Populism as a Determinant of Foreign Aid Allocation

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Abstract: In this paper, we examine how the ideology of the governing party(ies) in advanced Western democracies impacts the money budgeted for economic development and democracy assistance purposes. In this context, we explore the influence of populist parties on this process. We expect that center right and center left governments will support investment in foreign aid in the absence of parties with populist tendencies. The further parties are from the ideological center, the less likely parties will be to advocate for increased foreign aid. We theorize that populist parties will seek to direct investment to other priorities. Thus, we hypothesize that foreign aid spending will fall when populist parties are in government. Contrary to expectations, however, we do find a significant effect for populist parties, but do find that center-right governments (but not center-left governments) spend more on foreign aid than do governments with other ideological orientations. Going forward, we will continue to investigate the factors resulting in this surprising finding.

Keywords: foreign aid, populism, parties, center-right

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Introduction

On March 23, 2018, the U.S. Congress approved a continuing resolution that dramatically increased spending in areas ranging from infrastructure to military spending (Caygle et al. 2018). Democrats were even successful at preventing cuts to domestic spending programs like Pell Grants and environmental protects, with some spending levels actually exceeding those proposed by former President Barack Obama (Berman 2018). Yet one area of spending was cut dramatically in keeping with President Trump's proposed budget: foreign aid. This law cut spending on programs including "United Nations' global peacekeeping missions, the United States Agency for International Development and other economic assistance efforts" (Caygle et. al 2018). At first glance, it seems surprising that a unified Republican government would choose to cut foreign aid spending, even while making dramatic domestic spending increases.

In this paper, we seek to explain why governments choose to increase or cut foreign aid spending, focusing on the role of populist parties. We argue that populist parties seek to cut foreign aid spending in order to increase spending on other priorities, such as domestic social welfare programs. In addition to populism, we also investigate the role of left-right ideology, positing that center-left and center-right parties will support spending more money on foreign aid, while more extreme parties on both sides of the ideological spectrum will not, albeit for different reasons. Using a new continuous measures of government ideology we calculated using the Chapel Hill Expert Survey (CHES), we are able to provide more nuance than previous examinations, which tend to categorize governments as either left or right wing (or, in the case of Brech and Potrafke, from far left to far right). With the passage of Brexit, the election of Donald Trump, Marine LePen advancing to the second round of the French presidential election, and Winston Peters becoming Deputy Prime Minister of New Zealand (among other examples),

populism has received increased attention in the literature (e.g. Inglehart and Norris 2016, Inglehart and Norris 2017, Reuters 2017). Our paper seeks to unify this literature with previous literature that examines the role of government ideology in the allocation of foreign aid (e.g. Potrafke 2011 , Brech and Potrafke 2014). Contrary to our expectations and this literature, we find that center-right parties commit more money to foreign aid. We also find no role for populist parties, although this may be due to data limitations.

We begin by discussing previous literature that is relevant to our study and then proceed to present our theory. Next, we test our hypotheses using multilevel modeling. We discuss the results of our tests and perform additional examinations of the findings from these tests, before moving on to interpret our evaluations and concluding the piece.

Literature Review

A sizable literature exists detailing the various factors affecting the level of foreign aid spending by a country. Alesina and Dollar (2000) examine factors from two broad categories: political/strategic considerations and economic needs/policy performance, finding that each set of factors plays an important role in determining foreign aid spending. In terms of political and strategic considerations, donor countries are more likely to give to countries that vote with them frequently at the United Nations. Additionally, countries are more likely to give to former colonies of that country, to Egypt and Israel, and to countries that have democratized. At the same time, economic needs and policy performance also play a role in foreign aid spending, particularly for foreign direct investment. Specifically, Alesina and Dollar (2000, 34) find a country's economic openness—measured in terms of "policy management, trade liberalization, [and] better protection of property right"—correlates positively with foreign direct investment. While Alesnia and Dollar (2000, 33) find a positive relationship between "'good policies'" and

foreign direct spending, other studies find varying outcomes. Burnside and Dollar (2000) create an economic policy index and find only a weak relationship with the allocation of aid.[1] In contrast, Winters and Martinez (2014) find that donors provide more money to better-governed countries using average of the six Worldwide Governance indicators, which are based on economic and social interactions of citizens. Scholars have also found that a number of other factors affect aid allocation including regime changes, war or other geopolitical events (Brück and Xu 2012), inertia from previous allocation levels, GDP of a donor country, recipient need (based on poverty and the occurrence of disasters), population, and having an independent aid agency (Fuchs, Dreher, and Nunnenkamp 2014). In total, this literature establishes that a wide range of forces are at playing in determining foreign aid allocation.

While these factors paint a broad picture for when countries choose to engage in foreign aid spending, not all individuals within a donor country may be equally supportive of spending money on foreign aid. Thus, factors internal to a government's composition also require examination. Specifically, a number of studies have examined the role of ideology on the left-right dimension in determining foreign aid spending. Theorizing that foreign aid spending is analogous to domestic social welfare spending, Brech and Protrafke (2014) find that left-wing governments increase spending for foreign aid spending, especially when that aid is given as bilateral grant aid. Similarly, Thérien and Noël (2000) find a that left-leaning governments can have a cumulative effect of increasing foreign aid levels, while Milner and Tingley (2011) find that more conservative legislators in the U.S. House (based on the first dimension of DW-Nominate scores) are less likely to support foreign aid. However, other research has found different results for left-right ideology and foreign aid spending. For example, when looking at

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[1] Burnside and Dollar's index includes openness, inflation, budget surplus (relative to GDP), and government consumption relative to GDP.)

the left-right dimension, Potrafke (2011) and Fuchs, Dreher, and Nunnenkamp (2014) find a weak relationship between ideology and budgets for foreign aid. Additionally, while they find an overall positive relationship between left-wing governments being in power and foreign aid spending, Brech and Potrafke (2014) note that the presidency of Republican George W. Bush saw the United States push for higher aid spending.

Underlying these mixed results is that fact that different factors may be motivating left- and right-leaning politicians to support foreign aid spending. Fuchs, Dreher, and Nunnenkamp posit that right-leaning governments may sometimes decide to provide foreign aid based upon commercial political self-interest. In the same vein, Milner and Tingley (2013) theorize that differences are likely to exist in the way the left and right wing justify increased foreign aid spending. For liberals, foreign aid represents a way to promote economic development while conservatives are likely to support increased foreign aid for commercial reasons. At the same time, in the 2004 US National Leaders Survey, conservatives were more likely than liberals to support increasing military aid (Chicago Council 2005). Finally, Tingley and Milner (2013) note that conservatives are skeptical of giving money to international institutions such as the World Bank. As a result, bilateral aid could increase in order to further these goals. Thus, taken in total, previous research suggests that an examination of ideology and foreign aid spending should not necessarily assume that left-wing governments will always be more generous in foreign aid spending than right-leaning governments.

Parties may affect foreign aid spending based on factors that are separate from the left- right dimension. For example, Thérien and Noel (2000) examined whether religious parties being in power increased spending on foreign aid. Interestingly—and contrary to expectations—aid spending was either unrelated or negatively related to foreign aid spending depending on the

specification of the model. Like religion, populism is an increasingly important factor that divides parties on issues in a manner that is sometimes separate from the left-right dimension (Norris and Inglehart 2016). While existing research does not focus on how populism affects foreign aid spending, a broad literature that examines how populism—particularly right-wing populism— affects policymaking more broadly is operative to our study. While some populist parties have been completely ostracized by mainstream parties (e.g. the Front National in France), others have been invited into government (e.g. the FPÖ in Austria). Using this distinction between these two different types of parties, Akkerman and Rooduijn (2015) examine whether those parties that have been part of government has moderated; somewhat surprisingly, they find that these parties have not moderated and actually became more radical since the start of the millennium. Similarly, Albertazzi and Mueller (2013) contend that populist parties are likely to pursue policies that contend with central tenets of liberal democracy. In addition to affecting policy through their own extremism, these parties may also result in changes in mainstream parties as these parties seek to appeal to voters who are considering whether to support a populist party. Mudde (2013) argues that mainstream parties have become more nativist, authoritarian, and populist in the wake of the rise of populist parties. These changes have occurred within both mainstream left and right parties on some policies such as immigration control, while they extend only to mainstream right parties on policies such as integration. Mudde (2013) also argues that parties are increasingly using populist rhetoric in political discourse and that European politics has become more authoritarian not just on immigration, but also on "law and order" and national security issues. In contrast to the findings of these scholars, however, Rooduijn et al. (2014) find that European populist parties tend to tone

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down their populism more electorally successful. Additionally, they contend that mainstream parties haven't become more populist in recent years.

While previous inquiries do not focus on the role of populism on foreign aid spending, scholars have also examined how populist parties affect foreign policy more broadly. Conducting a case study of the Northern League as a junior partner of the Berlusconi governments in Italy, Verbeek and Zaslove (2015) contend that populist radical right parties are not persistently anti-internationalist, but that their position depends on the extent to which position helps or hinders the promotion of "the people." These authors note that a wide variation existed in terms of how successful the Northern League was at affecting the direction of Italian foreign policy, achieving the most success on immigration policy where they were able to exploit divisions in the Cabinet. In examining the recent rise in populism across the world, Kane and McCulloch (2017) argue that there are two main foreign policy consequences of increased populism: deepened divisions in the electorate which make it difficult for legislators to achieve compromise on foreign policy issues and a loss of expertise among public officials as new officials take over who are often not part of the foreign policy establishment. While populists may sometimes be thought of monochromatically, Verbeek and Zaslove (2017) note that four different flavors of populism exist: populist right, market liberals, regionalists, and left-wing populism. In terms of foreign policymaking, these authors argue that each party determines their position on a given issue based on their conception of "the pure people" and that party's general political orientation (Verbeek and Zaslove 2017, 8). Using this literature as a guide, we present a theory in the next section of our paper for how left-right ideology and populism affect a country's allocation of foreign aid.

Theory

The previous literature has shown a relatively weak association between the ideology of governments and the aid they give. We believe that the link between ideology and aid given may not be as straightforward as has been theorized, which could explain these weak results.

We theorize that economically center governments will be more inclined to give aid. This is because governments at the ideological extremes face incentives from their constituents to cut aid, although these incentives are different for left and right governments. Governments that are farther to the right economically pursue more radically market liberal policies, which involve cuts to government expenditures. As such, these governments should pursue cuts to foreign aid, which are often an easy target when it comes to cost cutting (Grant and Nijman 1998). Governments that are farther to the left, however, are also disinclined to provide vast amounts of aid. This is for two reasons: first, they prefer to spend money on welfare within their countries first; and second, they are more likely to see aid as an attempt to infringe on the sovereignty of other governments (Sussman 2014). Given these trends, it can be expected that center governments – both center-right and center-left – will be more likely to give more aid, although once again for differing reasons. Center-right governments give aid out of security concerns (Milner and Tingley 2013), whereas center-left governments give aid also partly out of security concerns, but also for humanitarian reasons. Center-right and center-left politicians have come out in support of aid recently – and sometimes even together (McCain and Kaine 2017). In the ideological center, however, the solidity of the government will play an important role in determining whether these cross cutting incentives actually grip. This is because less stable governments will have either to work with opposition parties or parties that differ on important ideological points, or they will need to keep voters on their side, and so will not want to give the

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parties on the extremes the ammunition they need to give to push the governing parties out of power. This leads us to our first hypothesis:

H1: Holding all else equal, economically center governments will give aid at higher levels, conditional on the size of their governing coalition.

Ideological position is not the only government characteristic that can be expected to affect the amount of aid given, however. As elucidated above, populist parties have grown in stature in the past few decades and have come to play active roles in government formation and therefore participate actively in policy making. Populist parties face similar incentives to extreme parties of the economic left-right spectrum. Although they may take up positions anywhere along the economic left-right spectrum, they tend to advocate for policies that favor their country fellows. As such, they will not place high priority on and will in many cases argue against giving aid to other countries, whether for isolationist reasons or in order to spend more money on nationalistic welfare policies. Once in government, these parties will attempt to pull government policy in their favor. Given that their coalition partners do not want the coalition to fall apart, they will be inclined to pursue compromise on common issues and should be willing to sacrifice foreign aid. Therefore, purely having a populist party in government should decrease the level of aid given by a country in a certain year.

While the presence of a populist party should decrease foreign aid, we would also expect the overall populist inclination of the government to play a role. This is because while a small, moderately populist party should still pull policy in its preferred direction, a larger populist party, or an extremely populist party would most likely have a bigger influence on policy and the extent to which foreign aid is cut. This implies that governments that are more populist in orientation as a whole will budget less money for foreign aid. We thus expect that:

H2: Holding all else equal, governments that include populist parties will give less aid.

H3: Holding all else equal, governments that are more populist will give less aid.

Data and Methods

Our outcome variable is the percent of GDP a country commits to foreign aid in a given year. We calculated this measure by adding together all foreign aid in 2011 US constant dollars in all purpose categories for all OECD countries between 1991-2013 (the upper limit of the dataset) in the "Thin" version of AidData 3.1 (Tierney et al. 2011), and then dividing this foreign aid in a country-year by the corresponding GDP value for that country-year.[2] GDP values, in millions of US dollars, were obtained from the OECD.[3] As these GDP values were originally in nominal dollars, we used the Consumer Price Index (CPI) conversion factors created by Oregon State University's Robert Sahr to rescale them to 2011 constant dollars. Dividing by GDP serves to regularize this variable and shrinks the values to a comparable scale; otherwise larger and richer countries would be difficult to combine with smaller and/or poorer countries.

Our focal independent variables are constructed using data from the Chapel Hill Expert Survey (CHES) (Polk et al. 2017) and from the examination of populist parties conducted by Inglehart and Norris (2016). Using data from CHES allows us to derive a more nuanced operationalization of government ideology in comparison to previous studies, which employed either strict left or right party labels or used the number of parties that belong to a certain party family in a government to create a government ideology measure. CHES allows us to use information based on how parties actually behaved, as evaluated by experts. First, we construct measures of government ideology for both the left-right and GAL-TAN dimensions of CHES.

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[2] We initially chose to focus on the post-Cold War period because the nature of foreign aid changed after the collapse of the Soviet Union. See Dunning (2004) and Marinov and Goemans (2013).

[3] OECD data available at https://data.oecd.org/.

The left-right dimension on CHES measures the traditional liberal-conservative divide between parties, while GAL-TAN measures the "sociocultural dimension," which serves as an indicator of government populism (Polk et al. 2017, 2). Parties at both poles of this scale are considered anti-establishment, even as they place emphasis on different issues. The first CHES survey was conducted in 1999, with further surveys conducted in 2002, 2006, 2010, and 2014. To calculate government ideology for a year – for both the left-right and GAL-TAN dimensions –, we multiplied the most recent CHES score for a party by the percentage of seats in the governing coalition held by the party. We obtained data on the percentage of seats held by a party using the Comparative Political Dataset (CPDS; Armingeon et al. 2017). If more than one government held power in a given year, we calculated a CHES score for each government and then weighted it by the percentage of the year in which it held power. Consistent with our hypotheses that centrist governments are more likely to allocate money for foreign aid than governments at either extreme, we then take the absolute value of each dimension of CHES, which then transforms this variable into a measure of distance from center. Higher values indicate that the ideology of the governing coalition; a value closer to zero indicates that the government was located at the ideological center. We call these measures *economic distance from center* and *populism*.

To operationalize the extent to which a party had a secure hold on power, we include a variable which measures the percentage of all seats held by the governing party or parties, which we call *government stability*. We then interact this measure with the absolute value of the left-right and GAL-TAN dimensions of CHES. Additionally, based on Inglehart and Norris' (2016) classification of populist parties, we include a model with a dummy variable measuring whether

or not any populist parties were present in a government, which we call *populism party in government*.[4]

Additionally, we include a number of control variables. Based on the potential for economic conditions to dictate whether or not a government gives foreign aid, we include measures of real GDP per capita, real GDP growth, and inflation. We obtained the GDP per capita measure from the OECD and rescaled it in a similar manner to the GDP measure used to calculate foreign aid as a percentage of GDP.[5] The measures of real GDP growth and inflation were obtained from CPDS. We also include a dummy variable for whether or not a technocratic government was in place for part of the year, as classified by CPDS. Finally, given the propensity for spending levels to be similar from one year to another, we include lagged foreign aid spending. Finally, given the wide body of literature arguing that the left-right dimension should predict government foreign aid allocations, we also include a model where we do not take the absolute value of either CHES dimension and instead include the left-right and GAL-TAN ideology of that government year for that country.

Our observations are at the country-year level, spanning the years 1999-2013, and covering 20 countries, although not all 20 countries are present in the data for all 15 years.[6] Because our key explanatory variables are reliant on the CHES dataset (Polk et al. 2017), our dataset starts in 1999. Our dataset ends in 2013 due to the fact that we use the AidData dataset (Tierney et al. 2011) in order to create our outcome variable. Our dataset includes 239 country-years.

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[4] Inglehart and Norris used factor analysis of CHES data to create this measure. Interestingly, the correlation between the Inglehart-Norris measure and absolute GAL-TAN is a fairly weak 0.2.
[5] OECD data available at https://data.oecd.org/.
[6] See appendix for countries and years included in the data.

Results and Discussion

We estimated hierarchical (multilevel) OLS models with random intercepts by year and country, which help compensate for potentially correlated errors across years and countries. Because we have no reason to expect differentiated effects for different countries or for different years, we do not employ random slopes. Prior to estimating our model, we standardized all continuous predictors and our outcome variable except for key variables of interest and all dummy variables. This allows for better estimation, which we performed using R's *lmer* function – part of the *lme4* package, designed for fitting multilevel and hierarchical models.

In order to test our hypotheses, we run three separate models: one including our measure of government stability interacted with economic distance from center and our populist party dummy (Model 1); one with government stability interacted with both the economic distance from center and populism variables (Model 2); and one including interactions between government stability and the measures of economic distance from center and populism, in addition to the populist party in government dummy (Model 3). In all three models we include the same battery of controls. These models are presented in Table 1.

Table 1: Economic Distance from Center and Populism Models

Variable	Model 1	Model 2	Model 3
Economic Distance from Center	0.077*	0.073	0.073
	(0.044)	(0.049)	(0.049)
Government Stability	0.014	-0.024	-0.024
	(0.063)	(0.103)	(0.103)
Economic Distance from Center × Government Stability	0.047	0.049	0.050
	(0.048)	(0.048)	(0.049)
Populism Dummy (Inglehart-Norris Measure)	-0.037	-	-0.037
	(0.128)		(0.135)
Populism (CHES)	-	-0.004	0.000
		(0.049)	(0.051)
Populism (CHES) × Government Stability	-	0.026	0.026
		(0.057)	(0.057)
Real GDP Growth	0.010	0.012	0.012
	(0.035)	(0.035)	(0.035)
GDP Per Capita	0.059	0.064	0.061
	(0.078)	(0.077)	(0.078)
Inflation	-0.207	-0.201	-0.213
	(0.206)	(0.203)	(0.208)
Technocratic Government	0.067	0.0738	0.077
	(0.196)	(0.197)	(0.198)
Lagged Foreign Aid Spending	0.207**	0.204**	0.205**
	(0.064)	(0.065)	(0.065)
Intercept	-0.247	-0.241	-0.242
	(0.178)	(0.183)	(0.182)
N	239	239	239

Note: **p<0.05, *p<0.10; Dependent Variable is amount of foreign aid given in year by country.

Model 1 shows that economic distance from the center is significant at the .1 level, but not in the hypothesized direction. In fact, from this model it seems that the further a government

is from the center, the more aid it will give. Once we include our measure of populism in Model 2, however, the standard errors of the effect of economic distance from center increase, and the variable no longer achieves conventional levels of significance. In Models 1 and 3, we include our populist party in government indicator, which is in the hypothesized negative direction but does not approach standard significance. Models 2 and 3 include our measure of populism. When the populist party in government variable is omitted, the effect of the populism measure is in the hypothesized direction, although virtually indistinguishable from zero. The fact that this variable switches sign when the populist dummy is included in the same model, and the fact that the size of the populist dummy is consistent between Models 1 and 3 – although not significant – would seem to indicate that our populism measure perhaps does not capture what we had hoped. In none of these models was the interaction between government stability and economic distance from center significant, and like the main variable, the interaction effect was in the opposite direction. In sum, none of our hypotheses are supported by our models.

The effect, or lack thereof, of the populist party dummy could be explained by lack of data, as our investigation was somewhat limited by the years and countries for which CHES data was available. A number of countries that given foreign aid such as New Zealand and the United States have had populist leaders in recent years, but are not part of CHES, and within our dataset, only 35 country-years (or 15% of our observations) saw a populist party in a governing coalition.

The effect of the economic distance from center variable is more puzzling. In order to track down where the positive effect of more extreme governments might be coming from and to test whether our models may have been mispecified due to poorly operationalized variables, we ran several models that included standard left-right measures of government ideology, also

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calculated using CHES and CPDS.[7] These allow us to examine whether previous work that focused on left-right ideology rather than looking at centrism as a determinant of foreign aid spending are more correct after all. These models are shown in Table 2. Model 4 does not include the GAL-TAN measure. Contrary to prior literature, CHES Left-Right is significant and positive in both models, as is the interaction between government stability and CHES Left-Right, indicating that right governments tend to give more aid, and that they tend to give more aid when their governments are more secure. This is quite substantively important, as moving one unit to the right on the CHES Left-Right scale leads to a .07 of a standard deviation increase in the percent of GDP committed to foreign aid. In neither case is CHES GAL-TAN significant. It is important to note that the populist party in government dummy stays in hypothesized direction in both models, although it once again does not attain significance.

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[7] CHES Economic Left-Right scores range from 0 – extreme left – to 10 – extreme right. 5 is the center. CHES GAL-TAN scores also range from 0 – extreme GAL – to 10 – extreme TAN.
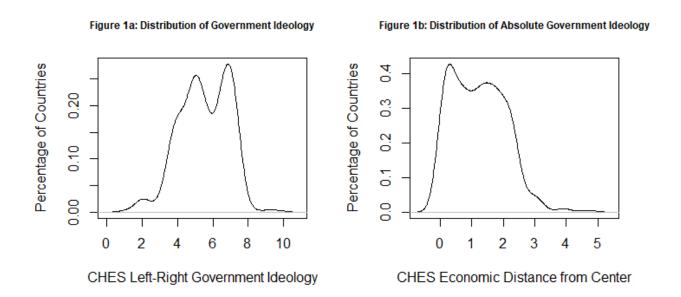
Table 2: CHES Left-Right and CHES GAL-TAN Models

Variable	Model 4	Model 5
CHES Left-Right	0.055**	0.097**
	(0.028)	(0.045)
Government Stability	-0.351*	-0.425*
	(0.194)	(0.223)
CHES-Left-Right × Government Stability	0.068**	0.073**
	(0.033)	(0.036)
Populism Dummy (Inglehart-Norris Measure)	-0.006	-0.018
	(0.128)	(0.128)
CHES GAL-TAN	-	-0.043
		(0.038)
CHES GAL-TAN × Government Stability	-	0.008
		(0.031)
Real GDP Growth	0.013	0.015
	(0.035)	(0.035)
GDP Per Capita	0.060	0.038
	(0.077)	(0.079)
Inflation	-0.253	-0.277
	(0.207)	(0.209)
Technocratic Government	0.036	0.049
	(0.193)	(0.193)
Lagged Foreign Aid	0.206**	0.198**
	(0.064)	(0.064)
Intercept	-0.477**	-0.475**
	(0.228)	(0.228)
N	239	239

Note: **$p<0.05$, *$p<0.10$; Dependent Variable is amount of foreign aid given in year by country.

This result for left-right CHES government ideology merits attention. Prior literature has tended to show either that left-wing governments spend more on foreign aid or that there is no link between government ideology and foreign aid spending. These results at minimum cast

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doubt on the link between left-wing governments and increased foreign aid spending. One explanation of this result is that the motivations for right-leaning governments to engage in foreign aid spending, namely commercial and military interests results in these governments escalating foreign aid spending when in government to a greater extent than economic development interests. We did run a model on only non-security aid, and the effects remained stable.[8] We were at first also concerned that the Merkel government in Germany could be driving these results but rerunning the models without including Germany does not significantly change our results.[9]

Figure 1: Government Ideology is Clustered Around the Center

Figure 1a: Distribution of Government Ideology

Figure 1b: Distribution of Absolute Government Ideology

CHES Left-Right Government Ideology
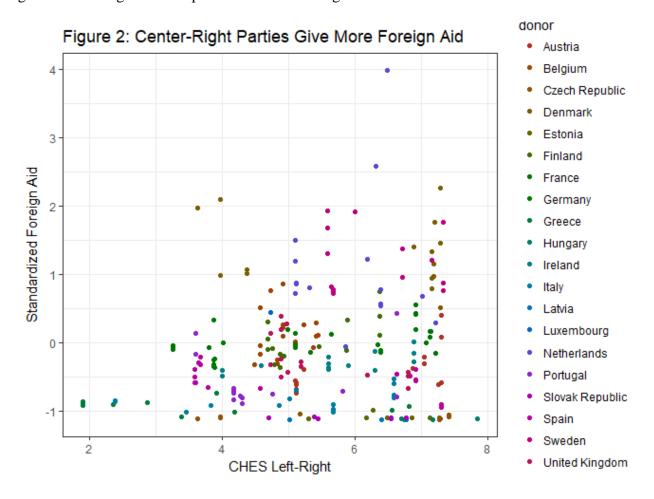
CHES Economic Distance from Center

As Figure 1a shows, the distribution of the CHES Left-Right Government Ideology variable somewhat clusters around the ideological center. As such, the ability to generalize for the extremes is suspect – it is possible that foreign aid would drop off there, but such governments are simply not represented in our data. This fact may also explain the unsatisfactory

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[8] See Table 3 in the appendix.
[9] See Table 4 in the appendix.

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performance of our economic distance from the center measure. Figure 1b shows its distribution; there are almost no extreme values present. In total, Figure 1 demonstrates that we may still find support for our hypothesis if we approach the problem in a different way, by differentiating between the government ideologies grouped around the center. Looking at the bivariate relationship between foreign aid and ideology, in Figure 2 below, we display foreign aid given by country. This figure shows that center-right governments from an array of different countries give more foreign aid than parties of other ideologies.

Figure 2: Center-Right Parties Give More Foreign Aid

As one final test of our hypotheses, we created a categorical version of our government ideology measure that takes on values of *Far-Left* when CHES Left-Right is between 0 and 2, *Center-Left* for CHES Left-Right scores between 2 and 4, *Center* between 4 and 6, *Center-Right*

between 6 and 8, and *Far-Right* for 8 to 10. Within the 239 country-years in our data, we find 4

country-years with far-left governments, 35 country-years with center-left governments,104

country-years with center governments, and 96 with center-right government. We use a

categorical measures instead of an ordinal measure of ideology here as we hope to capture the

extent to which effects are different between the government ideologies around the center.

Table 3: Robustness Checks

Variable	Model 6	Model 7
Center-Left Category	-0.004	-0.029
	(0.164)	(0.198)
Center-Right Category	0.215**	0.217**
	(0.069)	(0.083)
Far-Left Category	-0.001	0.072
	(0.318)	(0.326)
Government Stability	0.051	0.122*
	(0.052)	(0.072)
Center-Left × Government Stability	-0.294	-0.413*
	(0.225)	(0.245)
Center-Right × Government Stability	0.038	-0.003
	(0.079)	(0.083)
Far-Left × Government Stability	-0.414	-0.535
	(1.184)	(1.194)
GAL-TAN Center-Left	-	0.070
		(0.108)
GAL-TAN Center-Right	-	0.112
		(0.109)
GAL-TAN Far-Right	-	0.022
		(0.622)
GAL-TAN Center-Left × Government Stability	-	-0.080
		(0.140)

GAL-TAN Center-Right × Government Stability	-	-0.101 (0.088)
GAL-TAN Far-Right × Government Stability	-	-0.231 (2.377)
Populism Dummy (Inglehart-Norris Measure)	-0.010 (0.130)	-0.027 (0.141)
Real GDP Growth	0.026 (0.036)	0.025 (0.036)
GDP Per Capita	0.083 (0.081)	0.090 (0.083)
Inflation	-0.254 (0.209)	-0.251 (0.211)
Technocratic Government	0.039 (0.198)	0.003 (0.202)
Lagged Foreign Aid	0.194** (0.064)	0.212** (0.065)
Intercept	-0.293 (0.178)	-0.354* (0.181)
N	239	239

Note: **$p<0.05$, *$p<0.10$; Dependent Variable is amount of foreign aid given in year by country. Base category for both the CHES Left-Right and GAL-TAN variables is center parties.

Table 3 shows the results of this last set of regressions. Model 6 provides further

evidence that center-right governments give more aid than center and center-left governments.

The negative coefficient for center-left governments does hint at the fact that, as Models 4 and 5

showed, the amount of foreign aid as percent of GDP committed in a year increases when the

governing party becomes more conservative, although this effect does seem to be greatly driven

by center right governments. Model 7 shows that even when a categorical version of the CHES

GAL-TAN measure – calculated in the same way as the CHES Left-Right categorical variable –

is included, center-right parties still give more aid. Interestingly, the sign for government stability—which was negative in models1 through 5— is positive in these models, reaching statistical significance in the second of the two when we include the CHES GAL-TAN measure. This may seem to indicate that, after accounting for the GAL-TAN governing dimension, center-right parties that are more stable give more aid, which provides some tentative support for the importance of government stability highlighted in hypothesis 1. Nevertheless, we do not wish to place too much emphasis on the significance of this variable in this one model, especially given that the sign is in the opposite direction in models 1 through 5., Additional robustness checks would have to be done going forward in order to investigate this result further. Finally, it is important to note that the populism dummy remains in the correct direction, as it has across all seven models. Better data on populism and a larger dataset may help identify the effects of populism on foreign aid.

Discussion and Conclusion

Departing from our expectations—and previous research—we found that right-leaning parties in government spend more on foreign aid spending than governments run by parties of other ideologies. Initially, one might expect this finding might wholly be a result of right-wing governments spending more on security aid, yet we found this not to be the case, leaving us to wonder what might be driving this finding.[10] One possibility might be that center-right governments are investing heavily in foreign aid that promotes liberal economies in the countries receiving this aid. Former Assistant Secretary of State Elliott Abrams promoted this justification of foreign aid spending in a 2011 editorial, noting that Ronald Reagan's 1984 platform called for additional foreign aid spending, stating that "A central element in our programs of economic

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[10] See Appendix Table 3.

assistance should be to share with others the beneficial ideas of democratic capitalism, which have led the United States to economic prosperity and political freedom" (Abrams 2011). Similarly, foreign aid spending did not fall during the Cameron and May governments in the United Kingdom even as domestic cuts were made as part of the government's austerity program, directing substantial funding to programs that partnered with the private sector, creating a new "Private Sector Department" within the Department for International Development (Mawdsley 2017).[11] Admittedly, more research needs to be conducted before accepting this explanation for our findings, but this is a potential explanation for our findings.

Moving forward, there are several additional steps to take. First, we are limited by the lack of populist parties that have taken power. Another approach would be to look at populist party strength in the electorate (perhaps measured in terms of percentage of seats) rather than whether or not they became part of governing coalitions. Such an approach would be consistent with Mudde's (2013) contention that mainstream parties have become more populist as populist parties have gained strength. Second, we would like to incorporate the ideology of the party of the president into our models. One approach that would allow us to do this is to create a measure that weights the power of the president and the legislature using the relative power of each as calculated by Woldendorp, Keman, and Budge (2000, 55). Such an approach would allow us include the president in systems where he or she has significant power (e.g. France), while still being able to include countries in our model where there is no president. In addition, we could look at other ideology measures such as that of the Comparative Manifesto Project in order to consider the effect of ideology a wider array of countries. Finally, we are interested in extending

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[11] The Cameron and May governments also justified foreign aid spending in terms of furthering the "'national interest'" of the UK, in terms of both economics and foreign policy (Mawdsley 2017, 1).

this project to look at whether there are differences in how governments budget for specific types of aid, such as democracy assistance, where the party motivations may be clearer.

In total, this paper seeks to add to the existing literature on ideology and foreign aid spending. Our paper contributes a new, continuous measure of ideology using CHES expert survey data that is more nuanced than existing measures. In addition, our result casts additional doubt on the finding that left-wing governments will necessarily increase spending on foreign aid. Going forward, as we continue to refine our approach, we will continue to test the robustness of our surprising finding that secure right-wing governments are associated with increased foreign aid spending.

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Appendix

Table 1: Countries and Years

Country	Years Present in Data
Austria	1999-2013
Belgium	1999-2013
Czech Republic	2002-2013
Denmark	1999-2013
Estonia	2006-2013
Finland	1999-2013
France	1999-2013
Germany	1999-2013
Greece	2003-2013
Hungary	2004-2008
Ireland	2001-2013
Italy	1999-2013
Latvia	2005-2010
Luxembourg	2013
Netherlands	1999-2013
Portugal	1999-2013
Slovak Republic	2005-2013
Spain	1999-2013
Sweden	1999-2013
UK	1999-2013

Table 2: Summary Statistics

Variable	Minimum	First Quartile	Median	Mean	Third Quartile	Maximum
Foreign Aid (Standardized)	-1.124	-0.802	-0.286	-0.131	-0.281	3.990
Economic Distance from Center	0.011	0.430	1.184	1.187	1.822	3.110
CHES Left-Right	1.890	4.686	5.460	5.507	6.759	7.850
Populism	0.034	0.605	1.126	1.305	1.942	3.430
CHES GAL-TAN	1.570	4.090	5.482	5.251	6.250	8.389
Government Stability (Standardized)	-5.210	-0.448	-0.165	-0.122	0.365	1.688
Populism Dummy	0	0	0	0.146	0	1
Real GDP Growth (Standardized)	-5.136	-0.635	-0.141	-0.236	0.412	2.967
GDP Per Capita (Standardized)	-0.900	-0.190	0.122	0.246	0.540	4.193
Inflation (Standardized)	-0.821	-0.238	-0.163	-0.149	-0.090	1.126
Technocratic Government	0	0	0	0.029	0	1
Lagged Foreign Aid (Standardized)	-1.124	-0.797	-0.286	-0.130	0.281	3.990

Appendix Table 2a: Breakdown of CHES Categories

Dimension	Far-Left	Center-Left	Center	Center-Right	Far-Right
Left-Right	4	35	104	96	0
GAL-TAN	4	52	104	73	6

Appendix Table 3: Model without Security Aid

Variable	Appendix Model 1
CHES Left-Right	0.091**
	(0.045)
Government Stability	-0.394*
	(0.224)
CHES GAL-TAN	-0.045
	(0.038)
CHES Left-Right × Government Stability	0.075**
	(0.036)
CHES GAL-TAN × Government Stability	0.002
	(0.031)
Populism Dummy (Inglehart-Norris Measure)	0.002
	(0.125)
Real GDP Growth	0.009
	(0.035)
GDP Per Capita	0.047
	(0.082)
Inflation	-0.259
	(0.204)
Technocratic Government	0.085
	(0.194)
Lagged Non-Security Aid	0.151**
	(0.060)
Intercept	-0.526**
	(0.235)
N	245

Note: **p<0.05, *p<0.10; Dependent Variable is amount of foreign aid given in year by country.

Appendix Table 4: Model without Germany

Variable	Appendix Model 2
CHES Left-Right	0.101**
	(0.049)
Government Stability	-0.465**
	(0.236)
CHES GAL-TAN	-0.051
	(0.041)
CHES Left-Right × Government Stability	0.079**
	(0.038)
CHES GAL-TAN × Government Stability	0.007
	(0.032)
Populism Dummy (Inglehart-Norris Measure)	-0.013
	(0.132)
Real GDP Growth	0.010
	(0.036)
GDP Per Capita	0.030
	(0.082)
Inflation	-0.276
	(0.214)
Technocratic Government	0.039
	(0.199)
Lagged Foreign Aid	0.198**
	(0.067)
Intercept	-0.462*
	(0.240)
N	224

Note: **p<0.05, *p<0.10; Dependent Variable is amount of foreign aid given in year by country.