World Bank is the most well-known multilateral agency, and it has generally been the largest multilateral donor to Uganda, followed by the African Development Bank (AFDB), the European Union (EU), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), and UN agencies (Tierney et al. 2011).

Some studies suggest that multilateral agencies fund different countries and projects compared to bilateral donors, and multilateral assistance tends to target poorer countries with greater needs (Maizels and Nissanke 1984; Tsoutsoplides 1991; Frey and

Schneider 1986). Additional evidence suggests that multilateral aid also tends to be less political, is associated with better outcomes, and appears better able to impose more effective conditions (Maizels and Nissanke 1984; Martens et al. 2002; Rodrik 1996). For instance, Maizels and Nissanke (1984) find that the recipient's need is relatively more important for aggregate multilateral than for bilateral aid flows, whereas political, economic, and military strategic interests dominate the allocation of bilateral aid.

Tsoutsoplides (1991) shows that quality of life measures exert a statistically significant influence upon aid allocation by the multilateral European Community agency in the 1975 to 1980 period. Burnside and Dollar (2000) find that multilateral aid results in better outcomes for recipient countries than does bilateral aid. As they conclude from their quantitative analysis of country-year data, "aid that is managed multilaterally (about one-third of the total) is allocated in favor of good policy." And Neumayer (2003) points out that the donor interest biases inherent in bilateral aid are not always present in multilateral aid giving. As he concludes, "the UN agencies try to counteract to some extent the bias that is apparent in the aid allocation of many other donors." Milner (2006) shows that multilateral aid seems to be more connected to development goals in the mind of the donor public than is bilateral aid. Focusing on the distinction between donors, Girod (2008) claims that because multilateral donors are not beholden to strategic interests, they can distribute aid for developmental purposes and effectively target aid to countries that pursue economic reforms.

However, other scholars contend that multilateral aid can also be highly politicized (Gartzke and Naoi 2011). While the earlier literature indeed seemed to identify politicization among bilateral agencies, later scholarship appears to find similar patterns among

multilateral development banks. In particular, evidence suggests that World Bank aid tends to flow disproportionately to members of the UN Security Council, indicating significant levels of politicization and instrumentality in donation decisions (Dreher et al. 2009). World Bank loans may even influence UNGA votes toward the interests of the powerful countries in the Group of 7 (Dreher and Sturm 2012). Moreover, powerful countries may be able to sway the multilaterals toward their interests informally by influencing geographic targeting, disbursements, and the pace of approval (Kilby 2006; Kilby and Dreher 2010; Kilby 2013). All of this scholarship implies that politics, and not necessarily concerns for poverty alleviation, drives multilateral donations.

Politics may also influence multilateral assistance in a different way. As it happens, developing countries jointly hold significant voting shares at all of the development banks, and indeed in some multilateral development banks (MDBs) — such as the African Development Bank (AfDB) and the Inter-American Development Bank (IADB) — recipient countries actually exercise voting majorities. This may enable recipients to coalesce to counter the political influence of OECD countries in ways that might prove, in the end, to be equally political (Lyne et al. 2006, 2009). Indeed, some evidence suggests that the multilateral banks may be less — rather than more — sensitive to problems of corruption than bilateral agencies and that this may make multilateral assistance less effective at promoting development goals, for example, in bringing about better education outcomes (Christensen et al. 2011).

Strong observational studies therefore exist on both sides of this debate. In this study we explore the possibility that, if either bilateral or multilateral aid works better to promote the interests of individual recipient citizens and elites, these recipients might be

expected to perceive the differences and therefore show greater support for multilateral or bilateral aid. It is important to note that another strand in the aid literature points out that many aid donors in effect give to the same countries for the same projects in the same areas. These studies note the proliferation of donors with, by one somewhat dated estimate, 27 official bilateral donors and roughly 20 official multilateral donors around the world (Djankov et al. 2009). AidData in late 2016 lists 55 bilateral donors and 63 multilaterals. Multilateral agencies and subsidiaries have continued to grow, and AidData's information base shows that non-DAC donors are more active than once thought (Tierney et al. 2010). Many note that donors have failed to coordinate and specialize their aid giving and point to an overlap in their projects (Aldasoro et al. 2010; Annen and Moers 2016; Bigsten and Tengstam 2015; Bourguignon and Platteau 2015; Frot and Santiso 2009; Easterly and Williamson 2011; Fuchs et al. 2015; Knack and Rahman 2007; Acharya et al. 2006). During the early 2000s, for example, Uganda had 14.8 donors per sector (a 2% increase from 2005) and 7.7 sectors per donor (a 11% increase) in 2009. More recent data from Uganda confirms this trend. Nunnenkamp et al. (2015) find that the duplication of efforts among aid donors increased between 2006-2009 and 2010-2013 for six out of Uganda's nine major donors. Using subnational data, for instance, they find that \$100 million of aid by the top nine donors in Uganda were only spread over less than four different district-sector combinations (Nunnenkamp et al. 2015). This overlap among donors expanded for every sector between 2006-2009 and 2010-2013, save for health and education. This research suggests that recipients may not perceive any differences among donors since they are funding such similar projects, and it raises the question of why countries use both bilateral and multilateral aid.

Our study probes whether recipients do find differences among donors. Recipient citizens' ability to discern the origins of foreign funding for a project is critical because it enables accountability for projects and thus might improve their performance. Furthermore, we examine the views of both masses and elites. Political elites and citizens may have distinct interests in relation to foreign assistance. Research suggests that political leaders, especially those in the government, and citizens may thus react very differently to aid (Bueno de Mesquita and Smith 2007, 2009; Findley et al. 2016). First, we expect MPs in our survey to have more knowledge about aid agencies and delivery than the average citizen. Second, we expect that if one type of aid is seen as more subject to political control by recipient governments, then elites should favor that form of aid. For the public, we expect that political control over aid as opposed to using aid for development and poverty alleviation will be opposed. Thus, if one type of aid is seen as more politicized, less efficacious, less able to meet their needs, and less transparent, the public will prefer that type of aid less on average. Prior research has presented evidence that the public prefers projects that are less likely to be politicized and captured by political elites (Milner et al. 2016).

Thus, simple hypotheses capturing both schools of thought follow.

H1: Citizens and political elites in aid recipient countries should have different preferences about multilateral and bilateral aid and associated donors.

Of course it is possible that neither multilateral nor bilateral donors are preferred by citizens and elites in recipient countries. This could be due to the fact that aid agencies often overlap heavily in their aid giving or due to offsetting effects wherein some multilat-

erals and bilaterals are politicized whereas others are not, or it could simply be that despite characteristics of aid giving, citizens and political elites do not hold strong preferences over the types of donors offering assistance.

If in fact recipients prefer multilateral or bilateral aid, an array of mechanisms might explain why. We propose five reasons that individuals might give for their preferences about aid programs. These five reasons for aid preferences are politicization, conditionality, transparency, efficiency, and alignment. First, citizens might be concerned about the politicization of the aid program. That is, they might think that some donors will favor certain groups, regions, or projects over others due to political considerations. Donors might direct aid in this way or the recipient government may be able to control aid in order to distribute it in ways politically useful to them. And some aid donors may be more able to be captured than others. Prior research suggests that certain aid programs can be targeted to assist politically important groups, rather than being assigned on the basis of need (Jablonski 2014). Our assumption is that governments and ruling parties want to remain in power; foreign aid is just another resource that they can use to do so. It is well known that governments use all types of programs to distribute favors to politically important groups, and aid is just one more form of resource they can distribute (Morrison 2009; Pepinsky 2008; Bates 1981). Thus, aid might be directed more towards regions or groups who provide more political support for the government or ruling party (Dreher et al. 2015). Or aid might flow toward projects that the government and its ruling party favors for electoral reasons such as areas that do not support the ruling party in order to win votes. MPs, especially those within the government, may prefer this type of aid since it might enhance their chances of staying in office.

Politicization, on the one hand, implicates the recipient government, but it also may have implications for the donor. Foreign donors appear to give aid as a mechanism for extracting a change in policy from the recipient government (Bueno de Mesquita and Smith 2009, 2007). Politicization can also refer to the way donors target aid to satisfy their own goals. Hence, aid might be directed by the foreign donor toward groups, regions, or sectors that the donor sees as politically important. If donors want use of a military base in some region of the recipient country, they may target aid toward that region in hopes of buying support or quiescence for the foreign military presence. Likewise, donors may seek to buy support for their positions in international organizations such as the United Nations Security Council. While MPs may prefer aid that is more politically useful, the average citizen may not since this means his or her needs are less likely to be met. If politicization matters, then we expect:

H2a: Among citizens the less politicized form of aid should be the more preferred.

H2b: Among MPs, the more politicized form of aid should be more preferred.

Second, the conditions that donors attach to aid may matter for what recipients think of it. The more costly the changes that the donor demands, the harsher the conditions. We generally expect that the more conditions and the harsher they are, the less likely recipients of any type are to prefer that type of aid. We anticipate that MPs particularly will not like conditions on aid since this reduces the flexibility with which the government can use the aid. Citizens may or may not dislike conditions depending on perceptions of government. To the extent they do not trust their own government, citizens should prefer

more conditional aid (Milner et al. 2016). Do multilateral and bilateral aid agencies differ in their conditionality? Rodrik (1996) argues that multilateral donors are more capable of adding (more) conditions to aid and implementing them. Bueno de Mesquita and Smith (2009, 2007) make the argument, however, that bilateral donors are principally interested in aid in exchange for policy concessions by recipient governments. These policy concessions are more likely to be political (and even geopolitical) than economic, however. Stone (2004, 2002) points out that multilateral agencies are often overruled by powerful donor countries in their attempt to impose conditions on strategically important recipient countries, suggesting that enforcement may be weak for both multilateral and bilateral aid agencies. So it is unclear which type of aid agency may impose more conditionality and be better able to enforce it.

H3a: Among citizens, the more conditional form of aid should be the more preferred.

H3b: Among MPs, the less conditional form of aid should be the more preferred.

Third, multilateral and bilateral aid should vary according to the degree of transparency and monitoring they allow. Rodrik (1996) again claims that multilateral donors may be more able to extract information about recipients and how they use aid. It seems likely that bilateral donors are less interested in the exact outcome of aid projects than they are in the policy concessions they receive in exchange for aid. Hence their need for transparency and monitoring of aid is low and their desire to have the policy concessions unmasked to the public is probably even lower. However, some important bilateral donors, such as the United States, publicize voluminous documentation and therefore seek to be highly trans-

parent. Easterly and Pfutze (2008) develop an index of transparency. They conclude that multilateral aid organizations generally do better than bilateral ones, but some bilateral agencies perform well on the transparency scale. For the donors we consider, the U.S. ranks 6th among bilateral donors and China was not measured; the World Bank is disaggregated and the International Development Association (IDA) ranks 1st among multilateral donors whereas the AfDB ranks 4th.³ Again, the public and political elites may differ on their assessment of the desirability of transparency. The public on average should favor it and see this as a means for making sure aid helps them. However, for MPs the situation may be more complicated. Greater transparency may work against getting the aid to the people and projects they most value politically. We expect that if these factors matter then we should see the following:

H4a: Among the public, the more transparent form of aid should be the more preferred.

H4b: Among MPs, however, the less transparent form of aid should be the more preferred.

Fourth, the efficacy, efficiency or success of the aid may matter most to recipients. Improving welfare by promoting health, sanitation, employment, education, nutrition, longevity, and/or transportation may be foremost in recipients' minds. Multilateral aid may

³ Publish What You Fund provides transparency rankings for all these donors, pooling multilaterals and bilaterals. Of 46 donors, the United States is rated fairly high (US Millenium Challenge Corporation ranks 2nd and US Agency for International Development ranks 19th), China ranks near the bottom at 45th, the World Bank IDA ranks quite high at 6th and the AfDB ranks 10th. These ratings are thus broadly consistent with Easterly and Pfutze (2008) in identifying multilateral donors as more transparent than bilaterals. (See <http://ati.publishwhatyoufund.org/>, accessed December 12, 2016.)

be more effective and efficient since it is likely to be aimed at economic development more exclusively and more likely to be monitored carefully. Easterly and Pfutze (2008) point out that three types of aid are usually viewed as least effective: tied aid, food aid, and technical assistance. Multilateral aid agencies do not provide much if any of these three types of aid, while bilateral agencies do. Moreover, Easterly and Pfutze (2008) develop an index of selectivity that measures whether aid goes to poor, autocratic, and corrupt countries. They show that many multilateral aid agencies do better on these dimensions than do bilateral ones. They argue that multilaterals are more likely to give to poorer countries, but this often means the recipient countries are more likely to be autocratic and corrupt.

However, multilateral donors may have stricter practices for preventing the diversion of aid. The major multilateral development banks (MDBs) have always had rules for sanctioning corrupt practices, but they recently upgraded their rules and procedures to root out corruption in aid projects. In April 2010, the five leading MDBs—the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank and the World Bank—signed an agreement providing for mutual and reciprocal enforcement of debarment decisions. The Agreement for Mutual Enforcement of Debarment Decisions thus increased the risk faced by commercial organizations that do business in the developing world, while affirming the MDBs' commitment to combating fraudulent, corrupt, and collusive practices.⁴ It is not clear that most bilateral agencies have anything close to this set of rules and powers.

⁴ Prior to the mid-1990s, MDBs relied primarily on their procurement policies to curb corrupt practices. As a general rule, MDBs provide funding for public sector projects on the condition that the borrower selects the contractors in a competitive process, carried out in accordance with the procurement policies of the relevant MDB. Then in 2006, the five main MDBs, together with the International Monetary Fund and the European Investment Bank (EIB), established the International Financial Institutions Anti-Corruption Task Force to

However, some evidence suggests that multilateral donors are equally indifferent to corruption as bilateral donors (Alesina and Weder 2002). Some evidence even indicates that the multilateral banks — because developing countries have significant voting influence and dislike anti-corruption conditionality — are less sensitive to corruption. Multilaterals may thus prove less effective in promoting development, at least in the education sector (Christensen et al. 2011). We expect both MPs and the public to desire that aid be delivered in the most efficient and effective manner since this means they will gain the most from it. Again the literature suggests competing hypotheses.

H5a: Citizens and political elites who perceive multilateral aid as prioritizing effective and efficient delivery relative to bilateral aid should prefer multilateral over bilateral aid.

H5b: Citizens and political elites who perceive bilateral aid as prioritizing effective and efficient delivery relative to multilateral aid should prefer bilateral over multilateral aid.

Finally, we also considered the extent to which subjects felt that multilaterals and bilaterals matched projects with their needs. Prominent multilateral and bilateral donors are thought by some to allocate aid in quite different ways. In particular, it is possible that

develop a catalogue of measures aimed at harmonizing the efforts of the participating institutions against fraud and corruption. The Task Force recommendations were published in September 2006 in a document titled 'Uniform Framework for Preventing and Combating Fraud and Corruption', which was subsequently endorsed by the participating institutions and hence was a crucial first step in the MDB's efforts to coordinate their efforts against fraud and corruption. The Uniform Framework contained a set of harmonized definitions for sanctionable practices to be used by the participating institutions in all their operations. In 2010 five MDBs—AfDB, ADB, EBRD, IADB, and WB, signed the Mutual Enforcement Agreement (Seiler and Madir 2012).

these distribution patterns shape perceptions about addressing need. Generally, roughly 20 percent of bilateral aid is disbursed through NGOs, while multilateral agencies disburse less than 5 percent through NGOs. Of the aid that can be categorized into distinct channels, 35 percent of multilateral aid goes to the recipient government directly and close to 50 percent of bilateral aid does. If we compare the two largest donors central to this study — the World Bank and USAID — the proportions are especially different. Recipient governments manage nearly all World Bank projects. Contrastingly, USAID contracts with private companies to manage projects, and governments rarely see the funds directly. The channel of delivery might have significant influence over aid effectiveness (Dietrich 2016). The extent to which recipient publics and even elites can appreciate these differences is of course open to debate. Again, on this dimension we expect MPs and the public to agree that meeting community needs is important. They may define those needs differently but both groups should want aid to serve their communities. We thus hypothesize:

H6a: Citizens and political elites who perceive multilateral aid as meeting community needs better than bilateral aid should prefer multilateral over bilateral aid.

H6b: Citizens and political elites who perceive bilateral aid as meeting community needs better than multilateral aid should prefer bilateral over multilateral aid.

The Research Context: Uganda

Why the focus on Uganda? Uganda is a poor developing country, which experienced civil war in the early 1980s and partial democratization thereafter. Since the mid-1980s Uganda has been more stable, faster growing, and a leader among the democratizing Afri-

can countries. It has also been a magnet for foreign aid. As one study notes “Uganda’s economic and political reforms have attracted a great deal of praise since President Yoweri Museveni assumed power in 1986. Regularly cited as one of Africa’s few ‘donor darlings,’ Uganda’s structural adjustment program and wide-ranging political reforms have been held responsible for its high economic growth rates and stable governance over the past two decades. In particular, the process by which power has been deconcentrated and devolved to five levels of local government has been called ‘one of the most far-reaching local government reform programs in the developing world’” (Green 2010). Since the 1990s, aid has been equal to roughly 80 percent of Uganda’s government expenditures and 15 percent of its total GDP, though these totals have decreased recently due to the growing Ugandan economy, government budget, and public expenditures. Nevertheless, Uganda remains heavily aid dependent. If groups within Uganda have little, or no knowledge of aid projects and donors, then it is unlikely that groups within other developing countries will know much more.

In addition, it is interesting to note that bilateral and multilateral aid go to different sectors in Uganda. Bilateral aid tends to fund more humanitarian aid and commodity and general program assistance. Multilateral aid tends to focus on economic infrastructure and production sectors.⁵ Why do these differences exist? Are they a reason for the supposed preference of multilateral over bilateral aid? Our research should allow us to see if these differences in sectors matter for citizen and elite perceptions of aid effectiveness and support for projects depending on the donor.

⁵ These are the four of the five major “sectors” defined by OECD for categorizing aid. The fifth sector, social infrastructure, is pretty equally funded by the two types of donors.

As noted above, if we compare the two largest donors central to this study — the World Bank and USAID — the proportions of aid through different channels are especially different. Recipient governments manage nearly all World Bank projects; USAID, on the other hand, contracts with private companies to manage projects, thus bypassing governments. In interviews, multiple officials at USAID and the World Bank in Uganda told us a similar story about the different aid management styles. For USAID the hardest task is monitoring the contractors and NGOs to minimize agency losses. For the World Bank, the challenge is placing strict auditing and procurement requirements on governments.

Based on broader patterns tracked by AidData (Tierney et al. 2011) for the period 2000-2013, Uganda has slightly higher than average levels of aid channeled through NGOs, slightly lower than average levels of tied aid, and relatively similar patterns of budget support. For aid channeled through NGOs, where AidData has information on channel of delivery, 36% of aid projects in Uganda are channeled through NGOs compared to 28% for the rest of sub-Saharan Africa; in terms of amounts of aid 14% of overall aid in Uganda is channeled through NGOs compared to 11% in the remaining countries. Countries similar to Uganda in their NGO patterns include Rwanda, South Africa, Niger, South Sudan, Malawi, Mali, Eritrea, Sudan, Ethiopia, Sierra Leone, Mauritania, Burkina Faso, Liberia, Central African Republic, Democratic Republic of Congo, and Burundi.

Uganda has lower levels of tied aid than average with 7% tied in Uganda compared to 10% for the remainder of sub-Saharan Africa. Countries similar to Uganda include Burkina Faso, Malawi, Benin, Lesotho, Gabon, Tanzania, Mali, Central African Republic, Madagascar, Rwanda. Budget support levels in Uganda are quite similar to the rest of sub-Saharan Africa with 1% of projects allocated to budget support in both Uganda and the re-

maining countries, though with 13% of total Ugandan aid devoted to budget support relative to 9% in other countries. In all cases, most countries are fairly similar in each of these categories, and Uganda is relatively close to the average among sub-Saharan African countries.

We thus explore these issues with what, to the best of our knowledge, is the first nationally representative, large-N ($n = 3,017$) study of aid recipients in a developing country.⁶ We also surveyed 339 current and former members of Parliament in Uganda. We accompanied the mass experiment with an extensive survey to probe the causal mechanisms behind the behavioral outcomes. The MP survey was similar but briefer. As noted, like many aid recipients, Uganda is a poor country with high levels of aid flows. Thus it is a good candidate for a study of recipients' reactions to aid.

Research Design

This study draws on the experimental context and design reported in two other studies (Milner et al. 2016; Findley et al. 2016).⁷ We investigate the attitudes and behavior of more than 3,000 Ugandan citizens ($N = 3017$) and over 300 MPs ($N = 339$) toward foreign aid through a nationally representative experiment and survey of recipients' preferences over different funders. The experiment incorporated behavioral responses in which sub-

⁶ Total n for the study was 3,582. We do not focus on one condition from the experiment here and hence our observations are reduced. Results for other experimental conditions reported elsewhere ((Milner et al. 2016; Findley et al. 2016).

⁷ In contrast to these earlier studies, which take on the question of preferences for aid vs. government spending, the present paper focuses centrally on the differences between multilateral and bilateral donors. In the earlier studies, the authors note in passing that there are no differences among donors, but only consider a simple test that allows them to pool in analyses of aid vs. government spending. Given the attention devoted to distinctions between multilateral and bilateral aid in the broader aid literature, the current study takes on this important question and provides a thorough examination of the possible distinctions at both the mass and elite level, and in a large variety of subgroup analyses.

jects could substantiate (or not) their stated preferences by undertaking costly personal actions. We randomly assigned descriptions of actual pipeline projects to respondents. The projects were co-financed by multiple countries and agencies, which allowed us to manipulate the donor presented – naming possible contributors one at a time in separate conditions – to the subjects as well as the type of project without using active deception.

For the mass survey, we used a random sampling procedure in which any Ugandan adult had roughly an equal chance of being selected to participate in the study. We started with census data to select the subject pool, matching the number of parliamentary constituencies by region proportional to the census data. Fifty-five constituencies were selected, with 15 in the Central region, 15 in the North, 14 in the West, and 11 in the East. We then selected two sub-counties in each constituency, one parish in each sub-county, and one polling station in each parish so that, finally, each parliamentary constituency had two polling stations that served as the Sampling Start Points (SSPs). Uganda's one-party dominance prompted us to oversample opposition strongholds.

Eighty-four local Ugandan enumerators administered the instrument to 3,017 respondents in the neighborhoods and villages of the four different regions of Uganda during the months of June and July 2012. The average interview time was 59.7 minutes. The instrument was translated into 11 local languages that the enumerators spoke; 420 (12 percent) of the interviews were conducted in English.

We further randomized the adult within the household to whom the instrument was administered. To accomplish this, enumerators obtained a list of all adults in the household (by gender, alternating homes) and then randomly chose one of those adults and asked whether they would complete the interview. Our procedure worked reasonably well; gen-

der, education, age, party, religion, and regional variables were not significantly related to whether subjects received given experimental conditions.

We drew constituencies with Opposition MPs in proportion to the number of Opposition MPs in Parliament, using data on MPs from the current (9th) Parliament. We did this by region as well. Our oversampling of opposition strongholds gave us the breakdown by party of the sampled constituencies seen in online Appendix Table A1 columns 2 & 3, which is not very different from the makeup of the current parliament (Appendix Table A1 columns 4 & 5).

At the assigned polling stations, enumerators began at the main intersection and each walked in a different direction, away from the other enumerators. They surveyed houses on the left side of the street, starting with the second house and every other house thereafter. Upon completion, they counted one house to skip and surveyed again. A twenty-page training manual spells out our process and is available upon request.

The experiment incorporated behavioral responses in which respondents could substantiate (or not) their stated preferences by undertaking actions imposing personal costs. We randomly assigned descriptions of two actual forthcoming development projects in the “pipeline.” The projects were co-financed by the World Bank and the African Development Bank and therefore funded by all of the banks’ member governments, which allowed us to randomly assign the named donor presented to the respondents without active deception. That is, because many states and organizations contribute to the multilateral funds, we were able to name specific donors who might be contributors to multilateral efforts of this sort.

The two projects provided electricity and education. The text of the education project was: “The Post Primary Education and Training Adaptable Program Lending Project seeks to increase access to lower secondary education, improve the quality of lower secondary education, and enhance primary education and training. The project may require your community to providing funding for maintenance in the future. [This project will be funded by the RANDOMLY ASSIGNED FUNDER]. How much would you support this project?” Neither project type was significantly preferred over the other in the between-subjects design, which likely reflects the Ugandans’ perception that both types are desperately needed. We thus pooled the project-type conditions. See the appendix (p. 1) for the specific language used in the electricity project.

The funding organizations randomly assigned for the mass public were the World Bank, the African Development Bank, the Government of the United States, the Government of China, a generic multilateral institution (“an international organization funded by many countries”), a generic bilateral agency (“a single foreign country”), and No Donor. Due to sample size constraints, for the MPs we randomly assigned only the World Bank and USAID as well as the generic conditions. We report a randomization check analysis in Appendix Table A7, which demonstrates that random assignment effectively produced balance across a number of factors for which we have data. Results for the “No Donor” condition are reported elsewhere because they are not relevant for the comparisons made between multilateral and bilateral aid here (Milner et al. 2016; Findley et al. Forthcoming). Below we first report the results for the masses pooling the bilateral donors (U.S. Government, China, generic bilateral) and the multilateral donors (World Bank, African Development Bank, and

generic multilateral). For MPs then we pool the bilateral donors (USAID and generic bilateral) and multilateral donors (World Bank and generic multilateral).

Our study employs a between-subjects design, so subjects are not comparing projects directly. Subjects only see one condition, which enables us to look for meaningful differences in levels of support between identical projects that are randomly assigned as originating from different foreign donors. With random assignment of the treatment, the characteristics of individuals and their prior experiences or beliefs should not affect our results.

After the aid project prompt, enumerators inquired about several attitudinal outcomes and invited the respondents to support the project by signing a petition and sending an SMS message.⁸ Citizens could endorse or oppose the projects verbally. Enumerators then invited respondents to sign a paper petition and send an SMS text message in support. Once verbal intentions were recorded, enumerators presented them an actual petition and recorded whether or not they signed. Enumerators also gave respondents a slip of paper with the SMS number and asked them to send a text later that day. SMS texts cost Ugandans between 50 and 130 USh, so the text represented an actual cost to the citizens that they did not expect to recover.⁹ Given the average subject's low daily income of 2,935 USh (1.08 U.S. dollars), for the vast majority of subjects the cost likely appeared meaningful.

MPs were asked slightly different questions. We queried them on their willingness to coordinate with their peers in support of (or in opposition to) the project, tell constitu-

⁸ Manipulation checks *for the masses* show that subjects recalled the type of project and the type of donor in most cases (89% for project and 63% for donor). The manipulation check was asked much later than the manipulation itself, which may explain the dropoff. Table 3 reports the two refinements. First, we estimated the results when dropping subjects that did not pass the manipulation check. Second, we estimated complier average causal effects using assignment to treatment as an instrument to predict compliance (passing the manipulation check), which in turn predicts levels of support.

⁹ Subjects expected that they would pay the cost. Afterwards, however, we reimbursed them.

ents about the project, rally locals in support of (or in opposition to) the project, and sign a letter to the President in support of or opposition to the projects. Because the MPs were presented with both projects, we have two observations for each on all of these outcomes, except the petition to the president. Each MP was asked to sign a single petition that reported their level of support for both projects to the President, thus we have one observation for each MP on this outcome. This design choice was made to reduce the burden on the MPs and to lessen redundancy of sending two nearly identical letters to the president. Because the MPs received the same donor across the two projects this should not affect the results because we are comparing differences in donors and not sectors (given there was no meaningful difference between project types). These various measures of support present the respondents with varying levels of cost (attitudinal vs. behavioral responses) and are used as the key outcome variables to gauge support for projects across treatment arms.

The summary statistics for each of the dependent variables appears in Table 1. We also utilize an aggregated form of the dependent variables, called overall support for aid. We summed the different dependent variables into an index, *Aid support*. We wanted to measure overall levels of support or opposition to aid by donor. And we crafted the survey instrument so that each dependent variable represented a further step in a chain of increasingly costly actions showing support or opposition. Since all of the dependent variables are dichotomous, *Aid Support* simply sums them. Missing values are treated as 0, but respondents who did not respond to any of the DVs are dropped. The minimum value for this variable is 0 and the maximum is 6.

[TABLE 1 ABOUT HERE]

To achieve greater generalizability, we used two different project types and six different foreign donor types. The four specific donors named – the World Bank, the African Development Bank, the United States, and China – are the most active in Uganda and accounted for 54% of total aid disbursements. We also chose the electricity and education projects because they represent the types of projects that can be given selectively to constituencies that support politicians. For the mass survey, we randomly assigned the donor and the project type. Neither project type in the mass survey was significantly preferred over the other in the between-subjects design, which may reflect the fact that both types of projects are desperately sought after in Uganda. Because there were no significant differences between project types, we focus only on the difference among aid donors across both project types pooled together.

Two additional features of our approach included a similar experiment and survey on more than two-thirds of members of the Ugandan 9th parliament. An individual's status in society — elite versus mass public — could differentially determine preferences over aid. Elites will generally possess more political knowledge, greater control over aid packages, and more incentives to act in a fashion that advances their political interests (i.e., staying or getting into political office). These distinctions from the general public will often give them different preferences over aid than the average recipient in a developing country. Our hypotheses above address a number of the most important ways in which political elites and citizens may differ in their preferences over aid donors. We carried out an experiment on a convenience sample of 339 MPs.¹⁰ We attempted to conduct a census of all cur-

¹⁰ We surveyed 354 MPs total. But some received another condition. And of the total, 276 were of the 375 Members of the 9th Ugandan Parliament (the sitting legislature) and 78 were former MPs from the 8th Parliament. For our 339 MPs, 264 were current members and 75 were former.

rent MPs and achieved a 72 percent response rate. For the elites, we were not able to randomly sample. We thus compared our convenience sample to a set of characteristics for the 9th Parliament and show those results in Table 2 below. Our sample reflects the actual Parliament reasonably well. The surveys and experiments on the masses and elites were similar, but not identical, and were performed between June and October 2012 by local Ugandan enumerators.

We chose to conduct our experiment on MPs as opposed to other government officials for a number of reasons. First, parliament is where the budget and the acquisition of aid (both budget support and project aid) is discussed and decided. Second, after conducting interviews with MPs and local councilors (LC-V and LC-III, which are roughly equivalent to governors and mayors), it became clear that local officials had little to no direct management of project-level aid funds. MPs, however, very clearly had experience with aid both in parliamentary debates and in managing aid funds (53% of our MP interviewees said they had personally managed aid funds). Moreover, MPs value such projects in their districts; a majority of them in interviews said that they received praise and appreciation from citizens for such projects. Third, Uganda's parliamentary system merges the executive and legislative branches, and thus we are able to also survey cabinet ministers who play an important role in decision making. In fact, the experiment includes 49 government ministers (this includes deputy ministers), 22 shadow cabinet members (the opposition's cabinet), and both government and opposition chief whips.

[TABLE 2 ABOUT HERE]

In addition, we asked respondents — masses and elites — for their reasons for supporting or opposing these projects. We were interested in the causal mechanisms linking

their preferences to the outcomes. We focused on five different causal reasons: politicization, conditionality, transparency, efficiency, and community needs. To probe this, we use the language described below which corresponds to the mechanisms identified above in the theory section.

For politicization, we mean that the donor or implementing government will favor certain groups, regions or projects over others for political considerations. Needs related to development and poverty reduction will be less important in driving aid allocation than calculations about maintaining political support. To explore this, we asked two questions, one each for bilateral or multilateral donors: “which of the following statements is closest to your view? Choose Statement 1 or Statement 2. *Statement 1:* Aid from [an individual foreign government or an international organization] most helps the neediest people in your country. *Statement 2:* Aid from [an individual foreign government or international organization] most helps the friends or allies of the country.”

The conditions that donors or governments attach to projects may matter for how recipients react to them. Again we asked two questions corresponding to different donor types: “[Foreign governments or International organizations] often ask poor recipient countries to change some of their policies in exchange for foreign aid. Which of the following statements is closest to your view? Choose Statement 1 or Statement 2. *Statement 1:* The conditions or requirements set by [a foreign government or an international organization] in order for Uganda to receive aid are unfair and hurt Uganda. *Statement 2:* The conditions or requirements set by [a foreign government or an international organization] in order for Uganda to receive aid help Uganda to reform and become a better country.”

Transparency implies that recipients can monitor and follow the progress that a project is taking and can see where the funds are being applied. We ask: “Which of the following statements is closest to your view? Choose Statement 1 or Statement 2. *Statement 1*: It is easier to see where aid from an international organization is spent and to monitor how it is used. *Statement 2*: It is easier to see where aid from an individual foreign government is spent and to monitor how it is used.”

Fourth, the efficacy, efficiency or success of the aid may matter most. Recipients may care most about the effects of aid projects. We ask: “Which of the following statements is closest to your view? Choose Statement 1 or Statement 2. *Statement 1*: Aid from an international organization has the most impact and the least waste in achieving its goals. *Statement 2*: Aid from an individual foreign government has the most impact and the least waste in achieving its goals.”

Fifth, the alignment of the preferences of donors and recipients may be closer in some types of projects than others. We ask: “Which of the following statements is closest to your view? Choose Statement 1 or Statement 2. *Statement 1*: Projects funded by international organizations most often match the needs of my community. *Statement 2*: Projects funded by individual foreign countries’ governments most often match the needs of my community.”

Results

First, it is important to note that donors do seem to channel aid differently; however, they may provide aid for many of the same types of projects, as the research on donor fragmentation notes. For instance, USAID primarily contracts with U.S.-based companies,

NGOs, and their partners.¹¹ China, in contrast, mostly provides tied aid in that they send their own contractors especially in the implementation of large infrastructure programs (Dreher and Fuchs 2015). In contrast, the World Bank and African Development Bank provide nearly all of their aid funds directly to the government, which then implements the projects while abiding by strict procurement and accounting criteria.¹² Other bilateral aid agencies are somewhere in the middle, giving both direct government aid and contracting to do their own projects. Second, in (non-experimental) survey responses, citizens appear to pick up on differences across donors. In the survey when asked which aid type had the most impact and the least waste in achieving its goals, 61 percent of respondents believed multilaterals did better compared to 34 percent in favor of bilaterals. When asked which type most often matched the needs of their community, nearly twice as many (59 to 34 percent) said that the multilaterals did better. Third, recipients are generally aware of donors. Despite the facts that the average education level of our sample was 7 years, that most of our respondents were very poor, and that more than 60 percent were unemployed, many had heard of the main aid agencies (according to non-experimental survey responses). The most well-known donor (as a donor) was the United States at 86%, followed by China at 75%, the World Bank at 68%, and the AFDB at 35%.¹³ Finally, when given a choice between foreign aid donors and their own government to undertake projects, the public at least expressed significantly more support for the foreign aid donors, while the MPs per-

¹¹ For Uganda, the OECD Creditor Reporting System shows that it received only \$0.2m in 2010 for budget support from the USAID, which was 0.05% of total U.S. ODA received.

¹² In 2010, according to the OECD Creditor Reporting System, the World Bank gave \$100.9m in budget support to Uganda. Uganda received 30.7% of IDA funds as budget support, while other developing countries received only 21.1%. Budget support is not the only group of funds that goes directly to the government, but it is the easiest to count.

¹³ Our survey also showed that Ugandans knew a lot about politics. Over 80% correctly identified their MP, and almost 70% correctly identified their woman MP as well.

ceived their own government to be preferable ((Milner et al. 2016; Findley et al. 2016).

Thus the public and MPs seem to be able to form views about different types of project funders.

Turning to experimental results, there were no significant differences in levels of support or in behavioral measures of support across experimental conditions for masses and very few for the MPs. (See Table 3.) In our experiment, the subjects did not differentiate among donors. Support for the electricity and education projects was very high, around 80% and often running to 90%. These high levels of support for aid suggest that ceiling effects are going to make finding treatment effects difficult. MPs preferred the bilateral projects in most instances but the results were significant (at 0.1 level) in only two cases, and therefore should not be given much weight. Indeed, the broader lesson from the main analysis is that masses and MPs do not prefer multilateral or bilateral aid over the other, which does not support our first hypothesis. It is worth considering subgroup analyses to consider to what extent this null result holds. We note here that while some subgroup effects appear, they are few in number and with multiple testing adjustments would not amount to a definitive conclusion that multilateral or bilateral aid is significantly and robustly preferred by masses or MPs. We turn to these results now.

[TABLE 3 ABOUT HERE]

Not all subjects were sufficiently aware of the donors, which suggests confining the analysis to those who know the donors. When we considered only the subjects who were familiar with specific bilateral or multilateral donors, we saw significant treatment effects in two of six cases, and also in the combined index, but hasten to add that we should not infer too much, especially since the results hold in only two of six cases and the possibility

of selection bias lingers. We also treated subject familiarity as a compliance problem in which there was some drop-off in compliance as subjects did not understand the manipulation by not being familiar with the donor. To accurately compute effects in this case, we conducted a complier average causal effect (CACE) (Gerber and Green 2012) analysis using Two-Stage Least Squares regression and show substantively similar results. (See discussion of Appendix Table A2.)

Beyond the broad multilateral vs. bilateral comparison, the public in Uganda perceived significant differences between the U.S. and the Chinese bilateral programs in two cases, but not in the combined index. And no differences between the World Bank and the AFDB emerged. For the U.S. and China, individuals were significantly more willing ($p = 0.014$) to tell their local leaders of their support for U.S. projects (0.96) compared to Chinese ones (0.91). And citizens with cellphones also sent the SMS significantly more often ($p = 0.021$) in the US condition (8.8%) than in the China condition (2.9%). U.S.-China differences are reported in Table 4. While not robust, these subgroup effects are consistent with other research on Chinese aid suggesting it is different than US aid, being much more fungible, less conditional, less transparent, and directed toward the government (Dreher et al. 2015; Bräutigam 2009, 2011).

[TABLE 4 ABOUT HERE]

Across the many possible causal mechanisms we explored, there is again very limited evidence about some of the mechanisms, as shown in Tables 5 and 6. (Also see Appendix Tables A3-A6.) This evidence is clearer in the case of the masses (Table 5) when they know of the donor than with the elites in part because we have more power to detect these subgroups effects with the larger mass sample. After receiving the treatment information

about who carried out the aid project, the respondents were asked a series of questions about the reasons for preferring one type of aid over another. These questions were asked post-treatment, but could not feasibly be asked prior to the treatment at the risk of biasing responses. Because these questions were asked post-treatment, the appropriate comparison is, for example looking at multilateral aid transparency, between subjects assigned to the bilateral condition who nonetheless said that multilateral aid is more transparent against those assigned to the multilateral condition who then said that multilateral aid is more transparent. The same logic could be applied to each of the comparisons.

Looking at the overall aid support index variable, we find evidence that the public seems to prefer multilateral aid donors depending on their views about conditionality, transparency, and efficacy.¹⁴ For the masses, politicization reflecting the influence of the foreign donors and their friends in the recipient country shows little effect. When recipients believe that conditionality hurts the country, they are more supportive of the aid project when told it is by a multilateral donor. We suspect this is because they believe there is less conditionality with multilateral than bilateral aid. Among recipients who believe multilateral aid is more transparent than bilateral aid, they also are more supportive of the aid project when it comes from multilateral donors, which is consistent with hypothesis 4a. Among those who believe multilateral aid is more effective than bilateral aid, they too are more supportive of the projects in the multilateral condition. And among those who believe multilateral donors are more efficacious than bilateral sources, they also are more support-

¹⁴ The results for the transparency, conditionality, and efficacy mechanisms seem to be capturing a similar phenomenon given that the support index results are nearly identical across the three.

ive of aid projects when told the project is by a multilateral donor, consistent with hypothesis 5a.¹⁵

[TABLES 5 and 6 ABOUT HERE]

In sum, the main results reveal little evidence that citizens or political elites have strong preferences for multilateral versus bilateral assistance. Subgroup analysis reveals isolated evidence that citizens prefer multilateral aid and elites prefer bilateral aid; however, we hasten to add that in light of the set of possible analyses, these results are few in number and would be even weaker if explicitly including multiple testing adjustments.¹⁶

Discussion

The lack of treatment effects could arise from various factors. First and foremost, the absence of treatment effects may reveal a lack of preference for multilateral relative to bilateral donors among both masses and elites. As the research on donor fragmentation notes, recipients receive aid from many sources who often fund the identical types of projects in the same areas. Donors may deliver aid in distinct ways but if they overlap heavily in what they do then they may appear indistinguishable. Second, citizens and elites may not know enough about which donors are doing which projects, or how different donors operate. It is notable, however, that in the same survey citizens and MPs did have significantly different preferences for foreign donors as a group relative to their own government,

¹⁵ In two of the cases (transparency and efficacy), respondents preferred multilateral aid to bilateral aid even when they thought that bilateral aid was more transparent and efficacious. Thus the preference for multilateral aid is strong across the board, though statistically different only among those who perceive multilateral aid as more transparent and efficacious.

¹⁶ Using a global sample of elites and a different set of questions, Parks et al. (2016) find evidence indicating that elites rate multilateral donors higher than bilateral donors.

which they seem to have enough knowledge about to make such distinctions ((Milner et al. 2016; Findley et al. 2016).

Third, we asked about public goods projects that the public and MPs in Uganda desperately want and so their support for these projects is very high at baseline. These ceiling effects mean that using the treatment to move people to even higher levels of support is likely to be very difficult. The people who do not want these projects no matter who is funding them are likely to be a tiny minority who objects to such public goods. Some literature suggests there should be differences between multilaterals and bilaterals, even if the literature is divided on which should be more preferable based on levels of politicization, conditionality, and other characteristics. If in fact recipients do not prefer one foreign donor type over the other, then these null results are informative for the literature that continues to draw distinctions between multilateral and bilateral donors. Moreover, they seem to lend support to the literature on donor fragmentation that notes the heavy overlap and lack of complementarity among foreign donors. This literature suggests that because they tend to do the same type of projects in the same areas, recipients should not perceive differences among the donors.

[TABLES 7 AND 8 ABOUT HERE]

What limited evidence for distinctions there is indicates that if the public prefers multilateral donors, consistent with hypotheses 4a and 5a, such support relates to multilateral donors' lack of conditionality, greater transparency and efficacy as public goods providers; see tables 5 and 6. Probing recipient's trust for the different donors also reveals stronger preferences for multilateral aid. When aggregating trust across multilaterals and bilaterals, citizens have much higher levels of trust for multilateral organizations (mean =

3.27 for ML vs. 2.80 for BL, $p = 0.00$), as shown in table 7. In tables 7 and 8 we can see that for each donor multilateral ones are more trusted than bilateral ones by the mass public. And this fits with our finding above since the World Bank is the most trusted among all donors and China is the least trusted. Multilateral donors are also seen as more transparent by both elites and masses in table 8. We asked respondents to choose between two statements: "*Statement 1*: It is easier to see where aid from [an international organization] is spent and to monitor how it is used. Or *Statement 2*: It is easier to see where aid from [an individual foreign government] is spent and to monitor how it is used." The first was significantly more likely for international organizations than for individual country governments as shown in table 8, thus indicating that citizens and MPs perceive much greater transparency in multilaterals than bilaterals. While not primary experimental evidence, the survey results inform the hypothesized mechanisms to some extent. Ugandan citizens see multilateral donors as more transparent, more effective and more trustworthy, but not less politicized nor more likely to impose conditionality forcefully.

Conclusions

We explored differences in attitudinal and behavioral support of recipient citizens toward different types of donors of aid projects. The literature draws distinctions between multilaterals and bilaterals in terms of a number of factors. The conventional wisdom indicates that multilateral aid is more effective than bilateral aid because it is less politicized, more able to enforce conditionality, and less prone to corruption, though there are many critics of this view who counter that multilateral aid is also politicized. Our experiment provides evidence contrary to arguments positing differences between multilateral and bi-

lateral donors. The main results of our analysis are generally null, and the subgroup analyses that emerge are suggestive but largely isolated to specific conditions. These null results seem more persuasive since we do find significant differences in preferences for citizens and MPs when faced with a choice between their own government and all types of foreign donors. Furthermore, this lack of differences among foreign donors are consistent with the large literature that sees donors as overlapping heavily in their aid provision, failing to coordinate and specialize, and generally giving aid for the same types of projects in the same areas in the same countries. This view of foreign donors as failing to complement one another would lead to perceptions by recipients that all foreign donors are alike.

What limited evidence does emerge from the experiment and companion survey suggests that citizens see multilateral aid donors as being more transparent, more trustworthy, and more effective. Political elites seem to have a slight preference for bilateral donors. These analyses do not, however, constitute strong evidence when considering the set of possible comparisons and the multiple testing adjustments needed to make definitive conclusions.

In a more general sense, the present study suggests that citizens and elites possess information that may prove relevant in analyses of aid. It is odd that so much is studied and written about aid but that so little of that work actually asks individuals in recipient countries for their views. This project seeks to ameliorate some of that oversight and serves to encourage other studies in the future that take seriously the opinions and behavior of the people on the ground most affected by the aid. In the present analyses, we learn from recipients that the distinctions between multilateral donors and bilateral ones identified in macro-level analyses may not be felt or considered important within recipient countries. If this

is because the foreign donors are all generally seen as doing the same thing, then this raises questions about why we have both bilateral and multilateral aid agencies and why they are unable to better coordinate and specialize. Numerous studies point out that donor and aid project proliferation are costly. Our results suggest that policy makers in donor countries should work to coordinate and differentiate their efforts more. Multilateral agencies should also find a better division of labor with the bilateral ones. Such differentiation could improve aid giving.

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Tables and Figures

Table 1: Summary Statistics on Outcome Variables

Outcome Variable	Obs	Mean	Std. Dev.	Min	Max
<i>Masses</i>					
Strong Support	3007	0.770	0.421	0	1
Tell	2967	0.940	0.237	0	1
Willing to Sign	3008	0.831	0.374	0	1
Sign Petition	3017	0.803	0.398	0	1
Willing to SMS	3017	0.635	0.481	0	1
Sent SMS	1143	0.049	0.216	0	1
Aid Support	3017	3.993	1.461	0	6
<i>MPs</i>					
Strong Support	567	0.827	0.378	0	1
Tell	567	0.986	0.118	0	1
Willing to Sign	567	0.824	0.381	0	1
Sign Petition	570	0.747	0.435	0	1
Willing to Sign Pres.	292	0.747	0.436	0	1
Signed Pres.	292	0.682	0.467	0	1
Tell Constituents	567	0.984	0.125	0	1
Rally Local Officials	501	0.970	0.171	0	1
Coordinate with Peers	567	0.970	0.171	0	1
Aid Support	570	6.898	1.841	0	9

Table 2: Composition of the Sample vs. the 9th Ugandan Parliament.

	Sample	9 th Parliament
Gender		
% Male	67	65
% Female	33	35
Party		
% NRM	74.6	73.5
% Independents	10.2	11.2
% FDC	8.5	8.8
% DP	3.1	3.4
% UPC	3.1	2.6
% CP	0.25	0.25
% JEEMA	0.25	0.25
Region		
% from Central	28	25
% from Eastern	28	27
% from Northern	18	22
% from Western	26	26
MP Type		
% Constituency MPs	59	62
% District Women MPs	28	29
% Special Interest MPs	6	7
% Ex-Officio MPs	8	2

Table 3: Basic Results from MP and Mass Surveys.

Panel A: MP and Citizen Outcomes							
	Strong Support	Tell	Willing to sign	Signed	Willing to SMS	Sent SMS	Aid Support
Masses							
Bilateral	0.77	0.94	0.83	0.80	0.64	0.05	4.01
N	1532	1512	1533	1537	1537	595	1537
Multilateral	0.76	0.94	0.83	0.80	0.63	0.05	3.97
N	1475	1455	1475	1480	1480	548	1480
Difference	-0.01	-0.00	0.00	-0.00	-0.02	-0.00	-0.04
MPs							
	Strong Support	Tell	Willing to sign	Signed	Willing to Sign Pres.	Signed Pres.	Aid Support
Bilateral	0.85	0.99	0.83	0.76	0.75	0.67	6.92
N	293	293	293	294	145	145	294
Multilateral	0.80	0.98	0.81	0.74	0.74	0.69	6.87
N	274	274	274	276	147	147	276
Difference	-0.05*	-0.01	-0.02	-0.02	-0.01	0.02	-0.05
Panel B: Elite Only Outcomes							
	Tell Constituents	Rally Local Officials	Coordinate with Peers				
MPs							
Bilateral	0.99	0.98	0.98				
N	293	251	293				
Multilateral	0.97	0.96	0.96				
N	274	250	274				
Difference	-0.02*	-0.02	-0.01				

Note: A negative difference means that the proportion of support for projects in the bilateral condition is larger than the proportion under the multilateral condition, implying the bilateral condition is preferred to the multilateral one. A positive difference implies that the multilateral condition is preferred to the bilateral condition. Note that if a subject stated s/he did not want to sign the petition (third column) we still presented them the possibility of signing the petition (fourth column). The higher Ns for willingness to SMS in the fifth column are a result of subject refusals to answer the petition questions. That is, if a subject refused to answer petition questions, we still asked about SMS and fewer subjects declined to answer SMS questions. Also, the Ns may decrease in the "Sent SMS" condition (relative to "Willing to SMS") because we only calculate Sent SMS for subjects who owned a phone. Note: Two-tailed tests of significance: * 0.10; ** 0.05.

Table 4: Citizen Preferences for American vs. Chinese Aid

All mass subjects							
	Strong Support	Tell	Willing to sign	Signed	Willing to SMS	Sent SMS	Aid Support
Chinese Aid	0.80	0.91	0.83	0.81	0.68	0.03	4.05
N	391	387	391	391	391	139	391
U.S. Aid	0.81	0.96	0.84	0.81	0.68	0.09	4.12
N	448	442	448	450	450	182	450
Difference	-0.01	-0.04**	-0.01	-0.01	0.00	-0.06**	-0.06

Note: Two-tailed tests of significance: * 0.10; ** 0.05.

Table 5: Mass Support and Aid Support: Respondents knowing donor

	Bilateral	N	Multilateral	N	Difference
<i>Politicization</i>					
Aid helps the neediest people	4.07	335	4.21	222	0.13
Aid helps friends of donor	4.14	443	4.29	289	0.15
<i>Conditionality</i>					
Conditions on aid hurt Uganda	3.93	356	4.16	245	0.23*
Conditions on aid help Uganda	4.28	383	4.33	253	0.04
<i>Transparency</i>					
Bilateral aid more transparent than multilateral aid	4.24	277	4.34	191	0.10
Multilateral aid more transparent than bilateral aid	4.01	444	4.22	293	0.21**
<i>Efficacy</i>					
Bilateral aid more effective than multilateral aid	4.28	285	4.36	181	0.08
Multilateral aid more effective than bilateral aid	4.02	448	4.21	308	0.18*
<i>Alignment</i>					
Bilateral aid matches need of community	4.22	268	4.29	187	0.06
Multilateral aid matches need of community	4.02	474	4.28	302	0.26**

Note: All values capture the scores on the overall support index, rather than on any one individual outcome measure. A negative difference means that the proportion of support for projects in the bilateral condition is larger than the proportion under the multilateral condition, implying the bilateral condition is preferred to the multilateral one. A positive difference implies that the multilateral condition is preferred to the bilateral condition. Two-tailed tests of significance: * 0.10; ** 0.05; *** 0.01.

Table 6: MP Support and Aid Support

	Bilateral	N	Multilateral	N	Difference
<i>Politicization</i>					
Aid helps the neediest people	6.92	61	7.01	78	0.09
Aid helps friends of donor	6.97	184	6.92	212	-0.05
<i>Conditionality</i>					
Conditions on aid hurt Uganda	6.77	172	6.70	155	-0.07
Conditions on aid help Uganda	7.28	103	7.23	111	-0.05
<i>Transparency</i>					
Bilateral aid more transparent than multilateral aid	6.94	187	6.93	174	-0.01
Multilateral aid more transparent than bilateral aid	6.90	92	6.84	90	-0.06
<i>Efficacy</i>					
Bilateral aid more effective than multilateral aid	6.76	82	6.60	75	-0.16
Multilateral aid more effective than bilateral aid	7.02	198	7.06	188	0.04
<i>Alignment</i>					
Bilateral aid matches need of community	7.04	77	6.94	81	-0.10
Multilateral aid matches need of community	6.89	192	6.93	171	0.04

Note: All values capture the scores on the overall support index, rather than on any one individual outcome measure. A negative difference means that the proportion of support for projects in the bilateral condition is larger than the proportion under the multilateral condition, implying the bilateral condition is preferred to the multilateral one. A positive difference implies that the multilateral condition is preferred to the bilateral condition. Two-tailed tests of significance: * 0.10; ** 0.05; *** 0.01.

Table 7: Citizen Trust Levels for Domestic versus International Institutions.

	Multilateral	WB	UNDP	ADB	Any multilateral
Bilateral	<i>Means</i>	<i>3.34</i>	<i>3.29</i>	<i>3.15</i>	<i>3.30</i>
U.S.	<i>2.99</i>	0.35 (0.03)	0.30 (0.04)	0.16 (0.03)	0.31 (0.05)
China	<i>2.59</i>	0.75 (0.03)	0.70 (0.04)	0.56 (0.04)	0.71 (0.05)
Any bilateral	<i>2.80</i>	0.55 (0.03)	0.49 (0.03)	0.35 (0.03)	0.50 (0.04)

Note: Mean trust in italics. Cells report differences in means with standard errors in parentheses underneath. Bold entries indicate significant differences. Positive differences and t-stats mean that the multilateral donor is more trusted than the bilateral one.

Table 8: Survey Outcome Results for Multilateral vs. Bilateral Aid.

		Mean (Multilateral Aid)	Mean (Bilateral Aid)	Difference
Masses	Trust	3.27	2.80	0.470***
	Transparency	0.63	0.37	0.261***
MPs	Transparency	0.65	0.35	0.306***

Note: Two-tailed tests of significance: * 0.10; ** 0.05; *** 0.01.