Foreign aid is often considered a policy “without a constituency.” Why would citizens agree to let governments send their tax dollars to foreign lands? In this paper, we present the surprising finding that European citizens think that their governments do not spend enough on foreign aid. Europeans do so because they consistently overestimate the beneficial impact of aid not only on poor recipient countries but also on their own domestic economies. This misperception invites an exploration into whether citizens’ reported preferences about foreign aid are merely fabricated “on-the-spot” during survey interviews or, alternatively, are meaningful and actually driven by perceptions of self-interest. We conclude that mass beliefs about foreign aid in Europe are far from “non-attitudes” and, in fact, are driven by perceptions of self-interest as well as important core values.

Why Is Foreign Aid So Popular in Europe?
Mass Opinion toward Development Assistance in 15 Countries

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The existence of foreign aid poses something of a puzzle for political economists. Why do election-minded politicians in the developed world send precious budgetary resources to citizens in developing countries—citizens with no voting rights in the donor country? This puzzle is somewhat resolved when one considers the manners in which politicians can benefit from foreign aid. For example, a majority of foreign assistance is “tied aid,” and thus comes with strings attached that benefit important donor-country constituencies (United Nations 2005). Moreover, donor states often use aid as a tool to reward, punish, or shape the foreign policy of recipient states (Alesina and Dollar 2000; McKinlay and Little 1977). In short, developed-country politicians do not grant humanitarian assistance for solely altruistic reasons.

However, while it might be rational for developed-world politicians to grant aid, why would their voters agree to let them do so? Few voters ever directly benefit from the stipulations attached to tied aid, as these tend to privilege highly organized, narrowly defined constituencies (such as a particular exporting industry or contractor). Furthermore, voters would surely benefit more from another school, a larger pension, or a new highway than they do from, say, a few extra votes with the US in the United Nations Security Council (McClure 2003). For reasons such as these, foreign aid is often called a policy that has no constituency (Lancaster 2006).

Moreover, the fact that aid has, at best, a weakly positive impact on recipient countries or has, perhaps more likely, no or even a negative impact on developing countries casts bewilderment even on the altruistic motives that voters might have for allowing their politicians to send their hard-earned tax dollars to foreign lands (Easterly 2001).

Nonetheless, we present the surprising finding in this paper that most citizens in Europe not only support foreign aid but want it to increase! We argue that citizens think this way not only because they overestimate aid’s beneficial impact on recipient countries, but they are also
overly optimistic about its positive reverberations in their own domestic economies. Moreover, the fact that citizens so grossly misperceive the politics and economics of foreign aid does not mean that their attitudes are entirely random. We show that certain values and even perceived material interests play an important role in determining why some individuals are more aid-friendly than others.

First, we explain in the next section why a study of foreign aid attitudes is useful. Scholars have rarely studied the topic, instead assuming that mass beliefs about the issue are fabricated “non-attitudes,” so we justify the need for a study of the topic. Second, we describe the aggregate level of support for foreign aid across 15 European countries, finding it to be quite high and the result of systematic overestimations of the benefits of development assistance. Third, we consider theoretical reasons for why some individuals might be more supportive of foreign aid than others, describing theoretical avenues based both on self-interests as well as values and issue knowledge. The remainder of the paper describes our measurement of these different theoretical propositions, our statistical results, and our conclusions.

1. Why Study Mass Beliefs about Foreign Aid?

Political behavior scholars have long known that citizens’ knowledge about politics is minimal, but knowledge toward foreign aid appears to be particularly abysmal (Downs 1957; Converse 1964). Foreign aid can be a particularly arcane public policy for most citizens because, unlike other foreign policy issue areas such as immigration, trade, and war, it does not have obvious reverberations back home. Partly for this reason, it is an issue that rarely receives intense media coverage. The implications for citizen knowledge are stark. In the United States, many citizens believe that aid levels are twenty or thirty times their actual rates: a 2000 poll in
the United States found that the *median* estimate of American aid spending was 20% of the federal budget, which overestimated the actual figure by a factor of twenty (PIPA 2001). Similarly, over 40 percent of Americans persistently believe that foreign aid is one of the top two line items in the federal budget, despite its objective position as (by far) the smallest (KFF 1995).

For these and other reasons, scholars typically conclude that mass beliefs about foreign aid are “non-attitudes”—that is, survey responses made up on the spot to satisfy nosy interviewers. For example, Converse (1964) finds that individuals do not have persistent foreign aid preferences through time and that these views are not correlated with ideologically related principles such as isolationism and internationalism (Converse and Markus 1979). Not all scholars are so pessimistic. Wittkopf (1983) finds that foreign aid preferences are driven by both pocketbook considerations as well as orientations toward the role of the US in the world, and Hurwitz and Peffley (1987) find that foreign aid preferences are constrained by core values. Overall, however, research tends to reflect the conclusions of Bryan Caplan (2007), who in a comprehensive analysis of policy attitudes toward most aspects of budgeting and the economy found that voters’ attitudes toward foreign aid were the least informed.

Our position is that the questionable basis for “real” public opinion on foreign aid is precisely the reason the topic should be studied. First, the topic of foreign aid offers an opportunity to subject interest-based theories of political preferences to a very rigorous test. Existing research demonstrates that material interests explain attitudes toward many aspects of domestic and foreign policy matters, such as the welfare state (Ross 2000; Iversen and Soskice 2001), immigration (Mayda 2005; O’Rourke and Sinnott 2006), trade (Scheve and Slaughter 2001; Baker 2005), and European integration (Gabel 1998). However, these more salient issues differ from foreign aid in that their economic consequences are relatively easy for individuals to
link to their material self interests. A native-born worker who believes that migrant labor is
driving down wages can easily determine that a restrictive immigration policy is in his best
interest. This is particularly easy when political entrepreneurs are available to connect the dots.

In contrast, the implications of foreign aid for the pocketbook or even for the economy in
general are more difficult to determine, and the low salience level of this issue means that the
role of elites is minimal. Lack of objective knowledge, however, does not preclude citizens from
formulating preferences based on notions of self-interest, as citizens can exhibit a “bounded
rationality” toward economic policy (Simon 1957). If we find that identifiable interests do
indeed matter for foreign aid preferences, we can interpret this as strong support for the role of
material interests in shaping public opinion more generally.

Second, this topic is ideal for an investigation into the effects of issue knowledge on
public opinion. Though the normative value of an educated, engaged citizenry has long been
recognized (Almond and Verba 1963, Palfrey and Poole 1987), we have little understanding of
how political knowledge actually affects opinions. High levels of political knowledge may
indeed enrich and strengthen democratic systems, but it is also possible that issue knowledge has
attitudinal effects that some would find normatively undesirable. Gilens (1999) for instance
demonstrates the implications of welfare-related issue knowledge in the United States, finding
that knowledge is associated with lower levels of support for welfare spending. Because foreign
aid offers a clear, factual spending level that people can know or not know, we are able to
examine how knowledge is related to spending support. Finally, because people’s spending
estimates are usually off-base, we can determine the extent to which wildly exaggerated
impressions of spending influence people’s attitudes.
2. Aggregate Support for Foreign Aid in Europe

Despite the perception among scholars that foreign aid has no domestic constituency, we find it be very popular in Europe. Figure 1 reports the marginal distribution of beliefs about foreign aid among citizens in 15 Western European countries in 1998. The Foreign aid preference variable was worded as follows: “Do you think the aid provided by the [nationality] government should increase a lot, increase a little, decrease a little or decrease a lot?” (A previous question defined aid for respondents: “We are not talking about humanitarian aid—that is, assistance provided in emergency situations like war, famine, etc.—but about development aid.”) Nearly seventy percent of respondents supported an increase in aid spending, and a mere eight percent wished to dramatically reduce it. Just over half of the respondents chose the modal response: increase spending a little. In short, large majorities of Europeans believe that their countries are not spending enough on foreign aid.

-- insert Figure 1 here --

What explains Europeans’ desire to increase foreign aid spending? Results from a number of items from this same 1998 survey provide several answers. First, Europeans are far more accurate than Americans in their estimates of foreign aid’s limited scope. Unlike Americans, who on average wildly overestimate the amount their government devotes to foreign aid, the median European gets it right. Figure 2 reports the distribution of answers to the following question: “Do you think the [nationality] government helps the people in poor countries in Africa, South America, Asia, etc., to develop, or not?” If “no,” responses were

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1 For these 1998 results, we use the Eurobarometer 50.1, which sampled the following countries: France, Belgium, Netherlands, Germany, Italy, Luxembourg, Denmark, Ireland, United Kingdom, Greece, Spain, Portugal, Finland, Sweden, and Austria.

2 The level of support for foreign development aid in the US seems to be lower than in Europe. The Chicago Council on Foreign Relations (2002) finds that 48 percent of respondents to polls in 1998 and 2002 would like to see cutbacks in federal foreign aid spending.
coded as “0.” If yes, respondents were asked, “Roughly how much of its budget do you think the [nationality] government spends on aid?” Figure 2 presents the distribution of responses. Depending on the country, the correct answer is either “<1%” or “between 1% and 4%.” Over 50 percent of respondents chose one of these two categories. Just 13 percent were clearly wrong in thinking their governments did not spend money on foreign aid, while, in sharp contrast to the American case, only 20 percent wildly overestimated (answers of “10%” or greater) their governments’ spending on foreign aid. In short, Europeans are more enthusiastic about aid and more willing to raise it than Americans because they understand that their governments actually devote very little to it.

--- insert Figure 2 here ---

Second, despite their realistic impression of absolute aid spending, Europeans are overoptimistic in assessing its benefits. Table 1 reports aggregate responses to questions about whether foreign development aid (this time focusing on that provided by the European Union) could contribute to solving a number of foreign and domestic problems.3 A large majority of Europeans believed that aid could achieve its primary stated, humanitarian purpose of improving “trade and development” problems in the developing world. Third and even more surprising, large shares thought that aid could address crucial economic problems at home. Forty-five percent believed that aid could contribute to solving domestic unemployment problems, and over 60 percent thought aid held solutions to immigration problems. Moreover, as evidenced by the correlations reported in the final column of the table, these attitudes were closely related to overall foreign aid spending preference. In short, Europeans support foreign aid because they

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3 The precise question wording is as follows: “Do you think that development aid provided by the European Union can contribute or not to solving …”
believe that it not only can help improve the lives of poor foreigners, but that it can also improve their own well-being.

-- insert Table 1 here --

Admittedly, not all citizens are so positively inclined toward aid. When, in another question from the survey, respondents who did not think it was important to help developing countries was asked why, most cited the existence of lingering domestic problems. Figure 3 displays the relative frequencies (strictly among those who thought it not important to help poor countries) of various rationales. The most common explanation by far was that there are domestic problems that require attention, demonstrating that individuals see public funds as fixed and recognize the trade-offs involved in sending resources overseas. Many respondents, however, also offered concerns based on the perceived misuse or failures of development aid in donor countries.

-- insert Figure 3 here –

3. Individual-Level Differences in Support for Foreign Aid: Theory

These aggregate-level results paint a mixed picture regarding Europeans’ views on foreign aid. Unlike Americans, most Europeans have reasonably accurate understandings of the amount their governments spend on foreign aid. Despite this, they overestimate aid’s beneficial impact in developing countries and, more interesting, their own country. Neither of these

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4 This question is worded as follows: “In your opinion, is it very important, important, not very important, or not at all important to help the people in poor countries in Africa, South America, Asia, etc., to develop?” (If not very important or not at all important) “From this list, please tell me why you think it is not important to help them?” (Individuals could choose as many as they liked) “First we should solve problems (poverty, unemployment, the economy) in [our country]; This aid is too expensive for [our country]; It is a waste of money to help poor countries because their situation does not improve; The money will be misused and will not reach those who need it; We [our country/Europe] already give them enough money; The more aid we give to poor countries, the more children they have; Poor countries should stop fighting and stop buying arms; There will always be rich and poor countries; I don’t know enough about these countries to decide whether it makes sense or not to help them; Poor countries don’t interest me; I don’t like foreigners (spontaneous). “
findings gives much of an indication of whether responses are “non-attitudes” or not. Most research has concluded that individuals do not have principled preferences over foreign development aid, but for the remainder of this paper we submit this assumption to empirical testing. We consider the extent to which foreign aid attitudes are related to meaningful theoretical variables. If so, then we conclude that Europeans’ reported attitudes are not mere “doorstep opinions.”

Our goals are more ambitious, however, as we also seek to determine what kinds of considerations and theoretical variables shape mass beliefs about foreign aid. First, we consider whether citizens’ material interests influence their foreign aid beliefs. Standard approaches to international political economy relate preferences over economic policies to the anticipated or realized effects of these policies. Individuals support policies that they expect will benefit their pocketbooks, and oppose those economic policies that they expect will harm them. While objective evidence shows foreign aid to have little or no boomerang effect on donor economies, many citizens think it does. This in turn suggests that residents of donor countries in Europe may formulate their foreign aid policy preferences out of perceived self-interest. These explanations conceive of foreign aid preferences as driven by the expected benefits or costs that individuals may derive from foreign aid. Second, the fact that citizens also believe foreign aid to have beneficial effects on recipient countries suggests that values and other non-material considerations may come in to play.
Material Interests: Welfare State Competition, Terms of Trade, and Immigration

We consider three mechanisms through which perceived economic interests might influence foreign aid policy preferences: dependence on domestic spending, terms of trade, and international migration.

First, we consider the simple logic of taxation and competition over welfare state resources. In this framework, governments have scarce resources, and aid expenditures compete with other forms of discretionary spending. Knowing that governments have a fixed sum of resources available to divide among a broad spectrum citizens, individuals who stand to benefit most from government spending will be less likely to support government policies that allocate such spending to other individuals, especially ones residing abroad. Because official development aid comprises a fungible resource that could be spent at home, support for it should be systematically lower among individuals on the receiving end of national redistribution schemes.5

Second, we consider a possible perceived “boomerang” effect of aid on donor country residents, one that assumes—like most European citizens—that aid does have beneficial effects on recipient countries. If aid boosts recipient-country development, then it should also affect donor countries’ terms of trade with recipient countries (Mayer and Raimondos-Moller 2003). Policies that strengthen developing countries’ terms of trade with developed countries will be supported by individuals who benefit from them and opposed by individuals who suffer from them.

5 Government resources are not fixed in the real world, as increasing domestic taxation will increase the sum of discretionary resources. However, unless tax increases to pay for foreign development aid can come exclusively from individuals with low dependence on government spending—a theoretical possibility, but one that we find unrealistic—the same logic should hold.
According to the Stolper-Samuelson theorem (Stolper and Samuelson 1941), in a world with only two factors of production, increased economic integration benefits individuals in a country where a factor is abundant, and harms those where a factor is not abundant. In aid-receiving countries, capital is scarce while labor is abundant, and flows of foreign development aid benefit labor (Chenery and Strout 1966). Due to this distributional effect of foreign aid on developing country labor, current studies have argued that economic interests in the developed world should be exactly the opposite. In the developed world, capital is relatively abundant and labor is relatively scarce. Flows of capital to the developing world raise the ability of consumers in these countries—where capital is relatively scarce—to purchase the goods produced in capital-intensive industries in the developed world. Because the demand for exports from the developed world to the developing world raises the global prices of capital and goods produced in capital-intensive industries, this increased consumer demand benefits owners of capital and workers in more capital-intensive industries. Accordingly, in donor countries, the Stolper-Samuelson theorem predicts that development aid harms labor and benefits capital and workers in capital-intensive industries (see also Milner and Tingley 2007).

The Ricardo-Viner model of international trade—also known as the “sector-specific factors” model—relaxes the Stolper-Samuelson theory’s assumption that factors are perfectly mobile across sectors. Capital goods employed in automobile manufacture, for example, cannot be converted into capital goods for microchip assembly. According to this theory, individuals’ preferences over aid depend largely on their trade exposure. Policies that raise the global demand for exports in which a donor country has a comparative advantage will benefit individuals employed in those sectors, and policies that reduce this global demand for will harm these individuals. Likewise, policies that decrease a recipient country’s exports to a donor
country will be supported by import-competing sectors in the donor country, and policies that increase exports to a donor country will be opposed by these groups.

If aid has the effects intended by donors, aid should improve the economic conditions of recipient countries. In lifting recipient countries out of poverty, it will increase their demand for donor country exports while making their own exports to the donor countries comparatively less competitive (see Chenery and Strout 1966: 690). For this reason, individuals employed in sectors that compete with imports from the developing world, and individuals employed in sectors that export to the developing world, should each favor foreign aid. Moreover, even if aid does not prompt economic development, recent research suggests that it hampers export performance in recipient countries. It does this by prompting exchange rate appreciation (Arellano et al. 2005; Rajan and Subramanian 2005; Page 2006). Again, this should lead two groups to support foreign aid—exporters who favor new markets able to purchase their goods, and individuals who benefit from the decreased competitiveness of imports from recipient countries.

A competing view of the effect of aid on import-competing sectors in donor countries is that aid increases exports from the recipient countries. Instead of simply encouraging economic development, aid may specifically target the export sector. When used to improve labor productivity and infrastructure in export sectors, aid should render exports to donor countries comparatively more competitive. This then harms individuals employed in import-competing sectors in donor countries. In this case, individuals in donor countries should oppose foreign aid if they are employed in sectors that compete with imports from receiving countries. Opposition from American shrimpers to foreign aid to shrimp-exporting countries illustrates this logic well. Commenting on a 2002 bill introduced as H.R. 5578, U.S. Congressman Ron Paul (R-TX)
explained that “we subsidize foreign shrimpers with American tax dollars, through foreign aid payments and trade financing schemes…this misguided approach has had a devastating effect on commercial shrimpers in the Texas gulf coast and beyond” (Jarbo Bayou Times 2002; http://www.jarbobayoutimes.com/fisherman.html).

Third and finally, many Europeans believe that aid can yield a positive boomerang effect on immigration flows to their country. Again, someone who assumes that development aid does boost Third World development might in turn conclude that it will decrease the likelihood that citizens of countries receiving aid will emigrate in search of better economic opportunities (see Massey et al. 1993). We should therefore expect that individuals that stand to lose from immigration will be more likely to support foreign aid.

Who are these individuals? In donor countries, they are most likely to be people who compete in the labor market with immigrants from recipient countries. These are laborers, the unemployed, and unskilled workers in donor countries, groups who may face increased competition from the types of immigrants who leave recipient countries in search of better economic opportunities. As we discuss below, these individuals may also oppose foreign aid for other reasons (trade considerations or competition over government spending), requiring us to take care in attempting to discern which factors drive their preferences over foreign aid.

Religiosity, Ideology, and Issue Knowledge

Although we may be able to identify individuals’ optimal political choices given their economic situations, scholars often find that people behave in ways that confound interest-based expectations (Gigerenzer and Selten 2001; Jones 2001; Zaller 1992). For a low salience issue such as foreign aid, other considerations—perhaps personal values or ideology—may play a
large role in determining expressed preferences. Therefore, we test a second set of explanations rooted in value orientations, proposing that religiosity and political ideology condition attitudes toward foreign aid.

Non-instrumental motivations are particularly important when studying foreign aid because, even if donors grant aid in expectations of positive boomerang effects, aid is fundamentally an act of giving. Existing work links foreign aid to morality. Hattori (2003) makes a theoretical case that foreign aid should be conceptualized in moral terms, relating it to philanthropy and Aristotelian virtue. (Also see Lumsdaine 1993.) He further argues that this moral element to foreign aid is increasingly relevant as multilateral donations (which are rapidly becoming the preferred mode of aid delivery) conceal the contributions of individual donor states. This may limit the ability of donors to coerce recipients or use aid in other instrumental ways.

The giving aspect of foreign aid has not been a key consideration in public opinion research; however, existing work on the relationship between morality and political preferences suggests that religion may be particularly relevant to foreign aid attitudes. For example, Will and Cochran (1995) find that religiosity is an important positive predictor of support for generous social services for the poor in the US, and Reitsma, Scheepers and Grotenhuis (2006) find that religiosity in Western Europe is a strong predictor of intentions to donate money to poor countries. We hypothesize, therefore, that more religious individuals will be more supportive of foreign aid spending than non-religious persons.

We also consider whether political ideology helps to explain support for foreign aid (Milner and Tingley 2007). The left-right ideological spectrum indicates the extent to which an individual supports the government intervention in the market. This is at its core a belief about
the role of the state in democratic systems. The more an individual supports government intervention, the more supportive he should be of foreign aid, which is ultimately an international redistribution scheme. Conversely, individuals farther to the right should be less supportive of aid.

We are well aware of the issues surrounding the inclusion of attitudes—such as political interest, political ideology, and political knowledge—as predictors of policy attitudes. This practice of “predicting ideas with ideas” is problematic in the event that ideas are the consequences of interests. For example, laborers may be leftists because they are laborers, so leftist ideology does not truly explain their policy preferences. Similarly, people may learn about foreign aid because they care about it for instrumental reasons, meaning that their instrumental motivations are what drive their preferences over foreign aid. The danger is that by including political attitudes as predictors of policy preferences, we risk “controlling for consequences,” a type of post-treatment bias.

We nevertheless proceed with attitudes as covariates in our analysis. We do so for three reasons. First, it is not clear that in the context of foreign aid, ideology, knowledge, and similar variables are simply consequences of material interests. As discussed previously, due to the low issue salience of foreign aid, we have good theoretical reasons to believe that interests may not affect foreign aid preferences. Hainmueller and Hiscox (2007), for example, argue that the relationship between skill level and anti-immigration sentiment is actually driven by individual values that are correlated with skills and education. If ideas are the true determinants of aid preferences, ignoring them would amount to omitted variable bias. Second, in our spirit of subjecting interest-based explanations to a hard test in the issue of foreign aid, we want to ensure that we have controlled for all potential confounding variables. The skill-related factors needed
to measure Stolper-Samuelson effects may pick up non-labor market influences in the event that more skilled workers are socialized to have different preferences than unskilled workers. Including attitudinal variables ensures that we have honed in on the true material interests associated with our interest variables. And third, as we show below, only rarely do we find that the inclusion of attitudinal variables changes the substantive effects of material interests in our models. If interests matter even when accounting for ideas, this is powerful evidence that material interests play an important role in determining preferences over foreign aid.

Finally, we test the impact of objective issue knowledge on foreign aid policy preferences. As noted above, many individuals do not know the amount of foreign aid that their country’s government provides to the developing world. Individuals who erroneously believe that their government spends more on foreign aid than it actually does may support decreased spending on this budgetary line item.

4. Measurement

The dependent variable we seek to explain is Foreign aid preference, a four-category ordinal variable described above in figure 1. We code this variable so that higher values indicate a preference for greater foreign aid spending.

We measure the three sets of material-interest hypotheses as follows. First, we measure citizens’ reliance on the welfare state with a tiered scale of total household Income (INCOME). Poorer individuals in Europe are more dependent on welfare-state spending, so they should be less inclined than the wealthy to support increased foreign aid disbursements (Cusack et al. 2006). We also use an attitudinal measure to whether citizens view foreign aid as a detrimental competitor with the welfare state. We use a ten-point measure of self-reported Satisfaction with
public services (SAT_SVCS) to gauge the extent to which individuals are content with current government spending. Because we hypothesize that aid spending competes with domestic spending, we expect that the more satisfied an individual is with public services in the domestic arena, the more he or she should support foreign aid.

Second, we consider terms-of-trade related variables. We face more difficulties in operationalizing concepts related to employment activities. Our survey contains only basic levels of information about respondents’ labor market locations. With it, however, we are able to measures a respondent’s skill level to test hypotheses drawn from the Stolper-Samuelson theory. As is standard in the literature on comparative political economy, we assume that higher skill levels in the developed world correspond to higher levels of capital-intensity (Scheve and Slaughter 2001). We create a dummy variable that includes all individuals classified as working in Manual labor positions (LABOR). To isolate Unskilled manual labor, we create a dummy variable (MANUAL) that includes all individuals categorized as unskilled manual laborers or servants. We also create a variable that indicates all individuals employed as Professionals or in upper management positions (PROFESSIONAL). Because these categories are not exclusive, we also create a composite measure of Skill (SKILL), which rates all employed individuals along a continuum from lowest to highest skill levels. We expect individuals in the manual labor and unskilled manual labor categories to support less foreign aid spending, with professionals and those with high skill supporting greater foreign aid spending.

The lack of detailed employment data is more troubling for the sectoral hypotheses. While we have noted that several predictions about how a sector’s exposure to the international

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6 We construct the variable as follows. The lowest skill level is held by unskilled manual laborers, farmers, and fishermen. This is followed (in increasing order) by skilled labor, supervisors of skilled labor, service sector employees, shop owners, and then a single category encompassing upper management, business proprietors, and professionals.
economy should influence development aid preferences of its workers, we simply cannot measure respondents’ industries of employment. There is but one exception: one of the possible response categories for employment status is Farmer or fisherman (FARMFISH). This allows us to create a basic test of the sectoral argument. We know in Europe that the agricultural and fishing industries compete with imports from the developing world, similar to the case in the United States. The sectoral theory, though, does not offer clean predictions. If aid is an engine of development or exchange rate appreciation in recipient countries, farmers and fishermen should favor foreign aid. Alternatively, if aid prompts exports—the fear of shrimpers in Galveston—then farmers and fishermen should oppose foreign aid. In order to compare this category against other workers, we also control for Non-farmer/fisherman who are manual workers (NONFARM).

Third, we measure interests vis-à-vis immigration. In donor countries, workers who are likely to compete with immigrants—manual laborers and other unskilled workers—are the same individuals who we expect may oppose foreign aid due to resource competition or terms-of-trade explanations. To isolate the effects of migration, we conjecture that the social environment in which respondents live matters. Respondents living in areas with high immigrant populations should find the issue of aid’s perceived effect on reducing foreign immigration to be more salient. Using sub-national data on immigrant stocks near the time of the 1998 Eurobarometer surveys, we are able to nest respondents into their immigration context by administrative unit in five countries: France, Germany, Italy, Spain, and the United Kingdom.\textsuperscript{7} We measure Percent foreign in R’s subnational unit (PCT_FOREIGN) with the stock of non-EU immigrants residing

\textsuperscript{7} German data by Land are from 1997, and come from SÄBL (2008). British data by County are from the 2001 census, and come from NOMIS (2008). French data by Région are from the 1999 census, and come from INSEE (2008). Italian data by Region are from 2002, and come from ISTAT (2008). Spanish data by Region are from the 2001 census, and come from INE (2008).
in the administrative unit in which the respondent lives. To test the immigration argument as it relates to economic interests, we interact this variable with LABOR and analyze each of these five countries separately. If immigration helps to determine aid policy preferences among laborers, we would expect to see positive coefficients on the percent foreign variable and on the interaction term. A positive coefficient on the former would indicate that individuals in high-immigrant subnational units are more likely to support foreign aid than individuals residing in low-immigrant units. A positive coefficient on the latter would indicate that manual laborers are more likely to support foreign aid if they live in a high-migrant unit than if they live in a low-migrant unit.

We measure Religiosity (RELIG) with respondents’ self-assessment of whether religion is important to their lives. Higher values indicate greater religiosity and, we expect, should be associated with a higher probability of support for greater foreign aid spending. We measure ideology with Right (RIGHT), a variable we expect to be negatively associated with the dependent variable.

We assess the impact of issue knowledge in a number of ways. First, we control for the respondent’s Estimate of foreign aid expenditure (AID_EST) by including the nine-point scaled variable depicted in Figure 2. We expect that the higher are respondents’ estimates of their governments’ aid expenditures, the less likely they are to prefer further increases. Second, we employ a dummy variable of Aid knowledge (AID_KNOW) which indicates whether respondents correctly identify the level of aid spent by their government. We expect the coefficient on this variable to be positive, indicating that people with issue-specific knowledge favor greater expenditures because of their awareness of how marginal foreign aid spending is to the budget. The final knowledge-related variable is respondents’ level of Political interest.

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8 The exception is Germany, where our data do not distinguish between EU and non-EU immigrants.
(POL_INTEREST). Individuals who are interested in politics are likely to know more about the needs of the developing world, although they may also be more knowledgeable about aid’s limited or even negative impact.⁹

5. Findings

Tables 2 and 3 report the results of a series of ordered logistic regression models. We estimated and report a number of different model to demonstrate the robustness of our main substantive findings. Although not reported, all models are estimated with country fixed effects to capture unexplained country-level heterogeneity. (Standard errors are also estimated to account for within-country correlation.)

--- insert Table 2 here ---

Model 1 contains only attitudinal and knowledge measures, namely issue knowledge, political interest, religiosity, ideology, and level of satisfaction with social services. Each of these variables is a significant predictor of development aid policy preferences, as expected. Higher estimates of aid spending are related to less support for aid. Knowing the actual aid level is a positive predictor of aid support, and individuals who are interested in politics are more supportive of aid than people who are not interested. Right-leaning ideologies are negatively associated with a willingness to increase aid, and individuals who are satisfied with domestic social services are more supportive as well.

In Model 2 we begin to incorporate the welfare state competition variables, but these initial results do not confirm our theoretical expectations. All else equal, individuals reporting

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⁹ We also control for Education (EDUCATION) and Age (AGE). We have also explored gender as a potential determinant of foreign aid attitudes. We have no theoretical expectation for why gender may affect foreign aid preferences, but we recognize the importance of gender as a control variable in existing research on domestic spending preferences. Our results (not reported) indicate that women are more likely to support foreign aid, and this has no effect on the conclusions we reach below.
higher incomes are not more likely to support increases in foreign aid. We expected poor individuals to oppose foreign aid due to their greater dependence on government redistribution to themselves. (Note that we have controlled for factors such as political interest, education, and ideology, which might all be consequences of income. If we remove these controls in order to avoid “controlling for consequences,” income does in fact demonstrate a positive relationship with aid support.)

Model 3 through Model 6 test skills-based hypotheses that we draw from Stolper-Samuelson theorem and previous research by Milner and Tingley (2007). We find good evidence that even when controlling for income, lower skill levels correspond to lower support for foreign development. LABOR is significant and in the expected direction, although we find no evidence that manual workers and unskilled laborers oppose foreign aid more than skilled laborers. As expected, professionals support development aid. When examining our index of skill levels, we find as well that higher skilled workers are more likely to support foreign aid. Again, because we have controlled for factors such as political interest, education, ideology, and income in our models, we are confident that this variable taps skill levels rather than other variables that are correlated with skills.

In Models 7-10, reported in Table 3, we turn to our test of the sectoral argument, using farmers and fishermen as the only employment groups for which we are sure that there exists strong import competition from aid-receiving countries. We test this argument alone and against competing interest-based explanations.

-- insert Table 3 here --

The results indicate that controlling for alternative explanations and skill level, farmers and fishermen are more likely to favor development aid. This is an intriguing finding, as it is the
opposite of what many might expect given the complaints of Texas shrimpers and other similar constituencies in the United States. It would seem to indicate that farmers and fisherman in Europe believe that foreign aid fosters development—or at least prompts exchange rate appreciation—that eases their competition with developing country imports.

The finding that European farmers and fisherman are more likely to support foreign development aid might be explained by existing evidence that the agricultural sector in Europe favors European integration because it benefits from EU aid (see Gabel and Parmer 1995). Farmers and fisherman may then support development aid for anyone out of a “solidarity effect.” We cannot dismiss this possibility, although we do claim that it is not possible to interpret the question about foreign development aid as somehow pertaining to donor countries. But one way to test whether or not farmers and fisherman support aid due to its effect on trade is to see if these respondents are more likely to believe that aid can fix trade problems, using the questions about EU aid described in Table 1. Of the 544 farmers and fishermen asked about aid’s potential benefits for trade, 437 answered in the affirmative. Using Fisher’s exact test, we reject the null hypothesis of no association between employment as a farmer or fisherman and belief that development aid can fix trade and development problems at the \( p < 0.000 \) level. Likewise, of the 594 asked about aid potential benefits for unemployment in the EU, 362 answered in the affirmative. Again, the Fisher’s exact test of no relationship between the two variables rejects the null at the \( p < 0.000 \) level. This is further evidence that sectoral employment plays an important role in the formation of aid preferences.

Our final series of tests investigates the role of immigrant pressures in determining aid policy preferences. We have data on immigration stocks for Germany, France, Italy, Spain, and the United Kingdom. We run one analysis per country. In each model, we include fixed effects.
for each administrative unit and cluster our standard errors by administrative unit. To conserve space in presenting results, we only present the results for LABOR, PCT_FOREIGN, and their interaction. These are found in Table 4. Our main hypotheses are tested in the top two (shaded) rows.

We find some evidence to support the hypothesis that immigration concerns drive aid beliefs. The PCT_FOREIGN and interaction term coefficients are in the expected direction 8 of 10 times and statistically significant in four of these instances. In all countries but France, the higher the level of immigrant stocks in respondents’ subnational units, the more likely respondents were to support foreign aid. This relationship was statistically significant in the United Kingdom and Spain. Also, in all countries but France, manual laborers were more pro-aid in high-immigrant units than manual laborers in low-immigrant units, although this finding is statistically significant only in Italy and Spain.

Figure 4 graphically depicts the impact of immigration concerns by plotting relevant quantities of interest and their associated standard errors. Each panel contains information for one country about the relationship between skill level and development aid preferences by percentage of foreign immigrants in the local administrative unit. In Spain, the 95% confidence interval excludes zero above approximately 4% non-EU immigrants (just under 20% of respondents live in these regions). In Italy, the 95% confidence interval excludes zero at the highest and lowest levels; the 90% confidence interval (not shown) excludes zero for a far wider range of values. While the estimates run in the expected direction in Germany and the UK, neither the 95% confidence interval nor the 90% (not shown) exclude zero. Only in France is the
relationship negative, and it is only statistically significant at the highest levels of foreign immigrant stocks.

-- Figure 4 insert here --

We interpret these results as providing tentative evidence that there may be a link between immigration and foreign development aid preferences among some European citizens. We have no explanation for why this link is stronger in Italy and Spain than in Germany and the UK, nor do we know why this link appears to be reversed in France. In Germany, the lack of findings may reflect the fact that we cannot distinguish EU immigrants from non-EU immigrants in our estimates of immigrants in each Land. In general, these effects may be weak because immigration does not have large consequences for European labor markets (see Hartog and Zorlu 2005; Hainmueller and Hiscox 2007:403-405). But we leave it to future drafts of this paper to tackle these issues.

6. Conclusion

Mass attitudes toward foreign aid in Europe are best understood through a “bounded” rationality approach. Citizens, as many previous observers have noted, do carry much misinformation (although Europeans do so less so than their American counterparts) about the policy, yet this does not mean their beliefs are mere “non-attitudes.” In fact, citizens have beliefs that are consistent with their misperceptions. Europeans overestimate the beneficial impacts of aid not only on foreign lands but also at home. For this reason, a large majority wishes their governments to increase spending on foreign aid.

At the individual level, these attitudes vary with meaningful theoretical expectations, evidence that mass beliefs about foreign aid are not mere non-attitudes. In particular, we find
that material interests are important predictors of aid attitudes in three ways. First, concerns about competition over scarce welfare state resources drives many aid attitudes: individuals who are unsatisfied with domestic services provided by their governments are more likely to support the diversion of funds to foreign lands. Second, skill level and sector of employment shape beliefs in ways that reflect the perceived terms of trade effects of aid. Third, the perceived impact of aid on immigration patterns shapes mass preferences over development aid policy in some countries.

We also find strong evidence that values are important for understanding opinions on foreign aid spending. Religious persons support increased aid spending, demonstrating that factors beyond material interests have important consequences for international economic policy preferences. In light of existing work on religiosity and support for the poor in the domestic arena, this finding suggests that welfare spending and foreign aid are complementary issues. We also see this in our finding that individuals who place themselves as ideologically on the right—indicating a preference for little government involvement in economic affairs—are less likely to support foreign development aid. Finally, knowledge is important area for further investigation. The analysis in this paper demonstrates that issue related knowledge and political interest levels shape attitudes.
7. References


Table 1: Beliefs about Development Aid

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<th>Percent of Respondents Answering “Yes”</th>
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Correlations are Kendall’s tau-b. **** signifies p-value < .0001.
**Table 2: Ideology, Interests, and Support for Development Aid**

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****p<.001; ***p<.01; **p<.05; *p<.1
Table 3: Sectoral Interests and Development Aid Preferences

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****p<.001; ***p<.01; **p<.05; *p<.1
Table 4: *Immigrant Stocks and Development Aid Preferences*

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** signifies p-value < 0.01; * p < 0.05; † p < 0.1. Standard errors clustered by administrative unit. Fixed effects not reported.
Figure 1

Preference for foreign aid spending

- Reduce a lot
- Reduce a little
- Increase a little
- Increase a lot
Figure 2

Estimates of national aid spending
(as percent of budget)

Percent of respondents

0   <1   1-4   5-9   10-14   15-19   20-24   25-29   30 +
0    5    15    20    10     5      0      0      0

Estimate
Figure 3

Reasons for not finding foreign aid important

- Domestic problems
- Misuse of money
- Violence continues
- Too expensive
- There will always be rich and poor
- Wastes money
- Fertility remains high
- Already enough
- Not informed
- Not interested
- Doesn’t like foreigners

Percent of respondents
Figure 4: Effect of Labor on Aid Preferences, by % Immigrants