



# Global samaritans? Donor election cycles and the allocation of humanitarian aid<sup>☆</sup>



Kurt Annen<sup>a,\*</sup>, Scott Strickland<sup>b</sup>

<sup>a</sup> Department of Economics, University of Guelph, Guelph, ON N1G 2W1, Canada

<sup>b</sup> Ministry of Community and Social Services, Government of Ontario, Toronto, M7A 1E9, Canada

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## ABSTRACT

This paper finds a large causal donor election cycle effect in humanitarian aid allocations: on average, humanitarian aid increases by 19% in the year before elections. Our identification strategy consists of focusing on donors with fixed election dates, making elections clearly exogenous. Furthermore, we find large interaction effects with natural and human disasters. This evidence is consistent with our theory that incumbent governments responding to humanitarian disasters can increase voter support for their party and insure against the political fall-out of not being seen as representatives of a country with global interests and influence. However, it is important to stress that despite our findings, human and natural disasters explain a substantially larger share of the overall variation in humanitarian aid observed in the data.

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## 1. Introduction

In the last few years, bilateral donors have spent over 7 billion US dollars on humanitarian aid annually.<sup>1</sup> This represents about 12% of total net official development assistance (ODA) making it a fairly significant component of overall bilateral aid. The existence of this form of aid shows that compassion and altruism extend across countries. When people in more or less distant parts of the world are faced with a disaster, helping out would appear to be a global norm.<sup>2</sup> However, in this paper we show that donor governments may not only give humanitarian aid because they are global samaritans, but also because there is an election coming up, and giving humanitarian aid to people affected by a disaster may increase support from voters. The evidence we present shows a large causal election cycle effect in donor countries: on average, humanitarian aid increases by 19% in the year before elections. Our identification strategy consists of focusing on donors with fixed election

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\* Corresponding author.

E-mail addresses: [kannen@uoguelph.ca](mailto:kannen@uoguelph.ca) (K. Annen), [scott.d.strickland@gmail.com](mailto:scott.d.strickland@gmail.com) (S. Strickland).

<sup>1</sup> This includes only official flows as reported by the OECD between 2009 and 2012 and it excludes humanitarian aid given via multilateral agencies such as the UN.

<sup>2</sup> How that is done and if enough is done is of course another question. Some will argue that these efforts need to be increased substantially given the many problems humankind is facing (Global Humanitarian Assistance, 2015), whereas others are critical about current practices related to humanitarian aid (see for example Polman, 2010; Nunn and Qian, 2014).

dates, making elections clearly exogenous. Also, all our regressions include donor or dyad fixed effects depending on the panel structure we are using so that identification of our election cycle effect comes from within-panel variation.

We find no such election cycle effects for overall aid (net ODA). This finding fits well with our theory stating that humanitarian assistance addresses a much more visible kind of a problem than other forms of aid. There is often extended media coverage when disasters occur, and it seems likely that there is a political benefit from reacting promptly and decisively to such “spotlight” disasters, particularly when an election is coming up. It not only shows that a government cares for people in hardship but also that a government is a relevant player when the “world” is dealing with an emergency. Thus, helping out may not only be perceived as a matter of solidarity but also competence. In addition, increasing humanitarian aid may also insure against the potential political fall-out that may occur if a government is perceived as not having done enough in an international crisis. For these reasons, increasing humanitarian aid may be valued across the political spectrum in donor countries. We further investigate these ideas by using a dyadic recipient–donor panel dataset that permits us to run regressions with interaction terms. We find large election interaction effects with human and natural disasters. Specifically, we find that humanitarian aid to countries with a conflict increases by 100% and aid to a country with a natural disaster at the 90th percentile, in terms of the number of affected people, increases by 63% in the year before elections. For a natural disaster of medium size, the increase is 44%.

Our paper contributes to the larger literature on foreign aid that deals with donor and recipient specific determinants of aid flows (e.g. [Alesina and Dollar, 2000](#); [Burnside and Dollar, 2000](#); [Claessens et al., 2009](#); [Dollar and Levine, 2006](#); [Neumayer, 2003a; b](#)). More directly relevant for our paper is the literature related to humanitarian aid that shows that the level of humanitarian aid distributed by donors may not just be an expression of pure altruism but is also influenced by domestic strategic factors (see [Drury et al., 2005](#); [Strömberg, 2007](#); [Eisensee and Strömberg, 2007](#); [Fink and Redaelli, 2011](#); [Nunn and Qian, 2014](#); [Raschky and Schwindt, 2012](#)). For example, [Nunn and Qian \(2014\)](#) show in a recent paper that higher wheat production in the US causes humanitarian aid, given in the form of emergency food aid by the US, to increase. [Fink and Redaelli \(2011\)](#) show that on average, donor governments favor smaller, geographically closer and oil exporting countries, and display significant biases in favor of politically less aligned countries as well as toward their former colonies. Similarly, [Raschky and Schwindt \(2012\)](#) find that donor countries' decisions on the channel and type of aid are not only affected by humanitarian need but also by strategic interests in trade and natural resources as well as the quality of institutions in the recipient country. Thus, similar to the work in this literature, our paper supports the proposition that politics plays a role in the allocation of foreign aid, which includes aid that is given for the purpose of helping others in disaster emergencies. To our knowledge, we are the first paper to investigate the impact of election cycles in donor countries on the allocation of aid. In a recent paper, [Faye and Niehaus \(2012\)](#) looked at political aid cycles by linking aid flows with elections in recipient countries. They show that bilateral donors use aid to influence elections in recipient countries. Here, we show that governments may use humanitarian aid to influence their own elections as well.

This paper also bridges the literature on the politics of aid giving with the literature on political budget cycles, which typically focuses on the effects of an upcoming election on the composition of a government's domestic expenditure (see [Brender, 2003](#); [Kneebone and McKenzie, 2001](#); [Khemani, 2004](#); [Drazen and Eslava, 2010](#); [Hanusch and Keefer, 2014](#)). For example, [Kneebone and McKenzie \(2001\)](#) find that Canadian provincial governments tend to increase spending in highly visible areas (schools, roads and hockey rinks) in the year prior to an election. [Drazen and Eslava \(2010\)](#) find similar effects at the municipal level in Colombia, with spending on major infrastructure projects including roads, and power and water plants shown to increase prior to elections. Our paper suggests that the models of political agency and the electoral process developed by [Barro \(1973\)](#) and [Ferejohn \(1986\)](#) do not need be limited to domestic expenditure but should include the money an incumbent government spends abroad as well. The media attention that often comes with human and natural disasters may make such budget decisions politically beneficial.

We test our hypothesis by examining the effect of elections in 18 donor countries between 1995 and 2012. Our main result focuses on the 8 donors with fixed election dates as these are exogenous to the decision-making process of the government. When governments can choose the election date, econometric issues may arise as for example a better budgetary situation makes it more likely that an election is called, which also may affect the level of humanitarian aid. In addition, these governments can use election timing as an additional tool to increase chances for re-election. Also, governments may break by a confidence vote in parliament, making elections less predictable. All these may suggest that the mechanism uncovered here may be less important for countries that do not have a fixed election date. Our estimate suggests that humanitarian aid, on average, increases by 19% in the year before elections. Notice that all our regressions include donor fixed effects or dyad fixed effects depending on the panel structure we are using. This assures that identification comes from within-panel variation which is relevant here. Our result is robust: first, the result remains statistically significant ( $p$ -value 0.018) when using the “Wild Cluster Bootstrap” proposed by [Cameron et al. \(2008\)](#) because our clustered standard errors may be downward biased as our regressions have only a small number of clusters. Second, our election dummy remains statistically significant when running the regression without the US, which is by far the largest donor of humanitarian aid. Third, we also find an election cycle effect in the full sample, which includes donors without fixed election dates. The estimate with an estimated increase of 15% is a little bit lower than in our fixed date election sample. Finally, our result is robust to the inclusion of per capita income changes and unemployment.

When we repeat the same analysis using ODA instead of humanitarian aid, our election dummy coefficient is substantially reduced and never significant. Thus, we do not find an election cycle effect for overall aid. We believe this has to do with the fact that human and natural disasters often come with substantial media attention which brings aid efforts related to these

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