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Evaluating the Impact of Chinese and World Bank Foreign Aid Projects on Preferences for Democracy in Tanzania

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Abstract. Recognizing that democracy is important for the efficient use of foreign aid, this paper examines whether the presence of foreign aid projects impact the democratic preferences for local residents in Tanzania. Considering China's increased presence as an international donor, we compare the democratic preferences for Tanzanians surrounding Chinese and World Bank aid projects. We match a geo-referenced data set with the subnational allocation of Chinese and World Bank development projects over the years 2000-2014 to 2,636 respondents from four Afrobarometer survey waves carried out in Tanzania. We thereby employ a spatial-temporal strategy which allows us to examine to what extent development projects impact the democratic preferences for local Tanzanians surrounding project sites. We find no causal relationship between development projects and democratic preferences. Some results, however, imply that Tanzanians surrounding Chinese aid projects are associated with lower levels of democratic preferences compared to Tanzanians who reside near World Bank project sites.

Keywords: Foreign aid, China, World Bank, Tanzania, Democracy

JEL: F35, F63, O1, O19, O55.

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1. Introduction

When asked what the most important thing to happen during the 20th century was, famed Indian economist and philosopher Amartya Sen replied without difficulty: the rise of democracy (Sen 1999). Despite a range of profound historical events which occurred during the 20th century, such as two world wars, the rise and fall of Fascism and Nazism or the collapse of the Soviet Union, Amartya Sen still replied that the rise of democracy was the most important event during the 20th century.

If the 20th century can be characterized by the rise of democracy, then this begs the question if the 21st century will be characterized by its decline. Already authors have begun shedding doubts on the future of democratic development (see e.g. Dryzek 1997; Rosenthal 1998; Diamond 2015; Plattner 2015). For their 25th anniversary the Journal of Democracy published an article with the title: Is Democracy in Decline? Though the authors' conclusions ultimately differ in regard to the extent of which democracy is in decline, they highlight the growing somber mood amongst democrats for future democratic development. The grounds for this statement stem from the struggles in democracy-building in post-invasion Iraq, poor institutional development, shifting geo-politics and the strengthening of autocratic Russia and China (Plattner 2015).

The rise of autocratic China as an emerging global economic power has not only cast doubt on the effectiveness of democracy, but on the future of foreign development assistance. Brazys et al. (2017 p. 228) for instance claims that*:* "The rise of China as a development partner has been one of the most important phenomena in the international development field over the past decade". Compared to the more traditional donors in for instance the World Bank, China's approach to foreign aid relies more on non-conditionality and non-interference. This approach has been welcomed by recipient countries, including many African countries, as they believe that conditions to aid enforced by more traditional donors have been far too constraining (Zhao 2014). However, this has also been met by a growing concern from authors who believe that Chinese aid practices may be undermining efforts in promoting good governance and accountability for African countries (Wang and Ozanne 2000; Collier 2007; Pehnelt 2007).

These concerns bring the rise of China as a new global development partner directly into the discussion of the relationship between development outcomes and good governance in Africa. Indeed, Wa Mutharika, former Malawian economist and politician, recognized that for Africa to shake off its current political and governance issues, it has to embrace new directions based on regionalism, good governance and democracy and that these must emanate from within civil society (Ahluwalia and Zegeye 2001). Civil society, as Wa Mutharika highlights, has often been said to be a crucial factor in establishing and maintaining political democracy (Bratton 1994).

While most papers have focused on democracy promotion largely as an endogenous issue (Remmer 1995), Brown (2005) argues that international actors and donors have an important role to play in either promoting or hindering democracy. Furthermore, Svensson (1999) finds that foreign aid has had a positive impact on economic growth in countries which have had an institutionalized check on governmental power, i.e. more democratic countries. It is therefore of interest to research

whether international donors and foreign aid itself may impact the democratic preferences of the recipient populations as more democratic countries may then in turn be better equipped to handle this aid.

This paper therefore seeks to address whether foreign aid may impact the preferences for democratic values. Recognizing that democracy promotion must stem from within civil society, we more specifically wish to address whether foreign aid projects impact the local preferences for democratic values surrounding development project sites. Considering China's emergence as a powerful player in the international donor community, and their differing foreign aid practices, we wish to address whether they impact the local preferences for democratic values differently than that of a more traditional donor in the World Bank. Specifically, the following questions will be addressed: a) if the implementation of Chinese aid projects affect the preferences for democratic values surrounding development project locations, b) if there is a systematic difference between preferences for democratic values surrounding Chinese project sites and World Bank project sites and, c) if so, what may explain these differences.

In order to determine the relationship between development projects and democratic preferences, we geographically match a georeferenced dataset from Afrobarometer with 2,636 respondents through four survey waves (rounds 3-6) in Tanzania with new data for the subnational allocation of Chinese and World Bank development projects in Tanzania over the period 2000-2014, provided by AidData. We compare the preferences for democratic values of individuals residing near a location where a project is being implemented at the time of the interview, to that of individuals residing near a location where a planned project has yet to begin at the time of the interview. In doing so we get a difference-in-difference type estimate that controls for time-invariant characteristics that may determine the choice of project locations. Similarly, we do this for World Bank development projects and compare those results to that of Chinese development projects to determine if the identity of the donor affects the local preferences for democratic values differently.

We choose to limit our study to Tanzania for two reasons. First, China and the World Bank have been similarly involved in Tanzania as development partners in both time and scope (Brazys et al. 2017). Thus, we can avoid biases in regard to length and scope of development practices which might follow "lead" donorship (Steinwand 2015). Second, Tanzania has made commitments regarding democracy-building to its people and the international community and consider ongoing rapid democratic decline as a concern (USAID 2018). Therefore, the relationship between development aid and the preferences for democratic values is directly important for the Tanzanian government if they wish to continue their outspoken focus on democracy-building.

Our paper most similarly resembles that of Brazys, et al. (2017) and Isaksson and Kotsadam (2018) who both seek to disentangle whether Chinese development projects fuel local corruption and how Chinese projects differ from World Bank projects in that regard. Their articles differ in that Brazys et al. (2017) conduct their study by focusing on one country while Isaksson and Kotsadam's (2018) include 29 African countries. Nonetheless, they both employ spatial strategies similar to us. To our knowledge however, ours is the first article of its kind seeking to examine the relationship between development projects and preferences for local democratic values. Our paper thus contributes to

the emerging quantitative literature concerning Chinese aid allocation and its effects on development outcomes at the micro-level.

Our paper is organized as follows. The following section provides a background of global foreign aid practices and a background on China's, the World Bank's and Tanzania's stance on democracy. Section 3 provides a literature overview of previous research concerning the aid effectiveness debate and how foreign aid may impact democracy. In section 4 we present our conceptual framework and hypotheses. Section 5 provides our data and empirical methods used to determine the relationship between aid and local preferences for democratic values. Section 6 presents our empirical results. Section 7 discusses the implications of these results and mention some potential areas for further research. We conclude in section 8.

2. Background

This section aims to provide a background on the development of global foreign aid practices to better contextualize foreign aid and democracy promotion. We furthermore provide a brief background on how China, the World Bank and Tanzania's view democracy in order to illustrate their contrasting views on the matter. We provide first a definition of foreign aid.

2.1 Foreign aid

The Official Development Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) has defined Official Aid (OA) as flows, of financial and technical nature, to developing countries with the intent of furthering economic development and welfare. These flows can take the form of grants, loans or credit, but cannot include flows for military purposes (OECD 2013).

Development flows are segmented into two categories; Official Development Assistance (ODA) and Other Official flows (OOF). The official definition of ODA was developed by the DAC in 1972 as official financing intended to further economic development and welfare. These flows can either be provided bilaterally, from government agencies directly to developing countries on the DAC List of ODA Recipients, or through multilateral institutions such as the World Bank. Further, the financial terms of ODA must be concessional and include a "soft loan", consisting of a donation component of at least 25 percent, with a 10 percent discount rate. Like OA, ODA can consist of grants, loans or credits, but can never support military purposes. Development aid that does not fulfill the requirements for ODA are classified as OOF (OECD N.d.).

2.2 Historical development of foreign aid practices

The basis for the development aid apparatus, as we today know it, was established following World War II. The devastation caused by the war gave rise to several organizations whose original missions were to assist those in need. During this time, aid was predominantly aimed at relief and reconstruction. Since then, these organizations have become institutions paramount to the foreign aid community. Among these institutions are Oxfam, the Development Assistance Committee (DAC) and the World Bank (Hjertholm and White 2000).

As the intensity of the Cold War increased during the 1950s, two thirds of total multilateral aid was provided by the US under the Mutual Security Act. Following this, aid took on the role as a political tool to contain the spread of communism and the expansion of the Soviet Union (Hjertholm and White 2000), as US policymakers feared that developing countries would develop in a non-capitalist manner (Wood 1986). The effectiveness of this agenda became widely debated and generated a lot of critique due to the attempt at leveraging political support through aid. Furthermore, the US became concerned that they were carrying an unproportioned amount of responsibility for an outcome that would be beneficial for countries all around the world. Following this, other countries' bilateral aid programs grew during the 1960s. This, in part, lead to the founding of the DAC whose mission it was to oversee and evaluate aid performance (Hjertholm and White 2000).

The great accomplishments of the aid system in the 1950s and 1960s contributed to a surge in multilateral aid during the 1970s (Wood 1986; Hjertholm and White 2000). The decade before, 80 percent of total aid was provided by the US, the UK and France, but now these countries accounted for 50 percent of total aid flows as other countries rapidly increased their aid expenditure (Dudley and Montmarquette 1976). However, an issue with the aid system started to become more apparent. The World Bank president Robert McNamara argued in 1973 that foreign aid efforts were not reaching the poor equitably, neither among developing countries nor within them (Wood 1986). This inequality would provide some developing countries with up to 100 times as much aid per capita compared to what some of the poorest developing countries were receiving. Following this observation, the donor community underwent a transition to make the most poverty ridden countries the focal point of development aid efforts (Hjertholm and White 2000).

The international donor community underwent two major changes following the fall of the Soviet Union. First, Eastern Europe and former Soviet Union countries switched from the role of donor to recipient. Second, the aid system established new constraints in regard to the allocation of aid. During the Cold War, this was done on the basis of whether a regime was positively inclined towards the West or not. In a new bout of democracy promotion, however, donors started to distribute aid on the basis of good governance, rewarding democratization (Hjertholm and White 2000).

With the new emphasis on good governance, international donors reprioritized their aid programs causing a surge in democracy promotion. When the threat of the Soviet Union, and its associated communism dissolved, Western countries took a greater interest into the domestic policies of the countries they aligned with. Prominent was the issue of weak governance, which is why several donors developed policies demanding that bilateral and multilateral aid should consider political liberalization as a basis for its aid allocation (Brown 2005). This time, known as the "Third Wave" of democratization in developing countries, also brought forward concerns regarding how corruption affected economic development. Though most donors have found that democracy is the self-evident instrument to attain good governance and anti-corruption, this is not necessarily always the case (Marquette 2001). As an economic institution, the World Bank considers itself apolitical, and will therefore not acknowledge a political ideology as superior in combatting corruption. Like other donors, the World Bank considers corruption evidence of poor institutions and a weak judiciary system, among other things, but it claims that autocratic and democratic regimes are equally able to implement anti-corruption strategies (Marquette 2001).

2.3 View of democracy in China

China has a mixed view of democracy which stems from a troublesome history in regard to both attempts and failures in implementing democratic institutions. At the start of the 19th century, China attempted to install a republican government under Dr. Sun Yat-Sen. However, this attempt quickly crumbled and ultimately lead to the formation of the People's Republic under Mao Zedong. Though the formation of the People's Republic made a "class-based" claim to democracy, underlying anti-democratic and illiberal sentiments fueled class struggles which culminated in the

Cultural Revolution, and in more modern times, the Tiananmen Square protests of 1989 (Zhao 2001).

Moreover, there is the question of whether Chinese ideologies, such as Confucianism, are compatible with democracy. Liang Shu-ming (1990 p. 48) for instance states that: "it is not that China has not entered democracy, it is rather that China cannot enter democracy", believing that Chinese values alone can provide the basis for a good society and that there is no room for democracy in Chinese culture. Mou Tsung-San (1992) furthermore doubts that the cornerstones of democracy, such as liberty, equality and human rights, can be integrated into Confucianism, which places an emphasis on duty, loyalty and family values (Li 1997).

Today, China is a one-party authoritarian state, regularly oppressing the media, through strict monitoring, firewalls, shutting down publications or websites and jailing journalists (Xu and Albert 2017). Furthermore, China has begun sending thousands of Muslim Uighurs to reeducation camps in an effort to eradicate "weeds" and "tumors" that are infected with "ideological illnesses" according to local officials (Hammond et al. 2018). Despite China's restrictions on freedom of speech and thought, survey polls consistently show support for Chinese governance and the ideal of political meritocracy, indicating that there is a public approval of the Chinese government (Bell 2018). This raises concerns to not only governance within China, but how this may influence governance in other countries, who may deem China's actions effective in countering political and social tensions.

2.4 The Worlds Bank's view of Democracy

As mentioned previously, the fall of the Soviet Union in the 1990s resulted in a change in how the donor community approached foreign aid. Instead of channeling aid to geo-politically important countries, emphasis was put on allocating aid on the basis of good governance and political conditionality. Donors began offering help in the removal of authoritarian governments and promoting democracy through election assistance, support for civil society, judicial reform, training of the media and combatting corruption. For most donors, good governance equals democratic governance, viewing efforts such as improved participation, multi-party elections, accountability and the strengthening of the rule of law as democratic attempts to improve good governance (Marquette 2001).

Not all donors share this view, however. The World Bank considers itself an apolitical economic institution, and therefore insists that democracy may not be the sole answer to promote good governance and to combat corruption. The Bank's allocation of aid also reflects this as they continuously distribute aid to democratic and authoritarian countries alike (Marquette 2001). Article III, section 5 (b) of the World Bank's Articles of Agreement states that: "The Bank shall make arrangements to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations." (World Bank 2012).

Despite the World Bank's official apolitical stance, Marquette (2001) argues that the Bank does seem to endorse liberal democracy through the use of language (e.g. accountability, participation and transparency) and through which projects the World Bank ultimately chooses to fund. Marquette (2001), further states that it is difficult to see where the World Bank differs from other donors, in terms of democratization efforts, other than through excluding the word "democracy" from their official policy statements.

Furthermore, the World Bank itself is a democratic institution, comprising of 189 member countries, or shareholders, who are represented by a Board of Governors. The president of the World Bank is appointed by the Board of Executive Directors for a five-year, renewable term (World Bank 2019). In other words, the World Bank adheres to democratic ideals of participation, separation of power and limited terms of office via its governance structure.

2.5 Government and democracy in Tanzania

Tanzania (then known as Tanganyika) gained independence from Great Britain in 1961. Julius Nyere became the country's first independent prime minister, and the following year was elected president. Since 1965, Tanzania has been a one-party state, with the Tanganyika African National Union (TANU) being the only party in mainland Tanzania and Afro-Shirazi Party (ASP) being the only one in Zanzibar (Ngasongwa 1992). In 1977 the two parties merged to become the Chama Cha Mapinduzi (CCM) party, the country's sole legal political party until 1992. The government during the 1960s embraced tighter state control and a socialist model of governance (Oxford Business Group 2019). For this reason, Tanzania had, and continues to have, a close relationship to the People's Republic of China, having established diplomatic relations already in 1961 (Brazys et al. 2017).

Tanzania is today a multi-party state led by president John Magufuli who took office in 2015. Following Tanzania's move from a one-party state in the early 1990s, the country has had regular multi-party elections. However, the opposition in Tanzania remains weak and the ruling party has remained in power for half a century. Since the last elections in 2015, the government has been increasingly cracking down on critics from the opposition, civil society and the media. For instance, one of the first acts the president took upon gaining office was to ban actions of oppositional parties. Similar actions, such as restricting the free media and jailing members of the opposition, speak towards a gradual move away from a multi-party system towards a one-party state. For these reasons, Tanzania has dropped dramatically on the Freedom House score from an aggregate score of 58/100 in 2017, to an aggregate score of 45/100 in 2019 (100 being most free) giving them a freedom status of "partly free" (Freedom House 2019).

Despite this, the country still ranks above neighbors in accountability, civil rights and transparency. Democratic decline however poses a threat to this and the government has therefore made commitments both to its people and the international community to focus on improving democratic governance (USAID 2018).

3. Previous Literature

This section will serve first to provide an overview of the literature on the effectiveness of foreign aid on economic growth and second to provide an overview of the literature that exists on how foreign aid may impact (or hinder) democracy. Ultimately, this section should provide for the reader an overview of the literature that exists so that the reader may better understand how our paper contributes to this literature, both in terms of the effectiveness of foreign aid on economic growth and on democracy promotion and how they are intertwined.

3.1 Foreign aid and economic growth

Historically, there have been three different stances on the effectiveness of foreign aid. The first stance argues that foreign aid has had a positive impact on economic growth (see e.g. Papanek 1973; Levy 1988; Sachs et al. 2004; Rajan and Subramanian 2005). The second stance argues that foreign aid has in fact been detrimental to development outcomes such as economic growth, democracy and corruption (see e.g. Griffin and Enos 1970; Bauer 1972; Weisskopf 1972; Friedman 1995; Easterly and Easterly 2006). The third stance argues somewhat more cautiously that foreign aid may be beneficial, but only under certain circumstances (see e.g. Burnside and Dollar 2000; Clemens et al. 2011).

Lately, a new wave of foreign aid research has emerged that posits that the reason the literature on the effectiveness of foreign aid has been so contended, is that the impact of foreign aid is insufficiently large to measurably affect aggregate economic outcomes (Dreher and Lohman 2015). The argument that foreign aid may indeed have a visible positive effect on economic outcomes on regional levels, but not on national levels, has been termed the micro-macro paradox which illustrates the disparity between macro-level ineffectiveness and micro-level effectiveness of aid apparent in empirical studies (Mosley 1987; Dreher and Lohman 2015).

Until recently, it has been difficult to adequately measure the impact of foreign aid on development outcomes at the micro-level. This has largely been the case due to a lack of data detailing project-specific information regarding foreign aid and the lack of transparency of donor countries' foreign aid practices (Dreher and Lohman 2015). These issues have been somewhat addressed due to the rise in data availability following AidData's and selected recipient countries' increased efforts in geo-coding aid projects and of the existence of comprehensive data material (Strange et al. 2017) that allows for, for example, quantitative analysis of Chinese aid flows which had previously been impossible due to a lack of data (Isaksson and Kotsadam 2018).

The rise in data availability has resulted in a surge of articles seeking to address the impact of foreign aid on certain developmental outcomes at the micro-level (see e.g. Dreher and Lohman 2015; Berlin et al. 2017; Brazys et al. 2017; Isaksson and Kotsadam 2018). These articles provide support for the micro-macro paradox in that they find results at the micro-level which would have been difficult to provide at the macro-level. For instance, Isaksson and Kotsadam (2018) find that corruption is more widespread surrounding Chinese project sites compared to World Bank project sites. Dreher and Lohman (2015) test whether aid affects development at the micro level using

night time light growth as a proxy for development and find significant correlations between aid and growth at the micro-level. The emphasis on the effectiveness of foreign aid at the micro-level has been important research as Dreher and Lohman (2015, p 421) claim that: "The lack of systematic empirical evidence on the effectiveness of aid below the country level is an important gap in the literature.".

3.2 Foreign aid and democracy promotion

Similar to the literature on the effectiveness of aid on economic growth and other developmental outcomes is relatively inconclusive, so too is the literature on the effect of foreign aid on democracy. Critics of foreign aid's impact on democracy promotion have found that aid is associated with a decrease in institutional quality and democratization (Bräutigam and Knack 2004; Djankov, Montalvo and Reynal-Querol 2008) or has had only a minor effect either way on democratization (Knack 2004). Other studies have found more positive effects of foreign aid on democratization, for instance that aid is associated with higher levels of democracy, in particular after the end of Cold War (see e.g. Goldsmith 2001; Dunning 2004).

The disappointing results that international democratization efforts have yielded can be attributed to a host of factors, but two reasons stand out in the literature. First, there are empirical challenges attributed to measuring foreign aid's impact on democracy. Wright (2009) for instance states that many empirical studies that have aimed to establish the relationship between foreign aid and democracy employ a cross-sectional approach which averages out important variation such as changes in levels of democracy (typically, the Freedom House scores are used as the dependent variable). Secondly, Brown (2005) recognizes that democratization processes are largely endogenous and that there exist significant structural obstacles which hinder democratization within countries. Nevertheless, Brown (2005) goes on to state that international donors play an important role in either promoting, or preventing, democratization in African countries through the use of political conditionality to aid which might raise the cost of continued authoritarian practices. Brown thus professes that the impact donors may have on democratization in developing countries is largely exogenous.

Furthermore, foreign aid itself may not only be beneficial in promoting democracy, through the use of conditionality to aid, but democracy itself may be beneficial in how aid is ultimately used. For instance, Svensson (1999) finds that foreign aid has had a positive impact on economic growth in countries that had an institutionalized check on governmental power, in other words, more democratic countries. He argues that aid flowing to more authoritarian countries may be more commonly misused to satisfy the government's own non-productive goals. As such this study provides a link between these two academic fields: development economics and political science. While on one hand, foreign aid may help to promote democracy, while on the other hand, more democratic countries may then be better equipped to use this aid effectively.

Our paper thus contributes to this important gap in the literature, as mentioned by Dreher and Lohman (2015), in that we seek to establish the relationship between foreign aid and democracy at the micro-level, while keeping in mind that democracy itself may be essential in ensuring that foreign aid is efficiently utilized.

4. Conceptual Framework and Hypothesis

In this section we develop our conceptual framework which illustrates via which mechanisms we propose development projects may influence individuals' preferences for democratic values and how the source of the donor may impact local democratic preferences differently. We build our conceptual framework on the recent literature on the effect of foreign aid on micro-level economic outcomes, most notably corruption, and on two competing theories of aid.

4.1 Conceptual channels

We propose that foreign aid projects may influence local preferences for democratic values via two main channels: a) close encounters with project workers leading to a change in norms, and b) experiences with corruption following increased economic activity surrounding project sites.[1]

With respect to the former, we propose that local Tanzanians preferences for democracy will become influenced by coming into contact with Chinese and World Bank project workers through the transmission of norms and values that the project workers bring with them upon engaging in local communities. Upon engaging with foreign development experts and project workers, locals imbedded social norms and values may be challenged.

Chinese values of democracy differ to that of the World Bank as put forth in the background. Ceteris paribus, we should expect then to see Tanzanians living in close proximity to Chinese development projects, exhibiting values of democracy more resembling that of Chinese individuals. Similarly, we should expect to see local Tanzanians residing in close proximity to World Bank projects exhibiting values of democracy similar to that of World Bank values.

With respect to the latter, we argue similarly to Isaksson and Kotsadam (2018) that increased development flows may increase the economic activity surrounding the project sites increasing the level of available resources. As a result, corrupt activity may flourish around project sites, as they attract corrupt actors seeking to capitalize on the newly available resources (Karl 2007). The effect may however be the opposite. Donors who actively seek to monitor and engage proactively against corrupt activities may be able to curtail corruption despite the increased opportunity for corruption to flourish (Isaksson and Kotsadam 2018).

Individuals, officials and local elites residing near project sites where corrupt activities and actors are present may then feel the need to engage in corrupt activities themselves (Brazys et al. 2017). If donors choose to neglect the corrupt activities their local partners are engaging in, this may lead to higher levels of corruption surrounding project sites. Corrupt behavior therefore may become normalized and imbedded in the individuals' behaviors. If donors actively seek to combat

[1] We define democratic values as values inherently in support of the notion of democracy. These values include, but are not limited to: liberty (including the freedom of belief in whatever you want and to be able to express your own opinions and ideas in public), justice (in that no group or person should be favored over another), equality (in that everyone should be treated equally, regardless of background) and popular sovereignty (in that the government receives its power from the people) (Learning To Give N.d.).

corruption pro-actively and monitor local partners to prevent corrupt behavior, this may increase the perceived costs of engaging in corrupt activities which could lead to lower levels of corruption surrounding project sites (Isaksson and Kotsadam 2018).

We argue here that corruption negatively influences democratic preferences based on the current literature on political corruption. Warren (2004 p. 328) states that: "Corruption, it is increasingly noted, breaks the link between collective decision making and people's powers to influence collective decisions through speaking and voting, the very link that defines democracy". Corruption, Warren (2004) claims, leads to a loss of confidence and trust in the eyes of the people that public decisions are publicly available and justifiable. The people may then become cynical of public speech and come to expect deception of public officials, whether or not they are corrupt. Individuals will as a result lose faith in public goods and will instead choose to pursue narrower domains of self-interest which they can control. Morris and Klesner (2010 p. 1278) furthermore state that: "Analysis of political corruption, particularly in countries where corruption is endemic, suggests a vicious circle wherein corruption breeds a climate of distrust that in turn feeds corruption.".

We should then expect to observe individuals who become increasingly subjected to corruption to exhibit lower levels of democratic preferences as the people's trust in politicians and political institutions diminish. We should therefore expect to observe individuals who are subjected to lower levels of corruption, or no corruption, to exhibit higher levels of democratic preferences compared to individuals who are subjected to increasing corruption.

4.2 Donor Heterogeneity Hypothesis

Local Tanzanians preferences for democratic values may thus be influenced differently through the above two proposed channels and we argue that in which way democratic preferences are influenced is donor-dependent. By this we mean that depending on who the donor is, local democratic preferences may be influenced differently. We base this argument on two competing theories of aid, "donor control" and "donor capture" (Milner et al. 2016).

The "donor control" and "donor capture" theories rest on underlying assumptions with respect to the public and the donors. These theories claim that it is important who has more influence in this relationship. With respect to the "donor capture" model, more influence is emphasized on the recipient of aid. In this model, aid is allocated to recipients with little to no conditionality attached as to how aid should be used or allocated. An explanation for this is that aid could merely be used for strategic political purposes and thus aid will be provided to geo-strategically important countries (De Mesquita and Smith 2007, 2009). This type of aid is often more fungible by nature and as such recipient countries are more likely to be able to use this aid as they please, and in corrupt or clientelist environments, this aid is more likely to be misused for private gain (Milner et al. 2016).

The "donor control" theory assumes that the donors have much more influence over how aid is ultimately used and allocated. Donors, in this scenario, care more about outcomes of aid such as development, reform and democracy promotion than for geo-politically strategic purposes (Milner et al. 2016). Therefore, donors impose conditions on and shape aid, so it exhibits a less fungible

nature. Donors may monitor the allocation of aid and even resort to withhold, or threaten to withhold aid, should they not see desired outcomes (Milner et al. 2016). Thus, the public is seen to gain the most from this relationship, as politicians may struggle to divert the revenue streams to themselves or their allies and therefore more aid flows to public goods provision benefitting society (Mavrotas and Ouattara 2006).

4.2.1 Donor capture and control theory applied to China and The World Bank

With regard to the two donors in this study, there are both empirical and theoretical arguments for Chinese development projects exhibiting "donor capture" tendencies and World Bank projects exhibiting "donor control" tendencies.

In the case of China, their foreign aid practices differ significantly to that of the DAC donors with aid focusing on infrastructure development and loans provided to countries without conditionality attached (Wang and Elliot 2014). While this has been appreciated by recipient countries who feel that loans provided with conditionality has been unnecessarily constraining (Zhao 2014), this has also been met by international critique as several authors have noted that Chinese aid may be easier to exploit by politicians due to China's non-conditionality to aid, non-interference approach and lack of monitoring and sanctioning of corrupt behavior (Tull 2006; Bräutigam 2010; Dreher et al. 2016). Furthermore, authors have expressed their concern for China's unconditional aid practices and non-interference principle to undermine efforts in promoting good governance and accountability for African countries (Wang and Ozanne 2000; Collier 2007; Pehnelt 2007).

Tanzania is furthermore an important development partner to China. This is due not only to Tanzania's vast resource endowment, but its strategic location, functioning as a gateway to the rest of Africa via the Indian Ocean. China has therefore been heavily involved in Tanzania for over 40 years, having directed over two billion dollars for a large number of development projects (Brazys et al. 2017). This engagement in Tanzania has caused the population of Tanzania to view Chinese engagement as mostly positive (Mwombela 2015). Mwombela (2015) even finds that China is being perceived by Tanzanians as having more influence on Tanzania than the USA, UK, India, South Africa, the UN or the World Bank.

In the case of the World Bank, Charron (2011) states that multiple multilateral donors have since 1997 shifted their focus of aid to promote good governance practices and to reduce corruption. Indeed, the World Bank now allocates aid based on their "Country Policy and Institutional Assessment" (CPIA) scores that consider a host of dimensions such as corruption, transparency and accountability (World Bank 2019). Furthermore, the World Bank has been since 1995 engaged in a "fight against corruption" in Tanzania (World Bank 1998). This has entailed constructing national integrity systems that directly focus on stemming corruption and, importantly, have included efforts to alter prevailing corruption norms (Leeuw et al. 1999). Compared to China, these efforts speak towards differing foreign aid practices, namely conditionality attached to aid and active interference principles.

Existing perceptions of the World Bank in Tanzania are mixed. The relationship between the World Bank and Tanzania was limited at first, due to Tanzania's socialist leanings which did not

adhere to the World Bank's preferred development approach (Brazys et al. 2017). This somewhat fragile relationship ultimately led to a struggle following a World Bank/IMF structural reprogram project in 1979/80 which in turn lead to Tanzanian "capitulation" in 1985 (Holtom 2005). Relationships between the World Bank and Tanzania are today more sustainable, but this does suggest that there may be some underlying tensions which could influence local perceptions of the World Bank negatively. Breen and Gillanders (2015) for instance, found that Africans who had experienced corruption in the past held less positive views of the World Bank.

In light of the reasoning put forth, we argue that Tanzanians preferences for democracy will be influenced differently depending on which donor is engaged in their local community. Chinese values of democracy differ greatly compared to the World Bank's stance on democracy (see Background). Therefore, Tanzanians preferences for democracy will be influenced through our first proposed channel, norm transmission, negatively if they reside close to Chinese project sites, and positively if they reside close to World Bank project sites. The transmission of norms will furthermore be facilitated by the positive view that Tanzanians hold of Chinas engagement in Tanzania and might be hampered by the mixed view that Tanzanians hold of the World Bank.

China's non-conditionality approach, and non-interference principles to foreign aid and the World Bank's conditionality approach to foreign aid and outspoken emphasis to combat corruption, should lead to, on average, higher levels of corruption surrounding Chinese project location compared to World Bank project locations. Through our second channel this will then influence democratic preferences negatively for local Tanzanians residing close to Chinese project sites, and positively for local Tanzanians residing close to World Bank project sites. This argument is strengthened from recent research by Isaksson and Kotsadam (2018) and Brazys et al. (2017) who find that there is more widespread corruption surrounding Chinese development projects compared to World Bank project sites.

Our hypotheses therefore are:

Hypothesis 1: Respondents near a Chinese project site which has been implemented will exhibit lower levels of democratic preferences than respondents residing within a Chinese project site which has not yet been implemented.

Hypothesis 2: Respondents residing near a World Bank project site which has been implemented will exhibit higher levels of democratic preferences compared to respondents residing near a project site that has not yet been implemented.

Following hypotheses 1 and 2 our final hypothesis reads:

Hypothesis 3: Respondents residing near a Chinese project site will exhibit lower levels of democratic preferences compared to respondents residing near a World Bank project site.

5. Data and Methodology

5.1 Data

In order to establish the relationship between development flows and local preferences for democratic values, we make use of the Afrobarometer survey, an individual level survey regularly conducted throughout Africa which geo-locates its respondents in clusters. Similar to e.g. Milner et al. (2016), Brazys et al. (2017) and Isaksson and Kotsadam (2018), we then match the surveys to geo-referenced project-level data of Chinese and World Bank development projects over the period 2000-2014, provided by AidData.

By adopting a cross-sectional approach, our study concentrates on Tanzania. From a methodological point of view this allows us to bypass the wide range of country specific variables that could affect project allocation. This could for example depend upon the political climate in the country or the density of natural disasters. Further, as earlier mentioned, the involvement of China and the World Bank in Tanzania extend over a similar time line, omitting potential biases owing to one actor operating for a longer time in the region.

Obtaining project-specific data on Chinese development projects come with some challenges. Compared to more conventional donors, Chinese foreign aid practices are less transparent, challenging the traditional donor norms and principles provided by the DAC (De Haan 2011; Kim and Lightfoot 2011). Following this, it has been difficult to evaluate Chinese flows as the literature has been unable to differentiate between financial flows that are intended as aid and those who are of a more commercial nature (Dreher et al. 2018). We therefore make use of AidData's Geocoded Global Chinese Official Finance, version 1.1.1. which is the first dataset ever to assign geographic coordinates to Chinese development projects, including both aid and non-concessional official financing. The dataset was published in September 2018 and has overcome the issue of non-transparency through AidData's Tracking Underreported Financial Flows (TUFF) methodology. Described further in Strange et al. (2014), this methodology triangulates open source data to create a cohesive collection of official finance data for donors with nontransparent aid policies.

There is some level of risk associated to using open source information as a proxy for officially sourced data. However, the dataset is based upon more than 15,000 different sources and information for each project is, on average, confirmed by three separate sources. Furthermore, we only make use of the information regarding when and where a project was realized, similar to Isaksson and Kotsadam (2018). Consequently, information at risk of being less dependable, like deflators used or the volume of project commitments, will unlikely affect our estimations.

As a result of the insufficient reporting on Chinese official flows, TUFF coders assign all Chinese projects with flow-class categories; ODA-like, OOF-like and Vague Official Finance. According to Dreher et al. (2018), Chinese ODA-like flows are mainly associated with foreign policy objectives and beneficiary needs. OOF-like flows are on the other hand mainly driven by economic interests. Following this, we limit our focus to those Chinese development projects which have been classified as ODA-like, as these are the closest in nature to those of traditional donors.

To accommodate for varying levels of precision in location coordinates, as some development projects are implemented on an aggregate level rather than in a smaller specific area, eight precision categories have been developed ranging from exact point locations to country coordinates, which are assigned to projects with unknown locations. Considering the purpose of our paper, in determining the democratic effects of Chinese development projects on a local level, we limit our scope to project locations which either corresponds to a specific place (precision code 1) or are up to 25 km away from a specific location (precision code 2). We exclude all projects which are coded to locations on a second order administrative division and higher (precision codes 3-8). By doing so we exclude projects which do not have physical projects sites in the area but might have a widespread effect which could affect our sample. However, we here draw from Berlin et al. (2017) in assuming that this effect is consistently spread throughout our sample.

Imposing these limitations on our dataset reduces our sample from the original 6,190 project locations across Africa (out of which 313 are in Tanzania) providing a sample of 158 Chinese development project locations in Tanzania during the period 2000-2014 which are of suitable levels of precision to be included in our study.

We further use AidData's World Bank Geocoded Research Release Version 1.4.2, released in March 2017, which encompasses all projects approved by the World Bank IBRD and IDA lending lines between 1995-2014. This encompasses 61,243 geocoded locations amounting to $630 billion in commitments. Restricting this data to Tanzania and the period 2000-2014 provides us with 1,035 project locations, out of which 273 are at a sufficient level of precision.

We obtain our outcome and control variables from the Afrobarometer survey which is the most prominent research network surveying matters of economy, democracy, governance as well as other national issues in Africa. Their individual level survey applies a random, stratified, clustered and nationally representative strategy targeting 8 households per primary sampling unit, of citizens 18 years or older. Furthermore, this dataset follows a double-blind methodology which allows for geo-referencing respondent clusters.[2] We can therefore match Chinese and World Bank projects to Afrobarometer clusters based on spatial proximity. Our analysis draws on four Afrobarometer waves (3-6) conducted in Tanzania comprising of 7,298 observations, out of which 2,636 provide coordinates that are at a suitable level of precision for our analysis.

[2] See Strandow et al. 2011 for further explanation of the methodology.

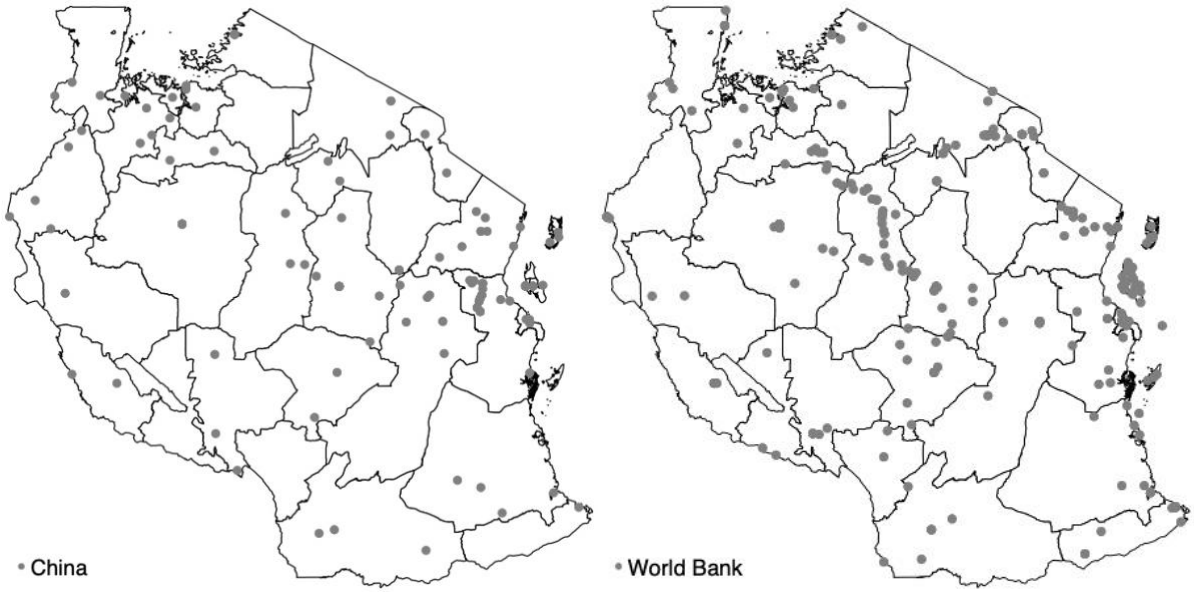

Figure 1: Chinese and World Bank aid projects in Tanzania.
Source: Authors' own rendering of data from AidData.

5.2 Estimation strategy

Our study uses a spatial-temporal strategy, similar to that used by Isaksson and Kotsadam (2018), Knutsen et al. (2017) and Kotsadam and Tolonen (2015), in order to account for potential identification problems, as discussed below. The spatial identification approach furthermore allows for the evaluation of the effect of foreign aid on micro-level outcomes making it a reasonable methodological approach for this study.

As development aid projects are not located randomly throughout a country (see e.g. Dreher et al. 2016; Brazys et al. 2017; Isaksson and Kotsadam 2018), we must assume that particular aspects of communities and locations are more likely to attract aid projects than others, creating an identification problem. Democracy promoting donors might, for example, prefer locations with certain governance characteristics and levels of institutional quality. The systematic distribution of development aid projects could therefore make it difficult to estimate a causal relationship between foreign aid and preferences for democracy. To handle this problem, we make use of binary variables distinguishing between individuals who live within a certain radius of a currently, or previously, active Chinese aid project and those who live within the same distance to a future project, which has not yet been implemented at the time of the interview. Through this, we can differentiate between individuals who live in locations which are attractive to project locators and individuals who live in areas which do not display the characteristics that attract aid projects.

In regard to the size of the radius we utilize different radii. We first make use of a 50km radius (see table 2) but utilize later other radii as robustness checks. We have no strict a priori reasoning for the size of our radii and choose 50km as our primary radius following Isaksson and Kotsadam (2018). To get a more nuanced picture we find it necessary to utilize different radii and therefore provide in our sensitivity analysis radii of 25km and 75km.

Following this, we measure the distance from each cluster to surrounding aid projects and if at least one currently, or previously, active Chinese aid project is found within our chosen radius, it is captured by the binary variable "active". If a cluster is within the radius of a future, but not yet implemented aid project it will correspondingly be captured by the binary variable "inactive". Our linear probability model will use the following regression:

$$Y_{ivt} = \beta_1 * active + \beta_2 * inactive + g_t + \lambda X_i + \varepsilon_{ivt}$$

where Y is the democracy outcome measure for an individual i, in a cluster v, for year t which is regressed on our project variables $active$, a dummy for living in the proximity of at least one active, or finished aid project and $inactive$, a dummy for living in the proximity of at least one future project, which has not been implemented yet, g_t is year fixed effects, X_i, a vector of individual level control variables where we control for age, age squared, gender, urban residence, level of education, unemployment and income, and the error term ε_{ivt}.

The clustered nature of our data could give rise to spatial autocorrelation issues, causing our error term to no longer fulfil the assumption of being independently and identically distributed. To account for this in order to achieve correct inference, we make use of geographically clustered errors on the ward level to control for correlation within clusters.

Following the potentially systematic distribution of development aid, the coefficient for "active" (β_1) is in itself not a sufficient estimator of the causal effect of aid on democratic preferences and we are thereby not able to consider it in isolation. In order to do so, we would be required to assume a non-correlative relationship between project location decisions and the characteristics of project locations. This, as discussed further in Isaksson and Kotsadam (2018), is highly improbable which elicits the use of it in combination with the coefficient for "inactive" (β_2). By introducing this coefficient our regression accounts for the time invariant location characteristics that attracts aid projects. In doing so, we facilitate the comparison of locations which all display the characteristics required to qualify as a project location. This allows us to estimate the difference between the locations where development projects have been implemented and the locations where implementation has not yet begun. As follows, we estimate a difference-in-difference type estimate ($\beta_1 - \beta_2$) with a treatment group (active) and a control group (inactive). However, this is not to be confused with a true difference-in-difference estimate which examines the change in the treatment and control group over time. Our estimate solely examines the difference between the treatment and control group at a specific point in time. In order for this estimate to be viable, we need to rely on an underlying assumption that the locations near active and inactive projects have the same unobserved characteristics. Our primary test is whether we can reject the hypothesis that there is no difference between the coefficient for treatment group and control group. We evaluate hypothesis one and two using the following test:

$$H_0: \beta_1 - \beta_2 = 0$$
$$H_1: \beta_1 - \beta_2 \neq 0$$

In other words, we test if Chinese projects have an effect on the level of democracy preference in an area, given certain location characteristics and baseline controls. By discarding our null hypothesis, we would thereby be able to conclude that there is a significant difference in democracy preferences between locations where Chinese projects are being, or have been, implemented compared to locations where projects are yet to begin.

In order to test our third hypothesis, we also conduct a test comparing the difference in coefficients for Chinese aid projects and World Banks projects. We thereby evaluate hypothesis three using the following test:

$$H_0: (\beta_1^C - \beta_2^C) - (\beta_1^{WB} - \beta_2^{WB}) = 0$$
$$H_1: (\beta_1^C - \beta_2^C) - (\beta_1^{WB} - \beta_2^{WB}) \neq 0$$

5.3 Dependent variables

Following Keulder and Wiese (2005), we argue that a preference for democracy can take two shapes: a) a normative commitment to democracy which requires citizens to show a clear preference for democracy and reject all other non-democratic means of governance, and b) instrumental support conditioned on economic and material performance of the government. Our primary outcome variables are therefore a range of different proxies for a preference for democracy obtained from rounds 3-6 of the Afrobarometer survey which seeks to determine both a normative unconditional support for democracy and an instrumental conditional support for democracy. Our primary indicator of a normative commitment to democracy is based on Question 30 in round 6 of the survey (Q32 in round 5, Q30 in round 4 and Q37 in round 3):

"Which of these three statements is closest to your own opinion?"

"Statement 1: Democracy is preferable to any other kind of government."
"Statement 2: In some circumstances, a non-democratic government can be preferable."
"Statement 3: For someone like me, it doesn't matter what kind of government we have."

We create a binary indicator that equals "1" if the respondent chose statement 1, and "0" if the respondent chose either statement 2 or 3. We include other outcome variables that showcase a normative commitment to democracy, but which illustrate instead what we choose to refer to as "elements of democracy". We are therefore interested in not only determining a complete preference for democracy, but also if development flows may influence certain characteristics of democracy. For instance, we choose Question 36 in round 6 (Q38 in round 5, Q35 in round 4 and exempt from round 3) of the survey to capture Tanzanians view on whether the media should report on negative events, reasoning that free media is a pinnacle of democracy:

"Which of the following statements is closest to your view? Choose statement 1 or Statement 2."

"Statement 1: The news media should constantly investigate and report on government mistakes and corruption."

"Statement 2: Too much reporting on negative events, like government mistakes and corruption, only harms the country."

Similar to how we created a binary indicator for Question 30, we do this for all our outcomes variables. For instance, in the case of Question 36 we create the indicator "1" if the respondent agrees either very strongly or simply agrees with statement 1 and "0" if the respondent agrees either very strongly, or simply agrees with statement 2. Furthermore, we code "agree with neither" as "0", and the responses "don't know", "refused to answer" and "missing" were all coded as missing values for all variables.

In terms of an instrumental preference for democracy our primary outcome variable is Question 41 of the survey (Q43 in round 5 and 4 and Q47 in round 3):

"Overall, how satisfied are you with the way democracy works in Tanzania?"

Here we create a binary indicator equaling "1" if the respondent indicated any level of satisfaction and "0" if the respondent indicated any level of dissatisfaction.

We utilize four other dependent variables; opinion on whether leaders should be chosen through open elections, belief that multiple political parties are needed, disapproval of one-party rule and perceived the extent of democracy in Tanzania. For all outcome variables except support of democracy we also provide ordinal variables ranging from 0-2 where "2" indicates a strong preference for the democratic option, "1" indicates a preference for this option and "0" indicates indifference or opposing opinions. See appendix Table A1 for a detailed list of our dependent variables.

We compose an index of our seven dependent variables in order to measure the effect of project aid on an aggregate democracy measure. To this end, we use a Principal Components Analysis (PCA) which is a method of dimensionality reduction that can be used to reduce the number of variables in a dataset while keeping as much information as possible. We use PCA to convert our dependent variables into principal components, which are linearly uncorrelated factors explaining the variance within our data. By default, the number of components are the same as the number of variables and the first component is always assigned the largest possible variance in the data set. Our first principal component only provides an explanatory value of 22.61% which does not explain enough of the total variance to be suitable as an index. Following the Kaiser Rule (Kaiser 1974) we retain the components with an Eigenvalue above one ($\lambda > 1$), which implicates that the component explains more of the variance in our data than a single variable would do. This leaves us with a set of three principal components explaining 57.04% of the total variance (22.61%, 20.07% and 14.36% respectively) on which we base our index.

Following Krishnan (2010), we develop a Non-Standardized Index (NSI) based on the component scores assigned to each individual by the principal components. The component scores are then multiplied with the corresponding component factor as seen below. In this way, each score is assigned a proportionate weight.

$$NSI = Factor_n * Component\ score_n$$

To facilitate easier interpretation, as the NSI includes both positive and negative values, we develop a Standardized Index (SI) ranging between 0 and 1 using the formula below:

$$SI = \frac{NSI - Min(NSI)}{Max(NSI) - Min(NSI)}$$

To evaluate the suitability of our PCA we conduct the Kaiser-Meyer-Olkin (KMO) test for sampling adequacy and retrieve the factor 0.5405. KMO values beneath 0.8 indicate that the sampling is not adequate and that the sum of partial correlation in our data is large in relation to the sum of correlations. Following this, we include our index as a dependent variable in our estimations but will not rely on it in our results.

5.4 Control Variables

Individual characteristics are controlled for by a number of baseline variables throughout our regressions in order to reduce the within-group variance, broadly following the structure of Brazys et al. (2017). However, we refrain from including variables that could be associated with the political party affiliation as this could interfere with the accuracy of our estimations.

All regressions control for the age, age squared, gender, employment status and education of the individual. Further we control for whether the respondent resides in an urban or rural area and if, and how often, their household have gone without cash income over the past year. Further, we control for year fixed effects utilizing binary variables representing each round of the Afrobarometer waves.

5.5 Methodological limitations

In conducting a cross-sectional study with multiple time periods, we by default assume that the relationship between aid projects and democracy preferences is constant over time, except for the time variance corrected by our year fixed effects. This assumption is rather strong as institutional and societal norms change over time, and democracy preferences is not exempt of this. The time period in which norms change is, however, ambiguous but is generally considered incremental (North 1993).[3] Considering the short time frame of our paper we therefore deem this issue to have modest implications for our overall result.

Further issues with cross-sectional data is the potential of individually fixed effects affecting the results, which our method cannot preclude. In longitudinal studies, using for example panel data, individuals are observed over time which allows for consideration of these individual effects. The

[3] In the referenced article the author Douglas North does not use the word "norm" as we use it here. North speaks of institutions as consisting of both informal and formal constraints which govern human behavior. We take norms as being one of these informal constraints that North mentions.

structure of the Afrobarometer survey does not allow for this as each wave focus on different geographical areas. On the other hand, in not using longitude data we run a smaller risk of problems with attrition as a loss of follow-up will be non-existent when only conducting the interviews once. This does, however, does not avert biases caused by non-responses. We thereby run the risk of examining a sample which is not representative of the population, seeing that the response rate for round 6 is 74.6% and 85.5% for round 5 (no information for the previous rounds exist).

The geographical reach and subsequent noise of our project variables could be a further source of dispute. As mentioned previously, our reasoning in choosing radius does not rely on any compelling statistical claims. In using spatial data, it is feasible that noise or irrelevant information could be prevalent in different extents depending on our choice of radii. Thereby, we conduct robustness checks using different radii ranging between 15 and 100 km (see appendix Table A4.A and B).

6. Results

6.1 Descriptive statistics

Table 1: Descriptive statistics for baseline sample

Variable	Mean	Std.Dev.	Min	Max	Obs
Dependent variables					
Normative commitment to democracy					
Complete preference for democracy					
Support democracy	0.82	0.39	0	1	2,003
Elements of democracy					
Elected leaders	0.84	0.37	0	1	2,602
Several political parties	0.64	0.48	0	1	2,590
Reject one-party rule	0.69	0.46	0	1	2,595
Media checks government	0.74	0.44	0	1	2,181
Instrumental support for democracy					
Extent democracy	0.80	0.40	0	1	2,022
Satisfaction democracy	0.78	0.41	0	1	2,075
Project variables					
Active 25 km	0.38	0.49	0	1	2,636
Inactive 25 km	0.06	0.24	0	1	2,636
Active 50 km	0.54	0.50	0	1	2,636
Inactive 50 km	0.10	0.30	0	1	2,636
WB Active 25 km	0.52	0.50	0	1	2,636
WB Inactive 25 km	0.14	0.34	0	1	2,636
WB Active 50 km	0.76	0.43	0	1	2,636
WB Inactive 50 km	0.21	0.41	0	1	2,636
Control variables					
Age	38.37	14.21	18	99	2,636
Age2	1673.70	1297.49	324	9801	2,636
Female	0.50	0.50	0	1	2,636
Urban	0.28	0.45	0	1	2,636
Unemployed	0.47	0.50	0	1	2,636
Education:	2.98	0.96	1	5	2,636
1 No Formal Schooling					260
2 Some Schooling					337
3 Primary School					1,364
4 Secondary School					549
5 Post-Secondary School					126
Income:	1.94	1.17	0	4	2,636
0 Without Income: Never					450
1 Without Income: Once or Twice					425
2 Without Income: Several Times					699
3 Without Income: Many Times					969
4 Without Income: Always					99

In Table 1 we find descriptive statistics for our baseline regression.[4] We find that the mean of our binary dependent variables range between 0.69 ($SD = 0.48$) and 0.84 ($SD = 0.37$) implying that the democratic values are rather high. However, these values are accompanied with high standard deviations, a pattern prevalent among most of our variables. We find a pattern among our project variables implying that an individual is much more likely to live near an active aid project, whether that be a Chinese or a World Bank project, compared to living near a future project.

The sample as a whole consists of equally many men and women ($M = 0.50, SD = 0.50$) with a relatively high age on average ($M = 38.37, SD = 14.21$) which is a result of the survey only considering individuals at the age 18 or older. The unemployment rate in our sample could be of interest as it is fairly high ($M = 0.47, SD = 0.50$), but so is also the corresponding standard deviation.

6.2 Chinese and World Bank aid and local preferences for democracy.

Table 2 showcases our results for our baseline OLS regressions regarding preferences for democracy surrounding (<50km) Chinese and World Bank aid projects. As mentioned previously, we utilize several proxies for democratic preferences. Columns one to five showcase what we refer to as a normative commitment to democracy which requires individuals to not only prefer democracy over other governments, but to also reject non-democratic governments or elements thereof. Columns six and seven showcase an instrumental support for democracy conditioned on the performance, or perceived performance, of the regime. Finally, column eight displays our index which is an aggregate democracy measure. We include year fixed effects, and baseline control variables in all regressions.

[4] A more in-depth description of our variables can be found in Appendix I.

Table 2.A: Chinese aid and local preferences for democracy

	(1) Support democracy	(2) Elected leaders	(3) Several political parties	(4) Reject one-party rule	(5) Media checks govern.	(6) Extent democracy	(7) Satisfaction democracy	(8) Index
Active 50 km	-0.044*	-0.017	-0.029	-0.055**	0.021	-0.042*	-0.035	-0.017
	(0.025)	(0.019)	(0.026)	(0.025)	(0.026)	(0.023)	(0.021)	(0.012)
Inactive 50 km	-0.013	-0.006	-0.023	0.047	-0.009	-0.004	-0.002	-0.015
	(0.045)	(0.030)	(0.042)	(0.044)	(0.056)	(0.038)	(0.044)	(0.031)
DiD type estimate	-0.031	-0.010	-0.006	-0.102	0.031	-0.039	-0.033	-0.002
F-test: active-inactive=0	0.308	0.072	0.014	3.795	0.218	0.633	0.390	0.004
p-value, F-test	0.579	0.789	0.904	0.052	0.641	0.427	0.533	0.947
R-squared	0.047	0.012	0.058	0.119	0.031	0.032	0.028	0.031
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES
Observations	2,003	2,602	2,590	2,595	2,181	2,022	2,075	1,741

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban residence, unemployment, income and education level. All regressions control for year fixed effects and clustered standard errors at the ward level. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

Table 2.B: World Bank aid and local preferences for democracy

	(1) Support democracy	(2) Elected leaders	(3) Several political parties	(4) Reject one-party rule	(5) Media checks govern.	(6) Extent democracy	(7) Satisfaction democracy	(8) Index
Active 50 km	-0.062**	0.008	-0.001	-0.036	-0.005	-0.012	-0.044*	-0.022
	(0.027)	(0.018)	(0.027)	(0.024)	(0.028)	(0.025)	(0.025)	(0.014)
Inactive 50 km	-0.003	-0.000	-0.029	0.057	0.003	0.014	-0.033	-0.018
	(0.042)	(0.032)	(0.045)	(0.039)	(0.046)	(0.031)	(0.041)	(0.028)
DiD type estimate	-0.058	0.008	0.029	-0.093	-0.008	-0.026	-0.012	-0.004
F-test: active-inactive=0	1.107	0.041	0.236	3.662	0.019	0.336	0.048	0.012
p-value, F-test	0.294	0.839	0.628	0.057	0.891	0.562	0.827	0.913
R-squared	0.048	0.011	0.057	0.117	0.031	0.030	0.029	0.031
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES
Observations	2,003	2,602	2,590	2,595	2,181	2,022	2,075	1,741

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban residence, unemployment, income and education level. All regressions control for year fixed effects and clustered standard errors at the ward level. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

By looking at the coefficients on "active", we can see that on nearly all regressions for Chinese and World Bank projects (except columns 5 and 2 respectively) we can observe that preferences for

democracy, elements of democracy, instrumental support for democracy and index decline for Tanzanians residing within 50km of an active project site compared to Tanzanians who do not.

In the case of Table 2.A, regressions one, four and six tell us that Tanzanians who reside within 50km of an active Chinese project site are 4.4 percentage points less likely to state that a democracy is preferable over any other form of government ($p<0.1$), 5.5 percentage points more likely to approve of only one political party standing for election and holding office ($p<0.05$), and 4.2 percentage points more likely to not consider Tanzania a full democracy or a democracy with major problems ($p<0.1$), respectively, compared to Tanzanians who do not reside near an active Chinese project site.

In the case of Table 2.B, regressions one and seven tell us that Tanzanians who reside near an active World Bank project site are 6.2 percentage points less likely to state that a democracy is preferable over any other form of government ($p<0.05$) and 4.4 percentage points less likely to be satisfied with the democracy in Tanzania ($p<0.1$), respectively, compared to Tanzanians who do not reside near an active World Bank project site.

The coefficients on "inactive" show statistically insignificant results and no clear pattern in regard to pre-existing levels of democratic preferences. This does not rule out the possible endogeneity problem however, as there could still be a strong possibility that Chinese and World Bank project locations could be located on the basis of other factors relevant for democratic preferences.

As earlier mentioned, we cannot assume that there is zero correlation between the location of Chinese aid projects and pre-existing levels of democratic preferences. We address this possible endogeneity problem regarding the placement of aid projects by comparing the coefficients of "active" and "inactive". The associated difference-in-difference type estimates $(\beta_1 - \beta_2)$ indeed indicate lower levels of democratic preferences for all regressions except in regression five in table 2.A and regression two and three in table 2.B. However, the associated F-tests and p-values yield insignificant results, preventing us from drawing any concluding remarks as we cannot reject the null hypothesis that they are significantly different from zero. Only regression four in both tables stands out throughout our regressions. By observing regression four we can conclude that Tanzanians residing near active Chinese and World Bank project sites are 10.2 and 9.3 percentage points respectively more likely to approve of only one political party standing for election and holding office compared to Tanzanians who reside near inactive project site locations ($p<0.1$ for both).

Table 3: Comparison of beta coefficients for China and the World Bank

	(1) Support democracy	(2) Elected leaders	(3) Several political parties	(4) Reject one-party rule	(5) Media checks govern.	(6) Extent democracy	(7) Satisfaction democracy	(8) Index
China								
Active 50 km	-0.044*	-0.017	-0.029	-0.055**	0.021	-0.042*	-0.035*	-0.017
	(0.025)	(0.019)	(0.026)	(0.025)	(0.026)	(0.023)	(0.021)	(0.012)
Inactive 50 km	-0.013	-0.006	-0.023	0.047	-0.009	-0.004	-0.002	-0.015
	(0.045)	(0.030)	(0.042)	(0.043)	(0.056)	(0.037)	(0.044)	(0.031)
World Bank								
Active 50 km	-0.062**	0.008	-0.001	-0.036	-0.005	-0.012	-0.044*	-0.022
	(0.027)	(0.018)	(0.027)	(0.024)	(0.028)	(0.025)	(0.024)	(0.014)
Inactive 50 km	-0.003	-0.000	-0.029	0.057	0.003	0.014	-0.033	-0.018
	(0.042)	(0.032)	(0.045)	(0.039)	(0.046)	(0.031)	(0.041)	(0.028)
Beta comparison	0.027	-0.018	-0.035	-0.008	0.039	-0.013	-0.021	0.002
B: p-value	0.683	0.712	0.569	0.886	0.649	0.821	0.750	0.972
R-squared								
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES
Observations	2,003	2,602	2,590	2,595	2,181	2,022	2,075	1,741

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban residence, unemployment, income and education level. All regressions control for year fixed effects and clustered standard errors at the ward level. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

In Table 3 we test hypothesis three to see whether World Bank project sites positively influence the democratic preferences surrounding their project sites to a greater extent compared to Chinese projects. The comparison of the beta coefficients does not yield a clear pattern whether or not preferences for democracy are greater surrounding Chinese or World Bank project sites. The p-values furthermore indicate that we cannot reject our null hypothesis that there is no significant difference in terms of Chinese and World Bank projects impact on local preferences for democracy. We therefore find no support for hypothesis three.

To sum up so far, while we do observe lower levels of local democratic preferences for Tanzanians surrounding active Chinese project sites compared to Tanzanians who do not, we observe a similar trend for Tanzanians residing near World Bank project sites. However, the difference-in-difference type estimates are too inconclusive to suggest that Chinese and World Bank project sites actually fuel lower levels of democratic preferences or that there is significant difference between them. Next, we explore our suggested theoretical channels and then perform a sensitivity analysis with associated robustness checks to determine the stability of our findings.

6.3 Exploring theoretical channels

We proposed two theoretical channels via which the presence of development projects might influence the preference for democratic values. The first channel proposed that by coming into contact with project workers, a change in norms might occur through the transmission of norms. Our baseline regressions and dependent variables all to some extent already capture whether foreign aid might impact societal norms, especially those we referred to as a normative commitment to democracy. As mentioned, these results were inconclusive, but some coefficient estimates indicate that there is some level of decrease in the preference for democracy surrounding both Chinese and World Bank project sites.

In order to further explore our second channel, whether corruption might influence preferences for democracy negatively, we run OLS regressions on our dependent variables on a dummy variable labeled "bribe" which indicates whether or not Tanzanians have had to pay a bribe in the past in order to obtain a permit. The results can be found in Table 4**.**

Table 4: Permit bribes on democratic preferences

	(1) Support democracy	(2) Elected leaders	(3) Several political parties	(4) Reject one-party rule	(5) Media checks government	(6) Extent democracy	(7) Satisfaction democracy	(8) Index
Panel A: All projects								
Bribe permit	-0.101**	-0.047	-0.077*	0.057	-0.026	-0.120***	-0.153***	-0.068**
	(0.039)	(0.039)	(0.042)	(0.040)	(0.038)	(0.046)	(0.048)	(0.026)
R-squared	0.077	0.020	0.094	0.178	0.036	0.061	0.057	0.066
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES
Observations	814	1,015	1,017	1,012	776	818	827	689
Panel B: Chinese projects								
Bribe permit	-0.114**	-0.063	-0.099*	0.060	-0.015	-0.093*	-0.182***	-0.066**
	(0.060)	(0.045)	(0.051)	(0.043)	(0.042)	(0.055)	(0.057)	(0.031)
R-squared	0.091	0.037	0.107	0.144	0.059	0.063	0.085	0.076
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES
Observations	498	609	612	608	502	500	505	438
Panel C: World Bank projects								
Bribe permit	-0.096**	-0.043	-0.050	0.073	-0.013	-0.119**	-0.143***	-0.064**
	(0.043)	(0.042)	(0.044)	(0.045)	(0.040)	(0.050)	(0.052)	(0.030)
R-squared	0.077	0.025	0.090	0.170	0.053	0.077	0.051	0.072
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES
Observations	659	819	821	816	631	665	671	560

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban residence, unemployment, income and education level. All regressions control for year fixed effects and clustered standard errors at the ward level.

* p<0.1, ** p<0.05, *** p<0.01

The results indicate that Tanzanians who have had to pay a bribe in the past exhibit lower levels of democratic preferences, in particular lower levels of instrumental support for democracy. Regressions one, three, six and seven in panel A tell us that Tanzanians who have had to pay a bribe in order to obtain a permit are 10.1 percentage points less likely to consider democracy as the most preferable way to govern a country ($p<0.05$), 7.7 percentage points more likely to agree with the statement that multiple parties are unnecessary ($p<0.1$), 12 percentage points more likely to not consider Tanzania a full democracy or a democracy with major problems ($p<0.01$) and 15.3 percentage points less likely to be satisfied with democracy in Tanzania ($p<0.01$), respectively, compared to Tanzanians who have not had to pay a bribe in the past. The index also indicates a decline in democratic preferences for individuals who have had to pay a bribe in the past ($p<0.05$). The comparison between the democratic preferences for Tanzanians who have had to pay a bribe surrounding Chinese and World Bank projects yield similar results.

Considering that Tanzanians who have experienced corruption in the past exhibit lower levels of democratic preferences, it begs the question why we did not observe more significant results in terms of democratic preferences surrounding Chinese project sites. The underlying assumption which was made here was that due to China's non-conditionality approach and lax attitude to combat corruption and the World Banks active stance to combat corruption, we should observe higher levels of corruption surrounding Chinese project sites compared to World Bank project sites. This assumption also stemmed from the study by Isaksson and Kotsadam (2018) who found results indicating that local corruption is more widespread surrounding Chinese project sites compared to World Bank project sites, stable across a range of robustness checks.

We therefore run OLS regressions similar to that of Isaksson and Kotsadam (2018), in order to determine whether Chinese aid fuels local corruption surrounding project sites in our sample (see appendix Table A5). While the results do indicate that Chinese aid projects are associated with higher levels of corruption, the difference-in-difference type estimate is not significant, and we can therefore not conclude as Isaksson and Kotsadam (2018) concluded that Chinese aid projects fuel local corruption. In fact, the results point to World Bank projects being associated with higher levels of corruption. The reason for our varying results likely stem from our varying empirical approaches. Isaksson and Kotsadam (2018) employ a cross-country analysis with data from 29 African countries and therefore have a significantly larger sample size and with potentially higher external validity.

6.4 Sensitivity analysis

The results of our robustness checks can be found in Table A3.A and B in appendix. We find limited support that Tanzanians surrounding Chinese projects exhibit lower levels of democratic preferences compared to Tanzanians surrounding World Bank projects. First, we include different cut-off distances of 25km and 75km. In the case of Chinese project sites (Table A3.A appendix), the coefficients on "active" indicate a decrease in democratic preferences for individuals surrounding Chinese project sites, both with a radius of 25km and 75km (several of the coefficients being significant). In the case of World Bank project sites (Table A3.B appendix), we do not observe an equivalent pattern. With a 25km radius we obtain no significant results indicating either lower or higher levels of democratic preferences. Using a radius of 75km surrounding World Bank

project sites, we can observe a decline in support for democracy ($p<0.05$) and a decline in the perceived extent of democracy ($p<0.1$).

Next, we include ordinal variables for all possible dependent variables as mentioned in section 4. Including ordinal dependent variables has the advantage of containing more information regarding the extent of a preference for democracy. The trade-off being that they are harder to interpret. These results are however inconclusive across the board, for both Chinese and World Bank project sites, and we refrain therefore from making any conclusive statements regarding the outcomes.

The difference-in-difference type estimates for Chinese projects are for the most part negative throughout all regressions in table 3.A in appendix. However, only one regression (column 16) is statistically significant ($p<0.1$). The difference-in-difference type in column 16 estimate indicates that Tanzanians within 75km of an active project site are 8.4 percentage points more likely to believe that Tanzania is not a democracy or a democracy with major problems compared to Tanzanians within 75km of an inactive project site. We can observe two significant results in the case of World Bank project sites in table A3.B in appendix. The difference-in-difference type estimates in column four and twelve indicate that Tanzanians within 75km of an active project site are 11.7 percentage points more likely to believe that leaders should be elected through regular, open and honest elections ($p<0.01$) and for Tanzanians within 25km of an active project site are 15.9 percentage points more likely to believe that the media should constantly investigate on government mistakes ($p<0.05$), respectively, compared to Tanzanians who reside within an inactive project site with the corresponding cut-off distances.

To conclude, the results from our robustness checks indicate to some extent that we should expect lower levels of democratic preferences surrounding active Chinese project sites compared to active World Bank project sites. Some results even point to World Bank project sites positively influencing democratic preferences. However, we still cannot definitely conclude whether Chinese and World Bank project sites influence local democratic preferences or if either does so to a greater extent compared to the other.

7. Discussion

7.1 Analysis of results

We are not able to determine a causal relationship between development projects and preferences for democracy. While certain coefficients indicate lower levels of democratic preferences surrounding project sites, in particular surrounding Chinese project sites, the corresponding difference-in-difference type estimates provide no systematic evidence that development projects impact democratic preferences. This section will discuss the implications of these findings and connect them to the existing body of literature concerning the impact of development flows on development outcomes at the micro-level and on the literature of democracy promotion.

Consistent with the findings of Brown (2005), that donors have an important role to play in either promoting or preventing democracy, some point estimates in our study imply that the presence of foreign aid projects in Tanzania affects the democratic preferences of inhabitants to a certain extent. While Brown (2005) maintains that donors may have an exogenous impact on democracy by the use of political conditionality to aid, and that democracy promotion largely remains in the hands of recipient countries, this study however relates the endogenous factor of democracy promotion within the country to international donors. By influencing the democratic preferences for individuals surrounding project sites, it could be considered that donors may both exogenously, and endogenously, impact democracy promotion within a country.

Considering Svensson's (1999) findings that foreign aid impacts economic growth in more democratic countries, this has implications for Tanzania's future use of foreign aid. As Tanzania's government has increasingly begun exhibiting authoritarian tendencies, such as oppressing the opposition, negative consequences could follow in terms of the effective use of foreign aid. Our results further indicate that Tanzanian's surrounding both Chinese and World Bank project sites are less likely to reject one party rule, suggesting that the government may have civil support for these actions. Bearing in mind that our results stem from surveys conducted before the latest political developments, it does however shed light on the fact that there seems to exist tendencies amongst Tanzanians to be willing to consider one-party rule. These tendencies could potentially be remnants from Tanzania's one-party state past. These results are in line with what we might expect surrounding Chinese project sites, considering that China is itself a one-party state and that through the transmission of norms, this might extend to Tanzanians who reside near their project sites. We, however, find it surprising that similar results can be observed near World Bank project sites.

China's increased presence as an international donor and close historical ties to Tanzania give weight to our findings. As China continues to develop their foreign aid practices and expand their reach, it is important to consider the implications that this might entail for recipient populations' views of democracy. While many developing countries remain dependent on foreign aid, they should be aware of the unintended consequences that come with aid, considering for instance Isaksson and Kotsadam's (2018) study that finds that corruption is more widespread surrounding

Chinese project sites compared to World Bank project sites. However, in light of our study, we cannot conclude that changes in democratic preferences is one of those consequences.

Considering China's involvement in Tanzania, a question worth asking is to what extent China's involvement has to this day impacted Tanzanians democratic preferences. Since our study only considers aid projects between the years 2000-2014, and surveys carried out during these years, it could be that China has impacted democratic preferences to a larger extent than can be observed here. Data limitations make it a difficult task to evaluate Chinese aid flows over a longer time span but would undoubtedly yield interesting results. This would be worth considering both in terms of long-term democratic promotion and economic growth.

In terms of World Bank project sites, our findings indicate that they do not influence democratic preferences to the same extent as Chinese projects. In light of the World Bank's apolitical stance to foreign aid, it suggests that the World Bank manages to maintain an impartial position in the domestic politics of Tanzania, at least in terms of democratic preferences. The practical implications of this is that while recipient countries may believe that conditions to World Bank aid is constraining as it is, it does not seem to be followed by unintended consequences in regard to changes in democratic preferences.

Following our results, we cannot conclude that our proposed conceptual channels have any explanatory power. However, we can observe that individuals who have had to pay a bribe in the past are associated with lower democratic preferences. Considering that we also observe increased levels of corruption surrounding Chinese, and in particular, World Bank project sites, we find it interesting that we do not observe lower levels of democratic preferences surrounding project sites, especially those of the World Bank. A possible explanation for this could be the World Bank's efforts to combat corruption norms, which might cancel out the effect that corruption has on the democratic preferences for individuals in that particular location. Another explanation for this could be that there may be other channels, or confounding variables, at play which we cannot observe that cancels out the effect corruption experiences have on democratic preferences.

7.2 Contribution

Our paper first of all contributes to the expanding quantitative literature on the impact of Chinese development flows and development outcomes at the micro level. To our knowledge, ours is the first of its kind to seek to explain the relationship between development flows and the democratic preferences for individuals surrounding development project sites. Recognizing that democracy promotion must stem from within civil society (Ahluwalia and Zegeye 2001), our paper contributes by increasing the understanding of how democratic preferences within civil society may be influenced through the engagement with international donors.

Secondly, this study has implications for long-term economic growth as Svensson (1999) finds that foreign aid positively impacts economic growth in more democratic countries. By examining if and how development actors and foreign aid impacts the preferences for democracy surrounding project sites, governments in recipient countries may gain new insights in what to expect from donors and how their engagement influences democratic preferences for their population. By

recognizing that democracy is important for the effective use of development aid, we bridge the gap between the two academic fields of political science and development economics.

7.3 Further research

A limitation to our study is the issue of external validity. By conducting a study focusing on one country, the generalizability is limited. Considering Tanzania's commitments regarding democracy-building, it would be a mistake to assume that democratic preferences in countries with other viewpoints in regard to governance will be affected by aid in the same way. In light of this and our ambiguous results in respect to the causal relationship between local democratic preferences and development aid, future research could carry out a study similar to ours, but which encompasses several countries. This would result in not only a significantly larger sample size, which could yield more conclusive results, but would furthermore increase the external validity of the results.

Furthermore, while we have in this study provided some support for our second proposed channel, that corruption experiences may impact the democratic preferences for individuals, this is arguably worthy of a study in its own right. A study such as this, might be able to shed better light on the determinisms of democratic preferences within civil society and corruption and how they are intertwined.

Finally, we have in this study limited ourselves to study only the effect of ODA and "ODA-like" projects on democratic preferences which could lead to a source of inaccuracy considering that China and the World Bank typically implement projects within different sectors.[5] Furthermore, we limit us to World Bank and Chinese aid, a future study could thereby seek to examine the relationship between democratic preferences and development projects within different projects sectors or between different donors.

[5] See appendix table A6.A and B for a detailed list of Chinese and World Bank funded projects.

8. Conclusion

Considering the latest troubling developments for the future of democracy, and the rise of autocratic China as not only a new global economic power, but as a global development partner, this study investigates whether the presence of Chinese development projects impacts the preferences for democratic values for local Tanzanians differently from how a more traditional donor in the World Bank does.

We present two conceptual channels via which development projects may influence the preferences for democratic values in recipient countries – by means of norm transmission through donor engagement in local communities, and through corruption experiences following increased economic activity surrounding project sites. Considering China's non-conditionality approach to foreign aid and lax attitude towards combating corruption, the World Bank's active stance to combat corruption and their differing views of democracy, we hypothesize that Tanzanian's preference for democracy will be negatively influenced through these two channels surrounding Chinese project sites and positively surrounding World Bank project sites.

We are not able to identify a causal relationship between development projects and the preferences for democratic values. Some coefficient estimates however indicate that Tanzanians residing in close proximity to Chinese project sites are associated with lower levels of democratic preferences. The results further indicate that the World Bank does not seem to influence preferences for democracy to a large extent in any direction. This speaks to the World Bank in maintaining an impartial stance in the domestic politics of Tanzania.

Despite finding that corruption experiences impact democratic preferences negatively, the inconclusive nature of our results limit us to draw any conclusions regarding the explanatory power of these channels. Further research is needed in order to shed light on the possible determinisms and mechanisms of development projects' impact on democratic preferences.

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Appendices

Appendix I: Variable list

Table A1: Variable list

Variable	Description	Max
Support democracy	Dummy for preferring democracy to any other kind of government	Afrobarometer
Elected leaders	Dummy for preferring open and honest elections of the country's leaders to other methods	Afrobarometer
Several political parties	Dummy for thinking many political parties are needed for the people to have real choices in who governs them	Afrobarometer
Reject one-party rule	Dummy for disapproving of only one political party being allowed to stand for election	Afrobarometer
Media checks government	Dummy for thinking that media should investigate and report on government mistakes and corruption	Afrobarometer
Extent democracy	Dummy for thinking Tanzania is a functional democracy	Afrobarometer
Satisfaction democracy	Dummy for being satisfied with how the democracy works in Tanzania	Afrobarometer
Elected leaders ordinal	Ordinal for preferring open and honest elections of the country's leaders to other methods. 2: Agree very strongly. 1: Agree	Afrobarometer
Several political parties ordinal	Ordinal for thinking many political parties are needed for the people to have real choices in who governs them. 2: Agree very strongly. 1: Agree	Afrobarometer
Reject one-party rule ordinal	Ordinal for disapproving of only one political party being allowed to stand for election. 2: Strongly disapprove. 1: Disapprove.	Afrobarometer
Media checks government ordinal	Ordinal for thinking that media should investigate and report on government mistakes and corruption. 2: Agree very strongly. 1: Agree	Afrobarometer
Extent democracy ordinal	Ordinal for thinking Tanzania is a functional democracy. 2: A full democracy. 1: A democracy, but with minor problems	Afrobarometer
Satisfaction democracy ordinal	Ordinal for being satisfied with how the democracy works in Tanzania. 2: Very satisfied. 1: Fairly satisfied	Afrobarometer
Bribe permit	Dummy for having had to pay a bribe, give a gift or do a favor for a government official in order to obtain a document or permit.	Afrobarometer
Active 25 km	Dummy for living within 25 km of a currently active, or finished, Chinese aid project	AidData
Inactive 25 km	Dummy for living within 25 km of a future, not yet implemented, Chinese aid project	AidData
Active 50 km	Dummy for living within 50 km of a currently active, or finished, Chinese aid project	AidData
Inactive 50 km	Dummy for living within 50 km of a future, not yet implemented, Chinese aid project	AidData
WB Active 25 km	Dummy for living within 25 km of a currently active, or finished, World Bank aid project	AidData
WB Inactive 25 km	Dummy for living within 25 km of a future, not yet implemented, World Bank aid project	AidData
WB Active 50 km	Dummy for living within 50 km of a currently active, or finished, World Bank aid project	AidData
WB Inactive 50 km	Dummy for living within 50 km of a future, not yet implemented, World Bank aid project	AidData
Age	Age of participant	Afrobarometer
Age2	Age of participant to the power of 2	Afrobarometer
Female	Dummy for being female	Afrobarometer
Urban	Dummy for living in an urban area.	Afrobarometer
Unemployed	Dummy for being unemployed.	Afrobarometer
Education	Discrete variable for level of education. 1: No Formal Schooling. 2: Some Schooling. 3: Primary School. 4: Secondary School. 5: Post-Secondary School.	Afrobarometer
Income	Discrete variable for amount of times being without cash income. 1: Once or Twice. 2: Several Times. 3: Many Times. 4: Always.	Afrobarometer

Appendix II: Full Regression Results

In the following tables we present the full regressions for the tables in our results.

Table A2.1.A: Chinese aid and local preferences for democracy

	(1) Support democracy	(2) Elected leaders	(3) Several political parties	(4) Reject one-party rule	(5) Media checks government	(6) Extent democracy	(7) Satisfaction democracy	(8) Index
Active 50 km	-0.044*	-0.017	-0.029	-0.055**	0.021	-0.042*	-0.035	-0.017
	(0.025)	(0.019)	(0.026)	(0.025)	(0.026)	(0.023)	(0.021)	(0.012)
Inactive 50 km	-0.013	-0.006	-0.023	0.047	-0.009	-0.004	-0.002	-0.015
	(0.045)	(0.030)	(0.042)	(0.043)	(0.056)	(0.038)	(0.044)	(0.031)
age	0.004	0.001	0.002	0.001	0.000	-0.005*	-0.007**	-0.003*
	(0.003)	(0.003)	(0.004)	(0.003)	(0.003)	(0.003)	(0.003)	(0.002)
age2	-0.000	-0.000	-0.000	-0.000	-0.000	0.000**	0.000***	0.000**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
female	-0.046***	0.014	-0.080***	-0.133***	-0.044**	0.034**	0.024	0.033***
	(0.016)	(0.015)	(0.017)	(0.018)	(0.017)	(0.017)	(0.017)	(0.009)
urban	-0.004	-0.003	0.071***	0.047*	0.010	-0.033	-0.027	-0.027**
	(0.025)	(0.018)	(0.025)	(0.024)	(0.026)	(0.025)	(0.023)	(0.013)
unemployed	-0.010	-0.012	-0.011	-0.009	0.000	-0.028	-0.052**	-0.015
	(0.0200)	(0.017)	(0.024)	(0.020)	(0.021)	(0.023)	(0.024)	(0.013)
1.education	0	0	0	0	0	0	0	0
	(.)	(.)	(.)	(.)	(.)	(.)	(.)	(.)
2.education	-0.020	0.010	-0.044	-0.041	-0.010	0.041	0.038	0.038
	(0.044)	(0.031)	(0.039)	(0.043)	(0.041)	(0.045)	(0.044)	(0.027)
3.education	0.027	0.015	0.001	0.033	-0.017	0.026	0.041	0.024
	(0.038)	(0.028)	(0.036)	(0.036)	(0.037)	(0.040)	(0.035)	(0.022)
4.education	0.076*	0.034	0.080**	0.130***	0.028	-0.016	0.009	0.0053
	(0.041)	(0.030)	(0.038)	(0.039)	(0.038)	(0.048)	(0.041)	(0.026)
5.education	0.141***	0.067	0.103**	0.172***	0.040	0.0161	0.013	0.029
	(0.046)	(0.041)	(0.051)	(0.046)	(0.053)	(0.057)	(0.054)	(0.030)
0.income	0	0	0	0	0	0	0	0
	(.)	(.)	(.)	(.)	(.)	(.)	(.)	(.)
1.income	-0.067**	0.019	0.045	0.006	0.030	-0.015	0.002	-0.000
	(0.031)	(0.025)	(0.035)	(0.032)	(0.036)	(0.029)	(0.030)	(0.016)
2.income	-0.048*	0.027	0.031	0.0143	0.037	-0.008	0.005	0.002
	(0.027)	(0.022)	(0.030)	(0.029)	(0.034)	(0.025)	(0.027)	(0.015)
3.income	-0.090***	-0.004	-0.027	-0.023	0.025	-0.045*	-0.080***	-0.027*
	(0.030)	(0.023)	(0.031)	(0.029)	(0.033)	(0.026)	(0.029)	(0.016)
4.income	-0.087*	-0.0601	-0.088	0.024	0.013	-0.088	-0.106**	-0.061*
	(0.050)	(0.045)	(0.058)	(0.051)	(0.062)	(0.057)	(0.052)	(0.034)
y2005	0.075*	0.090***	-0.100**	-0.334***	0	0.114***	0.099**	0
	(0.041)	(0.031)	(0.041)	(0.038)	(.)	(0.036)	(0.039)	(.)
y2008	-0.036	0.030	0.069**	-0.173***	0.156***	0.012	0.0073	0.026
	(0.033)	(0.029)	(0.034)	(0.030)	(0.036)	(0.029)	(0.030)	(0.018)
y2012	0.118***	0.035	0.158***	0.048*	0.137***	-0.068**	0.036	0.001
	(0.027)	(0.023)	(0.029)	(0.029)	(0.028)	(0.030)	(0.029)	(0.014)
y2014	0	0	0	0	0	0	0	0
	(.)	(.)	(.)	(.)	(.)	(.)	(.)	(.)
_cons	0.743***	0.757***	0.618***	0.821***	0.682***	0.921***	0.917***	0.779***
	(0.078)	(0.072)	(0.097)	(0.086)	(0.080)	(0.084)	(0.074)	(0.046)
DiD type estimate	-0.031	-0.010	-0.006	-0.102	0.031	-0.039	-0.033	-0.002
F-test:	0.308	0.072	0.014	3.795	0.218	0.633	0.390	0.004
p-value, F-test	0.579	0.789	0.904	0.052	0.641	0.427	0.533	0.947
R2	0.047	0.012	0.058	0.119	0.031	0.032	0.028	0.031
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES
Observations	2,003	2,602	2,590	2,595	2,181	2,022	2,075	1,741

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban residence, unemployment, income and education level. All regressions control for year fixed effects and clustered standard errors at the ward level. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

Table A2.1.B: World Bank aid and local preferences for democracy

	(1) Support democracy	(2) Elected leaders	(3) Several political parties	(4) Reject one-party rule	(5) Media checks government	(6) Extent democracy	(7) Satisfaction democracy	(8) Index
Active 50 km	-0.062**	0.008	-0.001	-0.036	-0.005	-0.012	-0.044*	-0.022
	(0.027)	(0.018)	(0.027)	(0.024)	(0.028)	(0.025)	(0.025)	(0.014)
Inactive 50 km	-0.003	-0.000	-0.029	0.057	0.003	0.014	-0.033	-0.018
	(0.042)	(0.032)	(0.045)	(0.039)	(0.046)	(0.031)	(0.041)	(0.028)
age	0.004	0.001	0.002	0.001	0.000	-0.005*	-0.007**	-0.003*
	(0.003)	(0.003)	(0.004)	(0.003)	(0.003)	(0.003)	(0.003)	(0.002)
age2	-0.000	-0.000	-0.000	-0.000	-0.000	0.000**	0.000***	0.000***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
female	-0.044***	0.014	-0.080***	-0.132***	-0.044**	0.034**	0.026	0.033***
	(0.016)	(0.015)	(0.017)	(0.018)	(0.017)	(0.017)	(0.017)	(0.009)
urban	-0.002	-0.005	0.070***	0.048*	0.011	-0.035	-0.025	-0.026**
	(0.026)	(0.018)	(0.026)	(0.025)	(0.026)	(0.025)	(0.023)	(0.013)
unemployed	-0.013	-0.014	-0.014	-0.014	0.003	-0.032	-0.054**	-0.017
	(0.020)	(0.017)	(0.024)	(0.020)	(0.021)	(0.023)	(0.024)	(0.013)
1.education	0	0	0	0	0	0	0	0
	(.)	(.)	(.)	(.)	(.)	(.)	(.)	(.)
2.education	-0.021	0.010	-0.044	-0.043	-0.010	0.042	0.037	0.038
	(0.044)	(0.031)	(0.039)	(0.044)	(0.041)	(0.046)	(0.044)	(0.027)
3.education	0.026	0.015	0.000	0.031	-0.016	0.026	0.039	0.024
	(0.038)	(0.028)	(0.036)	(0.036)	(0.036)	(0.040)	(0.035)	(0.022)
4.education	0.0733*	0.031	0.076**	0.125***	0.031	-0.021	0.006	0.004
	(0.041)	(0.030)	(0.038)	(0.038)	(0.038)	(0.048)	(0.040)	(0.026)
5.education	0.137***	0.065	0.100*	0.166***	0.043	0.012	0.009	0.027
	(0.046)	(0.041)	(0.051)	(0.046)	(0.052)	(0.057)	(0.054)	(0.030)
0.income	0	0	0	0	0	0	0	0
	(.)	(.)	(.)	(.)	(.)	(.)	(.)	(.)
1.income	-0.065**	0.021	0.049	0.010	0.028	-0.012	0.004	0.001
	(0.030)	(0.025)	(0.035)	(0.032)	(0.037)	(0.029)	(0.030)	(0.016)
2.income	-0.047*	0.029	0.033	0.017	0.035	-0.007	0.006	0.002
	(0.027)	(0.023)	(0.030)	(0.029)	(0.035)	(0.026)	(0.027)	(0.015)
3.income	-0.087***	-0.003	-0.025	-0.021	0.025	-0.044*	-0.078***	-0.026
	(0.029)	(0.024)	(0.031)	(0.029)	(0.033)	(0.026)	(0.029)	(0.016)
4.income	-0.082	-0.059	-0.087	0.031	0.011	-0.085	-0.101**	-0.060*
	(0.050)	(0.045)	(0.057)	(0.051)	(0.062)	(0.057)	(0.051)	(0.033)
y2005	0.085*	0.098***	-0.071	-0.333***	0	0.125***	0.133***	0
	(0.048)	(0.032)	(0.048)	(0.041)	(.)	(0.039)	(0.045)	(.)
y2008	-0.041	0.034	0.090*	-0.199***	0.145***	0.007	0.027	0.034
	(0.041)	(0.036)	(0.051)	(0.041)	(0.035)	(0.032)	(0.043)	(0.025)
y2012	0.113***	0.035	0.158***	0.045	0.137***	-0.070**	0.032	-0.001
	(0.026)	(0.022)	(0.029)	(0.028)	(0.028)	(0.030)	(0.029)	(0.014)
y2014	0	0	0	0	0	0	0	0
	(.)	(.)	(.)	(.)	(.)	(.)	(.)	(.)
_cons	0.768***	0.743***	0.603***	0.816***	0.697***	0.908***	0.932***	0.788***
	(0.080)	(0.072)	(0.096)	(0.084)	(0.082)	(0.087)	(0.076)	(0.047)
DiD type estimate	-0.058	0.008	0.029	-0.093	-0.008	-0.026	-0.012	-0.004
F-test	1.107	0.041	0.236	3.662	0.019	0.336	0.048	0.012
p-value, F-test	0.294	0.839	0.628	0.057	0.891	0.562	0.827	0.913
R2	0.048	0.011	0.057	0.117	0.031	0.030	0.029	0.031
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES
Observations	2,003	2,602	2,590	2,595	2,181	2,022	2,075	1,741

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban residence, unemployment, income and education level. All regressions control for year fixed effects and clustered standard errors at the ward level. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

Table A2.2: Permit bribes on democratic preferences

	(1) Support democracy	(2) Elected leaders	(3) Several political parties	(4) Reject one-party rule	(5) Media checks government	(6) Extent democracy	(7) Satisfaction democracy	(8) Index
Bribe permit	-0.101**	-0.047	-0.0771*	0.057	-0.026	-0.120***	-0.153***	-0.068**
	(0.039)	(0.039)	(0.042)	(0.040)	(0.038)	(0.046)	(0.048)	(0.026)
age	0.005	-0.000	-0.004	0.002	0.011*	0.002	-0.008	-0.001
	(0.005)	(0.005)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.003)
age2	-0.000	-0.000	0.000	-0.000	-0.000*	-0.000	0.000*	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
female	-0.000	0.023	-0.081***	-0.138***	-0.004	0.005	0.056**	0.035**
	(0.024)	(0.021)	(0.027)	(0.030)	(0.027)	(0.029)	(0.028)	(0.014)
urban	-0.045	-0.043	0.030	0.011	-0.001	-0.034	-0.033	-0.033
	(0.032)	(0.031)	(0.033)	(0.037)	(0.039)	(0.041)	(0.036)	(0.022)
unemployed	0.011	-0.011	-0.0022	-0.039	-0.030	-0.041	-0.057	-0.029
	(0.028)	(0.026)	(0.035)	(0.028)	(0.034)	(0.033)	(0.035)	(0.019)
1.education	0	0	0	0	0	0	0	0
	(.)	(.)	(.)	(.)	(.)	(.)	(.)	(.)
2.education	0.077	-0.049	-0.104	-0.052	-0.066	0.042	0.107	0.030
	(0.076)	(0.050)	(0.064)	(0.070)	(0.065)	(0.075)	(0.073)	(0.046)
3.education	0.115*	-0.028	-0.022	0.046	-0.028	0.032	0.094	0.036
	(0.063)	(0.040)	(0.060)	(0.058)	(0.060)	(0.063)	(0.062)	(0.039)
4.education	0.158**	-0.028	0.027	0.112*	-0.001	-0.024	0.068	-0.000
	(0.067)	(0.047)	(0.063)	(0.066)	(0.064)	(0.073)	(0.071)	(0.043)
5.education	0.206***	0.033	0.028	0.156**	0.089	0.050	0.040	0.045
	(0.077)	(0.058)	(0.078)	(0.078)	(0.075)	(0.083)	(0.085)	(0.050)
0.income	0	0	0	0	0	0	0	0
	(.)	(.)	(.)	(.)	(.)	(.)	(.)	(.)
1.income	-0.098**	0.004	0.041	0.019	0.073	-0.011	0.011	0.016
	(0.040)	(0.031)	(0.047)	(0.045)	(0.050)	(0.042)	(0.040)	(0.021)
2.income	-0.082**	-0.021	0.025	0.033	0.102**	0.035	-0.014	0.029
	(0.038)	(0.034)	(0.041)	(0.040)	(0.047)	(0.039)	(0.042)	(0.024)
3.income	-0.019	-0.034	-0.035	-0.052	0.028	-0.016	-0.114**	-0.009
	(0.038)	(0.031)	(0.047)	(0.044)	(0.049)	(0.042)	(0.044)	(0.023)
4.income	-0.083	-0.106	-0.125	0.0044	-0.058	-0.051	-0.161*	-0.079
	(0.070)	(0.073)	(0.096)	(0.089)	(0.088)	(0.086)	(0.085)	(0.066)
y2005	-0.009	0.022	-0.231***	-0.325***	0	0.135***	0.111**	0
	(0.045)	(0.036)	(0.051)	(0.047)	(.)	(0.051)	(0.055)	(.)
y2008	-0.150***	-0.023	-0.014	-0.176***	0.118***	0.055	0.0032	0.017
	(0.041)	(0.037)	(0.044)	(0.042)	(0.042)	(0.049)	(0.049)	(0.025)
y2012	0.035	-0.038	0.066	0.042	0.058	-0.060	0.051	-0.023
	(0.035)	(0.036)	(0.040)	(0.037)	(0.042)	(0.054)	(0.050)	(0.024)
y2014	0	0	0	0	0	0	0	0
	(.)	(.)	(.)	(.)	(.)	(.)	(.)	(.)
_cons	0.703***	0.948***	0.886***	0.812***	0.527***	0.761***	0.879***	0.757***
	(0.122)	(0.121)	(0.144)	(0.151)	(0.147)	(0.162)	(0.137)	(0.087)
R-squared	0.077	0.020	0.094	0.178	0.036	0.061	0.057	0.066
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES
Observations	814	1,015	1,017	1,012	776	818	827	689

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban residence, unemployment, income and education level. All regressions control for year fixed effects and clustered standard errors at the ward level. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

Appendix III: Sensitivity Analysis

Table A3.A: Robustness checks for Chinese aid and local democratic preferences

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Support democracy		Elected leaders		Elect. leaders ordinal	Several political parties		Several pol. parties ordinal	Reject one-party rule		Reject one-party rule ordinal	Media checks government		Media checks gover. ordinal	Extent democracy		Extent demo. ordinal	Satisfaction democracy		Satisfa-ction demo. ordinal
Active 25 km	0.001		-0.006			-0.033			-0.056**			0.014			-0.057**			-0.052**		
	(0.026)		(0.019)			(0.026)			(0.026)			(0.024)			(0.024)			(0.022)		
Inactive 25 km	-0.030		-0.012			-0.045			-0.040			-0.029			0.007			-0.011		
	(0.049)		(0.033)			(0.057)			(0.050)			(0.056)			(0.046)			(0.052)		
Active 50 km					-0.025			-0.047			-0.063			0.043			-0.056			-0.029
					(0.042)			(0.050)			(0.047)			(0.052)			(0.042)			(0.037)
Inactive 50 km					-0.004			-0.087			0.038			-0.0189			-0.048			0.004
					(0.071)			(0.086)			(0.076)			(0.111)			(0.081)			(0.084)
Active 75 km		-0.060**		-0.029			-0.050*			-0.061**			0.042			-0.073***			-0.039*	
		(0.025)		(0.020)			(0.027)			(0.027)			(0.029)			(0.022)			(0.022)	
Inactive 75 km		-0.002		-0.013			0.005			0.015			-0.025			0.012			0.021	
		(0.042)		(0.030)			(0.042)			(0.041)			(0.053)			(0.035)			(0.041)	
DiD type estimate	0.031	-0.058	0.007	-0.016	-0.020	0.012	-0.054	0.039	-0.016	-0.076	-0.100	0.043	0.066	0.061	-0.064	-0.084	-0.008	-0.041	-0.060	-0.033
F-test: .	0.257	1.087	0.026	0.156	0.053	0.038	1.056	0.156	0.072	2.194	1.121	0.427	0.984	0.218	1.352	3.442	0.006	0.457	1.514	0.109
p-value, F-test	0.613	0.298	0.872	0.693	0.819	0.847	0.305	0.693	0.788	0.140	0.291	0.514	0.322	0.641	0.246	0.065	0.937	0.500	0.220	0.742
R2	0.044	0.049	0.011	0.013	0.038	0.058	0.059	0.075	0.120	0.119	0.113	0.031	0.032	0.031	0.034	0.036	0.059	0.030	0.028	0.057
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Observations	2,003	2,003	2,602	2,602	2,602	2,590	2,590	2,590	2,595	2,595	2,595	2,181	2,181	2,181	2,022	2,022	2,022	2,075	2,075	2,075

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban residence, unemployment, income and education level. All regressions control for year fixed effects and clustered standard errors at the ward level. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

Table A3.B: Robustness checks for World Bank aid and local democratic preferences

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Support democracy		Elected leaders		Elect. leaders ordinal	Several political parties		Several pol. parties ordinal	Reject one-party rule		Reject one-party rule ordinal	Media checks government		Media checks gover. ordinal	Extent democracy		Extent demo. ordinal	Satisfaction democracy		Satisfa-ction demo. ordinal
Active 25 km	-0.011		-0.019			-0.023			-0.038			0.030			-0.022			-0.025		
	(0.026)		(0.018)			(0.025)			(0.025)			(0.025)			(0.023)			(0.022)		
Inactive 25 km	-0.087**		-0.021			-0.014			-0.023			-0.129**			-0.004			-0.022		
	(0.040)		(0.030)			(0.041)			(0.039)			(0.050)			(0.034)			(0.041)		
Active 50 km					0.018			0.013			-0.068			-0.010			-0.040			-0.052
					(0.047)			(0.059)			(0.051)			(0.056)			(0.050)			(0.041)
Inactive 50 km					0.041			-0.065			0.090			0.007			0.037			-0.009
					(0.065)			(0.091)			(0.071)			(0.092)			(0.075)			(0.076)
Active 75 km		-0.065**		0.016			-0.009			-0.010			0.004			-0.050*			-0.039	
		(0.033)		(0.022)			(0.033)			(0.028)			(0.037)			(0.028)			(0.031)	
Inactive 75 km		-0.001		-0.101***			0.033			0.037			-0.035			0.012			-0.069	
		(0.054)		(0.029)			(0.061)			(0.041)			(0.058)			(0.042)			(0.053)	
DiD type estimate	0.076	-0.064	0.002	0.117	-0.023	-0.009	-0.042	0.078	-0.014	-0.047	-0.157	0.159	0.038	-0.017	-0.018	-0.062	-0.077	-0.004	0.029	-0.043
F-test:	1.928	0.754	0.003	7.717	0.062	0.029	0.297	0.398	0.075	0.667	2.685	6.266	0.218	0.019	0.153	1.080	0.574	0.005	0.165	0.208
p-value, F-test	0.166	0.386	0.954	0.006	0.804	0.865	0.586	0.529	0.784	0.415	0.102	0.013	0.641	0.891	0.696	0.300	0.449	0.944	0.685	0.648
R2	0.048	0.047	0.012	0.013	0.039	0.057	0.057	0.074	0.118	0.116	0.113	0.034	0.031	0.031	0.030	0.031	0.058	0.028	0.029	0.058
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Observations	2,003	2,003	2,602	2,602	2,602	2,590	2,590	2,590	2,595	2,595	2,595	2,181	2,181	2,181	2,022	2,022	2,022	2,075	2,075	2,075

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban residence, unemployment, income and education level. All regressions control for year fixed effects and clustered standard errors at the ward level. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

Appendix IV: Robustness check 15-100 km

Table A4.A: Robustness check radius China

	(1) Support democracy	(2) Support democracy	(3) Support democracy	(4) Support democracy	(5) Support democracy
Active 15 km	-0.042				
	(0.038)				
Inactive 15 km	0.010				
	(0.071)				
Active 25 km		0.001			
		(0.028)			
Inactive 25 km		-0.030			
		(0.049)			
Active 50 km			-0.044*		
			(0.025)		
Inactive 50 km			-0.013		
			(0.045)		
Active 75 km				-0.060**	
				(0.025)	
Inactive 75 km				-0.002	
				(0.042)	
Active 100 km					-0.077***
					(0.025)
Inactive 100 km					0.034
					(0.041)
DiD type estimate	-0.052	0.031	-0.031	-0.058	-0.110
F-test: active-inactive=0	0.353	0.257	0.308	1.087	4.337
p-value, F-test	0.553	0.613	0.579	0.298	0.038
R-squared	0.046	0.044	0.047	0.049	0.051
Year FE	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES
Observations	2,003	2,003	2,003	2,003	2,003

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban and unemployment. All regressions control for year fixed effects and clustered standard errors. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

Table A4.B: Robustness check radius World Bank

	(1) Support democracy	(2) Support democracy	(3) Support democracy	(4) Support democracy	(5) Support democracy
Active 15 km	-0.001				
	(0.027)				
Inactive 15 km	-0.111***				
	(0.043)				
Active 25 km		-0.011			
		(0.026)			
Inactive 25 km		-0.087**			
		(0.040)			
Active 50 km			-0.062**		
			(0.027)		
Inactive 50 km			-0.003		
			(0.042)		
Active 75 km				-0.065**	
				(0.033)	
Inactive 75 km				-0.001	
				(0.054)	
Active 100 km					-0.095***
					(0.036)
Inactive 100 km					0.049
					(0.080)
DiD type estimate	0.110	0.076	-0.058	-0.064	-0.144
F-test: active-inactive=0	3.784	1.928	1.107	0.754	2.063
p-value, F-test	0.053	0.166	0.294	0.386	0.152
R-squared	0.048	0.048	0.048	0.047	0.047
Year FE	YES	YES	YES	YES	YES
Baseline controls	YES	YES	YES	YES	YES
Observations	2,003	2,003	2,003	2,003	2,003

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban and unemployment. All regressions control for year fixed effects and clustered standard errors. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

Appendix V: Bribe and aid projects

Table A5: Development aid projects and corruption

	(1) Bribe China	(2) Bribe World Bank
Active 50 km	0.059*	
	(0.031)	
Inactive 50 km	0.023	
	(0.032)	
Active 50 km		0.056**
		(0.025)
Inactive 50 km		-0.037
		(0.034)
DiD type estimate	0.036	0.093
F-test: active-inactive=0	0.555	3.385
p-value, F-test	0.457	0.067
R-squared	0.061	0.059
Year FE	YES	YES
Baseline controls	YES	YES
Observations	1,026	1,026

Standard errors in parentheses

Baseline controls include age, age-squared, female, urban and unemployment. All regressions control for year fixed effects and clustered standard errors. DiD type estimations are based on the coefficients of active and inactive, which also are the basis for the associated F-test and the following p-value.

* p<0.1, ** p<0.05, *** p<0.01

Appendix VI: Project Sectors

Table A6.A: Project sectors Chinese aid projects

Codes		Freq.
110	Education	7
120	Health	34
140	Water Supply and Sanitation	36
150	Government and Civil Society	2
160	Other Social infrastructure and services	4
210	Transport and Storage	2
220	Communications	64
310	Agriculture, Forestry and Fishing	2
320	Industry, Mining, Construction	1
420	Women in Development	2
430	Other Multisector	1
530	Non-food commodity assistance	1
600	Action Relating to Debt	1
700	Emergency Response	1

Table A6.B: Project sectors World Bank aid projects

Codes		Freq.
151|310	Agriculture, forestry, fishing|Government and civil society, general	12
151|311	Agriculture|Government and civil society, general	13
230	Energy generation and supply	42
151|312|160	Forestry|Other social infrastructure and services|Government and civil society, general	4
312|311|310|160|140	Forestry|Water supply and sanitation|Agriculture|Other social infrastructure and services|Agriculture, forestry, fishing	1
151	Government and civil society, general	19
151|210	Government and civil society, general|Transport and storage	37
322|230	Mineral resources and mining|Energy generation and supply	5
151|230|322|160	Mineral resources and mining|Other social infrastructure and services|Government and civil society, general|Energy generation and supply	10
160	Other social infrastructure and services	10
151|160	Other social infrastructure and services|Government and civil society, general	2
151|114|240|113	Post-secondary education|Banking and financial services|Government and civil society, general|Secondary education	1
151|114	Post-secondary education|Government and civil society, general	2
151|114|113|112	Post-secondary education|Secondary education|Government and civil society, general|Basic education	1
210	Transport and storage	41
151|210	Transport and storage|Government and civil society, general	9
151|410|140	Water supply and sanitation|General environmental protection|Government and civil society, general	4
151|140	Water supply and sanitation|Government and civil society, general	7
151|230|140	Water supply and sanitation|Government and civil society, general|Energy generation and supply	6
151|410|140|210	Water supply and sanitation|Government and civil society, general|General environmental protection|Transport and storage	20
151|140|210	Water supply and sanitation|Government and civil society, general|Transport and storage	5
311|160|140	Water supply and sanitation|Other social infrastructure and services|Agriculture	3
151|114|311|160|140	Water supply and sanitation|Post-secondary education|Agriculture|Government and civil society, general|Other social infrastructure and services	7
151|210|140	Water supply and sanitation|Transport and storage|Government and civil society, general	12