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Article — Published Version

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JCMS: Journal of Common Market Studies

Provided in Cooperation with:

John Wiley & Sons

Suggested Citation: Hackenesch, Christine; Högl, Maximilian; Öhler, Hannes; Burni, Aline (2022) : Populist Radical Right Parties' Impact on European Foreign Aid Spending, JCMS: Journal of Common Market Studies, ISSN 1468-5965, Wiley, Hoboken, NJ, Vol. 60, Iss. 5, pp. 1391-1415,
<https://doi.org/10.1111/jcms.13308>

This Version is available at:

<https://hdl.handle.net/10419/264994>

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Populist Radical Right Parties' Impact on European Foreign Aid Spending

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Abstract

Since the early 2000s, populist radical right parties (PRRPs) have more than doubled their electoral support in Europe. Previous research found that PRRPs impact migration policy. However, little is known about whether they also impact other fields of domestic and foreign policy. Using a cross-country panel analysis, we test to what extent the rise of PRRPs has influenced European foreign aid spending. We find that while the rise of PRRPs has not been associated with an overall reduction in foreign aid, it has led to changes in how aid moneys are spent. PRRP strength is linked to a higher share of aid for migration-containment objectives, and less aid for addressing climate change and for multilateral organizations. Our analysis thereby provides evidence that the 'electoral threat' of PRRPs puts mainstream parties under pressure not only with regard to migration but also in relation to the climate–development nexus and aid for multilateralism.

Keywords: populist radical right parties; foreign aid; migration; climate change; Europe

Introduction

Since the turn of the millennium, populist radical right parties (PRRPs) have more than doubled their average electoral support in European countries (TAP, 2019). Some scholars describe this rise as the 'biggest transformation' of Europe's political landscape in the post-Cold War era (Eiermann *et al.*, 2017). The scholarly literature demonstrates that these parties can affect policymaking, even when they are not in power. Most of this literature focuses on PRRPs' impact on their core issue: migration policy (Williams, 2018). Far less is known about PRRPs' impact on other policy areas, especially on foreign policy (for exceptions see, for example Verbeek and Zaslove, 2015; Balfour *et al.*, 2016).

Development policy is a particularly interesting case because it is a low-salience, technocratic policy field that has remained largely outside the spotlight of public and PRRP interest. This suggests that it may not be impacted by PRRP strength. At the same time, development policy has recently moved more to the centre of political debates, in light of emerging cleavages between 'cosmopolitans and communitarians' (Koopmans and Zürn, 2019, p. 3). PRRPs advocate bringing decision-making closer to 'the people', and promise to close borders, restore national sovereignty and prioritize national interests. As such, they represent an opposite ideology to the 'globalists' or 'cosmopolitans'. In the past, European mainstream parties' positions on development policy were characterized by a left–right divide, with relatively low levels of polarization (Lauwers *et al.*, 2021; Raunio and Wagner, 2021). PRRPs, however, very fundamentally challenge the objectives, instruments and substantive orientation of foreign aid (Hackenesch *et al.*, 2021).

Previous research demonstrates that the rise of PRRPs contributes to a reframing by governing parties of the objectives of development policy, in particular with regard to the migration–development nexus (Bergmann *et al.*, 2021). We do not know, however, whether PRRP prominence also has a *tangible* impact on development policy. In this article, we investigate whether PRRPs have a tangible impact on foreign aid by focusing on foreign aid spending. More specifically, we analyse whether and to what extent the rise of PRRPs has affected the size of foreign aid budgets as well as the substantive orientation of foreign aid in Europe.

Three issues are particularly key in the new cleavage between cosmopolitans and communitarians: migration, climate change and multilateral cooperation (Koopmans and Zürn, 2019). They raise fundamental questions regarding border management and how much authority should be transferred beyond the nation state (Koopmans and Zürn, 2019). These issues are also particularly interesting from a development policy perspective as part of foreign aid budgets are used for migration and climate objectives and to enhance multilateral cooperation. PRRPs tend to take very critical positions on all three issues, as well as on foreign aid more generally. The rise of PRRPs is therefore likely to have brought a reduction in overall aid budgets, as well as substantive shifts in aid spending concerning these three issues. The share of migration containment-related aid is likely to have increased, alongside a reduction in the share of aid devoted to climate policy and multilateral organizations. We tested these expectations using a sample of 23 European countries, which reported their aid spending to the Organisation for Economic Co-operation and Development (OECD). Methodologically, we employed linear panel data regression models with country fixed effects to identify potential links between the strength of PRRPs in European countries and patterns of aid spending.

The remainder of this article proceeds as follows. Section I presents key findings from previous research on the influence of PRRPs on public policy and development policy. Section II develops our theoretical framework and expectations with respect to the potential impact of PRRPs on development policy based on their ideology. Section III introduces the data and methods used in the empirical analysis. Section IV presents the empirical results, followed by conclusions.

I. Populist Radical Right Parties and their (Development) Policy Impact

This paper draws on and contributes to three strands of academic work: research on PRRPs and their influence on domestic and foreign policies, studies on the domestic politics of aid and research on the impact of PRRPs on development policy. As noted, the majority of previous work on the policy impact of PRRPs focuses on migration policy (Schain, 2006; Mudde, 2007; Van Spanje, 2010; Carvalho, 2014; Abou-Chadi and Krause, 2018; Williams, 2018). Most studies conclude that PRRPs have influenced migration policy towards a more restrictive approach, though their impact has been limited by factors like inter-party coalition dynamics, internal party conflicts and international constraints. Previous research finds that PRRPs' prospects of influencing policy do not necessarily depend on their government participation. In addition, PRRPs electoral success can put mainstream parties under pressure to adjust their positions (for example Schain, 2006; Van Spanje, 2010; Odmalm and Hepburn, 2017; Williams, 2018). Initial research on PRRPs' impact on climate policy suggests that their participation in

government does weaken countries' efforts in climate and energy policy (Ćetković and Hagemann, 2020).

Regarding the impact of PRRPs on foreign policy, previous work focus on individual country cases or particular foreign policy issues (Liang, 2008; Chryssogelos, 2011; Balfour *et al.*, 2016; Wiczanoska, 2017; Plagemann and Destradi, 2019). Many studies point out that foreign policy is not a core interest of PRRPs, and PRRPs are unlikely to have elaborated detailed foreign policy positions. Comparing the foreign policy positions of different types of populist parties, Verbeek and Zaslove (2015) argued that the 'thick ideology' of populist parties shapes their foreign policy preferences.

Research on the domestic politics of aid has analysed the relationship between mainstream parties and foreign aid, though political parties remain under-researched actors in development policy. Findings concur that the left–right divide matters for foreign policy (Rappart and Rathbun, 2021) and development policy, in particular (for example Tingley, 2010; Lauwers *et al.*, 2021; Raunio and Wagner, 2021). Tingley (2010) and Allen and Flynn (2018) provided empirical evidence of the impact of the government's ideology on foreign aid spending. Left governments are more likely to provide bilateral grant aid (Brech and Potrafke, 2014), and they channel more aid via non-governmental organizations (Allen and Flynn, 2018). Right-leaning, or conservative governments, are inclined to provide less aid. As such, Thérien (2002) argued that the worldview of the left is more favourable to development aid than that of the right. Greene and Licht (2018) nuanced a so-called Partisan Theory of Aid Allocation, arguing that in addition to the left–right dimension, partisan preferences for engaging with the wider world also matter for foreign aid allocation.

The impact of PRRPs on development policy has rarely been analysed. Jakupec and Kelly (2019) conducted an analysis of the re-politicization of foreign aid driven by the rise of nativism and protectionism, but they did not empirically analyse concrete impacts of PRRPs. Chryssogelos (2011, pp. 26–30) noted that most populist parties advocate cutting aid budgets. Balfour *et al.* (2016, pp. 36–8) found similar patterns, adding that many PRRPs demand that development policy be used to reduce immigration flows and suggesting that populist rhetoric paves the way for policy shifts in that direction. Bergmann *et al.* (2021) found that the rise of PRRPs was associated with European governments' reframing the objectives of development policy. However, it remains unclear whether the rise of PRRPs has had tangible impact on foreign aid policies, and on foreign aid budgets specifically and whether this effect goes beyond the migration–development nexus.

II. Theoretical Expectations and Hypotheses

Defining PRRPs and Conceptualizing their Policy Impact

The current study relies on a widely used definition by which PRRPs share at least three ideological features: nativism, authoritarianism and populism (Mudde, 2017, p. 4). A basic feature of 'Nativism' is an in-group versus out-group dynamic in which ethnic, racial or religious criteria are applied to define who belongs to a group (Mudde, 2007). 'Authoritarianism' often translates into a law-and-order policy and can take on an anti-democratic character (Mudde, 2007, p. 23). 'Populism' is defined as 'a thin-centred ideology that considers society to be ultimately separated into two homogenous and antagonistic groups' –

‘the people’ and ‘the corrupt elite’ where politics should be an expression of the general will of ‘the people’ (Mudde, 2004, p. 562).

Following a distinction widely used in the literature, we considered two channels of influence how PRRPs can influence policymaking processes: indirectly as an opposition party and directly as a government party. PRRPs impact decision-making processes *indirectly* when mainstream parties feel threatened by PRRPs’ electoral success. In Europe, PRRPs have been in the role of opposition parties most of the time. When PRRPs gain electoral support or parliamentary seats, mainstream parties have indeed been found to adjust their policy positions or even to co-opt PRRPs’ policy positions in order to ‘recapture voters lost to the challenger parties’ (Schain, 2006; Carvalho, 2014, p. 1). There is broad consensus on the basic mechanism behind issue co-optation: the more a governing or an opposition party feels electorally threatened by a PRRP, the more likely the party is to react by co-opting issues from the PRRP (Schain, 2006, p. 271). Sometimes established parties ignore and try to isolate the challenger as well.

PRRPs’ impact decision-making *directly* when they participate in government, whether as a coalition partner or as a single governing party. When entering coalition agreements with mainstream parties, PRRPs undertake to support some mainstream positions in exchange for inclusion of their own positions in the government agenda and executive representation in the cabinet. Both the electoral strength of a PRRP compared to the other coalition parties and the strategic importance of a PRRP determine its prospects for influencing coalition agreements and government action. Particularly, the greater the dependency of mainstream parties on the support of PRRPs to form a stable governing coalition, the greater are the prospects for PRRPs to push their policy positions onto the agenda (Verbeek and Zaslove, 2015). Their potential to directly influence development policy increases if they obtain relevant positions in the cabinet.

Four Hypotheses

We assume that the basic features of PRRPs’ ideology also shape their positions on development policy. PRRPs focus on their ‘own’ people, which leads them to question why taxpayers’ money should be spent to pursue development goals in the faraway Global South. Thus, PRRPs often campaign to reduce or even to eliminate foreign aid spending (Balfour *et al.*, 2016). The Dutch Party for Freedom (PVV) or the Finns Party, for instance, have advocated radical cuts to foreign aid budgets, and reallocation of these funds for the national population (Balfour *et al.*, 2016, pp. 36ff). Similarly, UKIP (2020, 14) argues that foreign aid ‘goes to corrupt governments and is lost to fraud’ and that UKIP will therefore ‘scrap the target of 0.7% of GNI for Overseas Aid and return £14 billion to the HM Treasury to assist our own citizens in our own country’. The Flemish nationalist party in Belgium denounced the use of EU aid to help African countries cope with the Covid-19 pandemic instead of helping the people of Flanders (Brzozowski, 2020). The Alternative for Germany (AfD) issued a parliamentary request to freeze all funds for bilateral development aid during the Covid-19 pandemic and to redirect these funds to domestic crisis management.¹

¹See <https://dip21.bundestag.de/dip21/btd/19/195/1919517.pdf>

Aid policies are informed by a variety of motives ranging from poverty reduction and needs-based aid allocation towards using aid to advance donors' economic or security interests (Breuning, 1995). Previous research found that left-wing and right-wing parties differ with regard to key objectives and purposes of foreign aid. Conservative parties tend to spend less foreign aid compared to left-wing parties (Tingley, 2010) and place a stronger emphasis on using aid to promote economic interests of their constituents and geopolitical interests of the state (Allen and Flynn, 2018). Yet, despite ideological differences, mainstream parties do not fundamentally question the provision of aid and agree that poverty reduction or supporting least developed countries are relevant motives for providing aid. PRRPs, in contrast, often hold positions that fundamentally diverge from mainstream parties (Lauwers *et al.*, 2021; Raunio and Wagner, 2021). They fundamentally question the provision of foreign aid, they ask for a reallocation of foreign aid to national citizens, for cutting all climate-related aid or for exclusively using aid to promoting migration or security objectives (see above). We therefore expect that when in opposition, PRRPs' critical statements in parliament and the media puts pressure on mainstream parties to modify their positions on foreign aid. Moreover, when in government, PRRPs are likely to seek to implement their policy preferences directly, thus cutting aid budgets. This leads to our first hypothesis:

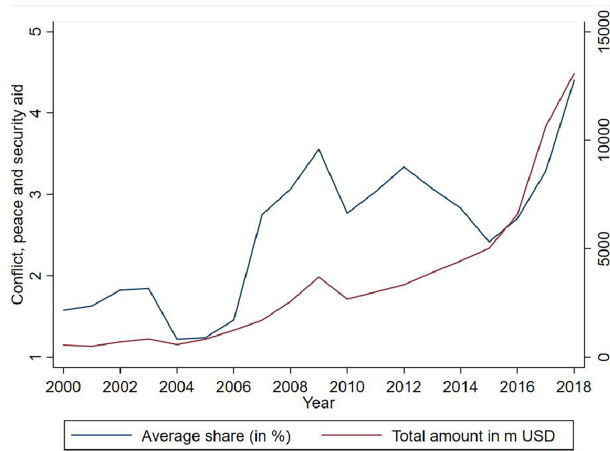
H1 When PRRPs become stronger, overall foreign aid spending decreases.

PRRPs are expected to impact not only overall aid spending, but also the substantive orientation of foreign aid. With regard to the emerging cleavage between cosmopolitanism and communitarianism, three foreign aid-related issues are particularly relevant: migration, climate and multilateralism (Koopmans and Zürn, 2019, p. 3). These issues also have close links with development policy. Aid funds are used to advance migration and climate policy objectives and to support a broad variety of multilateral institutions. Moreover, PRRPs have been particularly vocal on these issues in their statements on foreign aid.

With increased refugee and migrant arrivals in Europe, particularly in 2015 and 2016, migration became a foremost topic in European policy debates. In fact, the absolute volume and share of development aid allocated for curbing migration significantly increased after 2015 (Figure 1). Even though the potential of development cooperation to reduce migrant flows is contested in academia (De Haas, 2007), policy-makers have promulgated a strong narrative framing aid as an instrument for achieving migration policy objectives. Broadly, they argue that aid helps contain migration if it is used to strengthen the police, the security sector and border management capacities or to address conflicts in countries of origin and transit (Bergmann *et al.*, 2021; Lauwers *et al.*, 2021).

PRRPs frame immigration as an existential threat to the people, and call for a drastic reduction of migrant entrance and settlement. Some advocate 'zero migration' for non-Western immigrants, via extraordinary measures if necessary (McDonald, 2008). The high salience of the migration issue among European citizens after 2015 (Kiratli, 2021) helped PRRPs exert pressure on mainstream parties to demonstrate that they were taking the issue seriously. As development aid is a redistributive policy directed towards third countries, it can be mobilized for migration objectives more easily than

Figure 1: Absolute Volume and Average Share of Migration Containment-Related Aid in 23 European Countries, 2000–18 [Colour figure can be viewed at [wileyonlinelibrary.com](https://onlinelibrary.com)]



domestic policy. Indeed, previous research demonstrates that with regard to the ‘framing’ of the migration–development nexus, PRRPs have impacted mainstream party positions (Bergmann *et al.*, 2021). This leads to the following hypothesis on the impact of PRRPs on the allocation of migration-related aid:

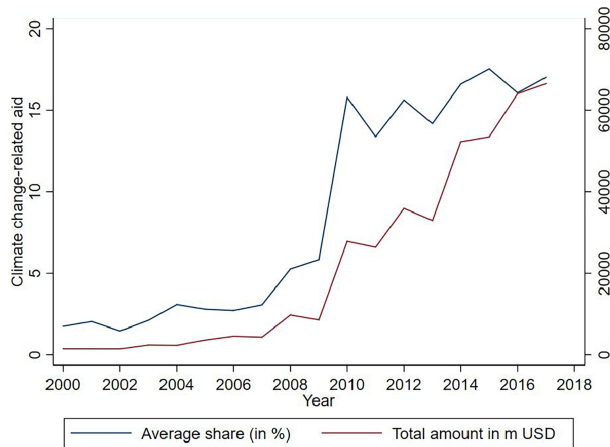
H2 When PRRPs become stronger, the share of aid aimed at migration containment increases.

As climate change has gained prominence, the volume of aid allocated for climate adaptation and mitigation has significantly increased, particularly since the mid-2000s (Figure 2). Most PRRPs, however, express strong scepticism about climate policy, some even denying that human activities contribute to climate change (Schaller and Carius, 2019). PRRPs are also critical of the use of development aid to support climate adaptation and mitigation in the Global South. The AfD, for instance, argues that development policymakers fabricated ‘climate guilt’ in order to redistribute German wealth to the Global South, and calls for immediately cutting all climate-related development aid.²

PRRPs furthermore accuse mainstream political parties and elites of ‘[subordinating] national authority and national interest in international cooperation in the context of climate change policies’ (Fraune and Knodt, 2018, p. 2). By now, climate policy has gained a symbolic place in populist rhetoric to convey a deep antagonism between ‘the people’ and the ‘cosmopolitan elite’ (Lockwood, 2018). PRRPs commonly frame climate as a policy field fed by fraudulent science and used by cosmopolitan elites to curb individual freedoms in pursuit of a ‘globalist’ and multilateralist agenda, allowing populist politicians to present themselves as the defender of ‘the little guy’ (Lockwood, 2018).

²See <https://afdkompakt.de/2019/10/11/500-mio-euro-fuer-klima-entwicklungshilfe-sind-500-millionen-zu-viel/> (accessed: December 2020).

Figure 2: Absolute Volume and Average Share of Climate-Related Aid in 23 European Countries, 2000–18 [Colour figure can be viewed at [wileyonlinelibrary.com](https://onlinelibrary.wiley.com)]



As climate policy has become increasingly polarized and a matter of party competition (Fraune and Knodt, 2018, p. 2), PRRPs' prospects for indirectly impacting this policy field increase. Sustainability transformations can lead to social disruptions and create relative 'winners' and 'losers'. PRRPs may seek to gain votes among those who perceive themselves as losers in this process. If this strategy enables PRRPs to win more votes, mainstream and governing parties might feel pressured to adapt their own positions and show less support for climate policy, including provision of foreign aid related to climate. This suggests our third hypothesis:

H3 When PRRPs become stronger, the share of aid for addressing climate change decreases.

Finally, PRRPs are highly sceptical of multilateral cooperation. As nationalism and national sovereignty are central in PRRPs' ideology, these parties are critical of any transfer of authority beyond the nation state. PRRPs seek to appeal to social groups that feel left behind by economic globalization, and to represent 'the people' against elites and foreign influences. As international institutions are understood to propel economic globalization under the liberal world order, they are a ready target for PRRPs' criticism. Moreover, as transfers of authority accelerated in recent years, PRRPs have mobilized against 'multilateral overreach' (Colgan and Keohane, 2017). PRRPs are not against all forms of international cooperation, but they call for protecting national sovereignty by radically reducing the influence and autonomy of international organizations and bureaucracies (De Spiegeleire *et al.*, 2017). PRRPs are particularly critical towards multilateral cooperation on migration and climate change. PRRP-run governments in Hungary, Poland and Austria, for instance, rejected the Global Compact for Safe, Orderly and Regular Migration. Hungary's Prime Minister Orbán justified his decision arguing that 'the main premise [of the Compact] is that migration is a good and

inevitable phenomenon' and that the 'pact poses a threat to the world from the aspect that it could inspire millions [of migrants]' (DW, 2018). PRRPs across Europe are also hostile towards the Paris Climate Agreement (Schaller and Carius, 2019, p. 21). The Paris Agreement is portrayed as imposing external and unfair regulation undermining national sovereignty in deciding about emissions. Moreover, PRRPs such as the FPÖ, the Lega Nord or the Dutch PVV present the Agreement as a mechanism for channelling significant amounts of aid money towards countries in the Global South and for giving China and other countries in the Global South unfair means of economic competition as they would not need to reduce emissions in similar ways as European companies (Schaller and Carius, 2019).

We expect PRRPs' emphasis on national sovereignty and their criticism of multilateral cooperation to affect aid channelled through multilateral institutions. Channelling aid through multilateral organizations such as the EU, the United Nations or the World Bank not only strengthens these institutions, it also reduces donor countries' influence on how aid is spent. Compared to bilateral aid, multilateral aid gives donor countries much less opportunity to use aid to pursue national economic, security or migration-related interests and to use aid as a tool for economic or migration-related conditionality (Allen and Flynn, 2018). Thus, if PRRPs gain strength, we expect mainstream parties to feel pressured to tie aid more strongly to the promotion of national interests and therefore to reduce the share of aid provided through multilateral institutions. This brings us to our final hypothesis:

H4 When PRRPs become stronger, the share of aid spending channelled through multilateral organizations decreases.

III. Data and Method

To investigate the impact of PRRPs on foreign aid spending, we considered the 23 European countries of the OECD's Development Assistance Committee (DAC) in the period 1990–2018 (see Appendix A, found online in the Supporting Information section). This includes all EU member states except Bulgaria, Croatia, Estonia, Latvia, Lithuania, Malta and Romania, as they were not part of the DAC. We included Iceland, Norway and Switzerland as they were members of the DAC and the European Economic Area. As development aid was influenced by the geostrategic competition between West and East during the Cold War, we started our analysis in the early 1990s.

We conducted separate analyses for a set of 18 Western European countries and for all 23 European countries, as we expected the effects of PRRPs to be more pronounced in Western Europe. This is because development aid is less relevant in Eastern European countries, as they formulated development aid policies only upon joining the EU (Lightfoot and Szent-Iványi, 2014).

Our independent variable is the strength of PRRPs in the respective European countries. Building on the definition of PRRPs by Mudde (see above) we used data on PRRPs from the *PopuList* database (Rooduijn *et al.*, 2019). *PopuList* is a frequently updated, peer-reviewed selection of populist, far right, far left and Eurosceptic parties which obtained at least 2 per cent of the vote in at least one national parliamentary election since

1998.³ We classified parties as PRRPs if they were defined as 'populist' and 'far right' in the database.

We created three independent variables: PRRPs' vote share in national elections, their seat share in national parliaments and their participation in government. The first two variables depict the indirect impact of PRRPs on development policy, while the third represents their direct effect. Vote share is the most commonly applied indicator of PRRP strength (Abou-Chadi and Krause, 2018; Lutz, 2019), but depending on the electoral system, the respective parliamentary representation can vary.⁴ The average vote share and seat share of PRRPs in our sample had significantly increased, from about 3 per cent in 1990 to about 15 per cent in 2018 (Figure 3). Moreover, the number of countries with a PRRP in government tripled, from about two in 2013 to about seven in 2018 (Figure 4).⁵ We used the *ParlGov* database (Döring and Manow, 2020) to collect information on PRRPs' vote share, seat share and government participation. As our analysis used panel data, we needed to construct time series for these variables. To do so we considered, for each year, the last elections that took place in that or previous years. If one or more elections took place in the given year, a weighted average of that year's election(s) and the previous one was used.⁶

We used different aid variables as our dependent variables, relying on aid data reported by the OECD. Stat database.⁷ To test whether overall aid budgets were negatively associated with the strength of PRRPs (Hypothesis 1), we employed the yearly total aid disbursements of the 23 European countries over the 1990–2018 period. We looked at disbursements and not commitments because the data for disbursements were available for more countries for a longer time period. Conducting the analysis with data on commitments yielded analogous results. Absolute aid disbursements were used as the dependent variable (and not aid as a share of GDP), since governments decide on absolute budget figures. However, employing aid disbursements as a share of GDP as the dependent variable produced similar results.

To test whether the rise of PRRPs affected aid allocations for migration-containment objectives (Hypothesis 2), we used sector-specific aid data from the Common Reporting Standard (CRS) Aid Activity database.⁸ More precisely, we used aid in the CRS sector 'conflict, peace and security'. The sector category contains aid used to strengthening border control and migration management in countries of origin and transit as well as aid related to conflict prevention and peace-building. Conflicts and insecurity are major reasons why people leave their home countries and PRRPs campaign for using aid for migration management (see Section II). As dependent variables, we used either the share of aid commitments in this sector in relation to total commitments or total commitments in this sector. Again, the choice to use disbursements or commitments was driven by data availability. For our sector-specific analyses, we restricted our observation period to 2000–18 because CRS data were less complete

³For the current version see: <https://populistorg.files.wordpress.com/2019/02/populist-version-1-20190211.pdf>. Appendix A, found online in the Supporting Information section lists the PRRPs considered in our analysis.

⁴As we could not disentangle the effects of the two variables because they were highly correlated ($\rho > 0.95$ in our sample), we included them in separate estimations and compared the coefficients.

⁵Non-integer values were due to the weighting of election results in years of one or more elections.

⁶See <http://www.parl.gov.org/>

⁷See <https://stats.oecd.org/>

⁸See <https://stats.oecd.org/Index.aspx?DataSetCode=CRS1>.

Figure 3: PRRPs’ Average Share of Votes and Seats in Parliament in 23 European Countries, 1990–2018 [Colour figure can be viewed at wileyonlinelibrary.com]

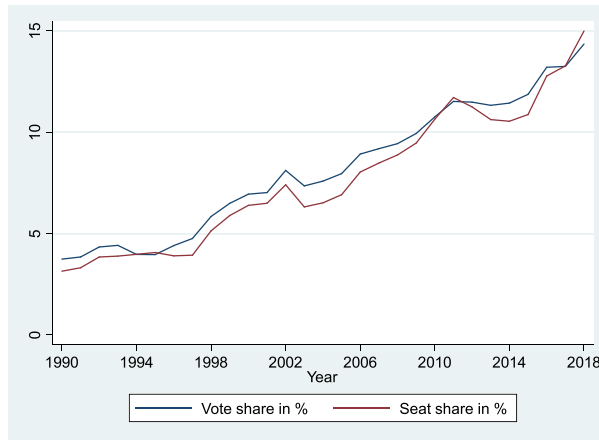
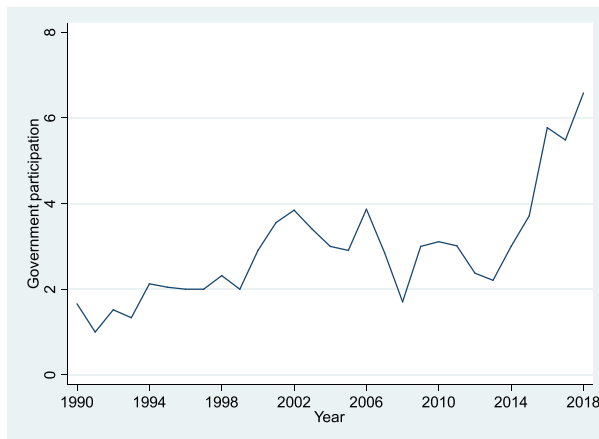


Figure 4: Number of European Countries with a PRRP in Government, 1990–2018 [Colour figure can be viewed at wileyonlinelibrary.com]



before 2000. However, our main findings were also robust with extension of the period to 1995–2018.

To assess whether PRRPs’ rise was linked to shifts in climate-related aid (Hypothesis 3), we relied on OECD data on climate finance.⁹ Analogous to the above, we used the share of aid commitments allocated to this crosscutting theme in total aid commitments,

⁹See <http://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm>. The OECD Rio Markers for Climate were used to identify the projects that have as a principal or significant objective the mitigation of or adaptation to climate change. Note that climate-related development finance not only includes ODA, but also other official flows.

and total amounts as dependent variables (Figure 2). A steady increase of climate-related aid shares can be observed. The substantial jump from 2009 to 2010 is due to the inclusion of aid for climate adaptation in addition to mitigation starting in 2010. In the regression analyses, we controlled for this break in the data by including year fixed effects.

To test whether the rise of PRRPs affected multilateral aid spending to a different degree than bilateral aid (Hypothesis 4), we used either the share of multilateral aid in relation to total aid, or a comparison of multilateral and bilateral aid amounts (Figure 5).

To assess the association between PRRP strength and foreign aid, we employed linear panel data regression models with country fixed effects. We lagged all explanatory variables by one year, as budget decisions take time to materialize and to mitigate endogeneity concerns. An exception is the number of asylum seekers, as this variable was expected to have immediate impact on the aid budgets of European countries, since costs related to refugees and asylum seekers in the host country count as development aid in the first 12 months of stay.

The inclusion of country fixed effects implies that our results do not reflect differences between countries but show how changes in the explanatory variables in a country affected that country's aid budget or allocation. We clustered standard errors by country.¹⁰

The estimation equation is as follows:

$$Y_{it} = \alpha + \beta_1 Y_{it-1} + \beta_1 * Vote/seat_share_{it-1} + \beta_2 * Gov_Part_{it-1} + \gamma' X_{it-1} + \mu_i + \pi_t + \varepsilon_{it} \quad (1)$$

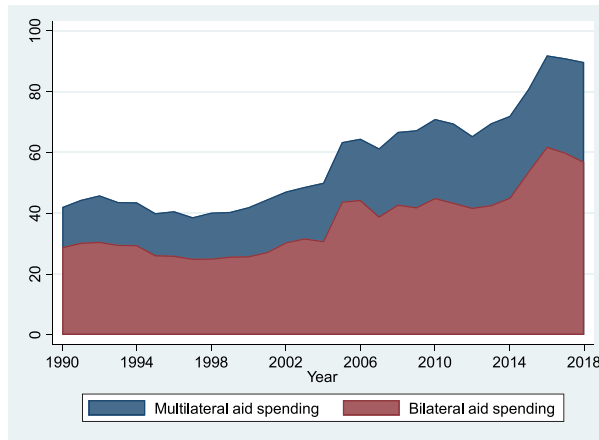
where Y_{it} and Y_{it-1} is the logarithm of the aid budget of country i in year t or $t-1$, the logarithm of multilateral or bilateral aid or the share of the aid budget allocated to projects in the respective category as defined above. $Vote/Seat_share_{it-1}$ is the vote or seat share of PRRPs in country i in year $t-1$, Gov_Part_{it-1} captures whether a PRRP was part of the government in country i in year $t-1$ and X_{it-1} represents control variables, introduced below.

As controls, we used variables commonly applied in the literature on the determinants of aid budgets (Fuchs *et al.*, 2014). GDP per capita was used to measure the state of economic development of a country, as we expected higher aid budgets in countries with higher per capita incomes.¹¹ We controlled for population size, as larger countries are expected to give more aid. We took into account the economic situation in a country by

¹⁰We took into account the relatively low number of clusters (23 countries in total and 18 Western European countries) by applying wild bootstrap standard errors as a robustness check. In a few cases, the significance level of our main variables decreased. As we included the lagged dependent variable in our fixed effects model, we had to deal with the so-called Nickell bias (Nickell, 1981). This bias is particularly severe if the time dimension of panel data is short. To address this, we employed the bias-corrected dynamic panel data estimator by Bruno (2005), which accounts for short T and N (23 countries in our case), as a robustness test (Appendices E and F). Another concern was non-stationarity of the dependent and/or independent variables. To assess this, we used the Phillips-Perron panel unit-root test (Choi, 2001). While we found no evidence that our dependent variables followed a unit root, the test did not reject non-stationarity for vote and seat share and for PRRPs' government participation. We therefore ran first-difference estimations, which indicated that these variables did not follow a unit root. As our results were mostly unaffected by this choice, and given that the power of unit root tests is generally low in small samples, we decided to keep the variables in levels. Appendices D, E and F report the results of the first-difference estimations. Estimations with multilateral aid spending as the dependent variable yielded analogous results (Appendix G, found online in the Supporting Information section).

¹¹Alternatively, we could have used total GDP to measure the size of the economy. Neither variable had significant influence on aid budgets, and the choice did not affect the other findings.

Figure 5: Total Multilateral and Bilateral Aid Spending of 23 European Countries, 1990–2018 (billions in constant 2016 US\$) [Colour figure can be viewed at [wileyonlinelibrary.com](https://onlinelibrary.wiley.com)]



considering economic growth and unemployment rates. Countries with favourable macro-economic conditions were expected to provide more aid. In addition, we included the number of asylum seekers, as migration-related aid might increase in countries with more asylum seekers, because governing parties might seek to use development cooperation as an instrument to reduce asylum-seeker arrivals (Lanati and Thiele, 2018; Dreher *et al.*, 2019).

In extended specifications, we included proxies for public opinion towards development aid, migration and climate change (or environmental protection more generally). We controlled for public opinion because changes in our dependent variables could also be affected by changing public sentiment as public opinion may have a direct effect on foreign aid spending (Heinrich *et al.*, 2018). To measure public opinion, we used Eurobarometer data.¹² Specifically, we collected information referring to the following questions: ‘In your opinion, is it very important, fairly important, not very important or not at all important to help people in poor countries in Africa, Latin America, Asia, etc. to develop?’ and ‘What do you think are the two most important issues facing your country at the moment?’ Immigration and environment/climate/energy were among the possible answers to the latter question. We used the share of survey participants that considered it very or fairly important to help people in poor countries and the share of those who chose migration and climate as key topics for their country.

Finally, in one specification, we included variables capturing government ideology and opposition fragmentation, collected from the Database of Political Institutions. We expected conservative governments to provide less aid than left governments and, perhaps, also to invest less in climate change adaptation and mitigation (Allen and Flynn, 2018). On the other hand, conservative governments may invest more in aid programmes perceived as helping to reduce migration flows, due to their generally more critical positions

¹²See www.gesis.org/eurobarometer-data-service/search-data-access/data-access

on immigration (Bale, 2003). We included fragmentation of a country's opposition because previous authors found an association between a fragmented and weak opposition and decreased aid (Fuchs *et al.*, 2014, p. 177). Appendix B, found online in the Supporting Information section lists data sources and Appendix C, found online in the Supporting Information section presents the descriptive statistics.

IV. Results

According to our analysis, PRRP strength was not associated with a decrease in overall foreign aid spending. Using the logarithm of aid disbursements as our dependent variable and different model specifications (Table 1), results for PRRP vote share, seat share and government participation were positive but not statistically significant. Results remained insignificant when we reduced our sample to Western European countries only. The effect of the variable capturing government participation was also insignificant when vote or seat share were omitted from the estimations. However, the 95 per cent confidence intervals cover a broad range of values that appear quantitatively important. For example, the 95 per cent confidence interval for the effect of a one per cent increase in PRRP seat share on aid spending ranged from -1.1 per cent to $+0.2$ per cent (column 10, Table 1).¹³ Hence, we cannot conclude from our analysis that PRRP strength had no effect on aid budgets.

PRRP strength was associated with shifts in the substantive orientation of aid in regard to migration, climate and multilateral organizations. While the results differ slightly for the three issues, they indicate that the presence of PRRPs as an opposition party matters for the substantive orientation of foreign aid budgets.

In addition, PRRP strength was associated with higher levels of migration containment-related aid (Table 2). Throughout the estimations, PRRPs' vote share and seat share had a consistently statistically significant and positive effect on the share of migration-related aid in total aid (at least at the 5 per cent significance level).¹⁴ In our sample, the average mean of the share of migration-related aid was 3.4 per cent. According to our results (Table 2, column 1), an increase in the vote share of PRRPs by ten per cent led to an increase in the share of migration-related aid by 1.2 percentage points, on average. This corresponds to 35 per cent of the dependent variable's mean (the 95 per cent confidence interval of the effect of a 10 per cent increase is 0.4–2.0 per cent). The effects of PRRPs' vote and seat shares on aid amounts in this sector were also positive, though

¹³In Appendix D, found online in the Supporting Information section, we ran all model specifications without the lagged dependent variable included as an independent variable. Although we observe that the current aid budgets are significantly influenced by aid levels in the past, the inclusion of the lagged dependent variable may take up a lot of explanatory power of the other independent variables (we are grateful to an anonymous referee for pointing this out). Nevertheless, the effects of our main variables of interest remain insignificant with one exception. The effect of government participation is positive and significant the 10 percent level when we also control for the general ideology of the government. This counterintuitive result may be explained by the combination of two facts: on the one hand, the relatively few countries (10) with government participation of PRRPs during our period of observation and, on the other hand, the high correlation between the general ideology of and the likelihood of PRRP participation in the government.

¹⁴The significance decreased to the 10 per cent level in column 2 when we estimated wild bootstrap standard errors in order to account for the relatively low number of clusters (countries). We performed a number of robustness tests with respect to this finding (Appendix E, found online in the Supporting Information section). Using aid to the sector 'conflict, peace and security' as our dependent variable, we tested whether the effect of PRRP strength on migration containment-related aid materialized not only in the composition of the aid budgets but also in absolute aid volumes. In this case, the effects of vote and seat share, while still positive, lost their statistical significance. A potential explanation is that PRRP strength is inversely correlated to overall aid spending (though we found no statistically significant evidence to support this), which may dilute the effect of PRRP strength on conflict-related aid.

Table 1: Aid Budgets as the Dependent Variable, for all European Countries and Western European Countries

	(1)	(2)	(3)	(4)	(5)	(6)
<i>All countries</i>						
Vote share	0.238 (0.353)	-0.069 (0.354)	0.166 (0.478)	0.108 (0.318)	-0.193 (0.331)	0.105 (0.415)
Seat share				-0.030 (0.055)	0.016 (0.070)	0.003 (0.070)
Government participation	-0.031 (0.054)	0.002 (0.067)	0.003 (0.067)			
Lagged dependent variable	0.660*** (0.057)	0.572*** (0.087)	0.635*** (0.074)	0.664*** (0.056)	0.572*** (0.085)	0.636*** (0.074)
No. asylum seekers	0.022*** (0.008)	0.024 (0.015)	0.026** (0.011)	0.023*** (0.008)	0.024 (0.015)	0.026** (0.011)
Per-capita GDP	0.592*** (0.231)	0.387* (0.199)	0.644* (0.343)	0.583** (0.229)	0.402* (0.194)	0.644* (0.343)
Population	-0.051 (0.259)	0.251 (0.376)	-0.086 (0.251)	-0.084 (0.263)	0.216 (0.369)	-0.109 (0.251)
GDP growth	0.012* (0.006)	0.001 (0.006)	0.013* (0.007)	0.012* (0.006)	0.001 (0.006)	0.013* (0.007)
Unemployment rate	-0.009*** (0.004)	-0.015*** (0.004)	-0.006 (0.004)	-0.009** (0.004)	-0.016*** (0.004)	-0.007 (0.004)
Public opinion on aid		0.169 (0.156)			0.148 (0.162)	
Fractionalization (opp.)			0.039 (0.074)			0.041 (0.073)
Left-wing government			-0.077 (0.050)			-0.077 (0.050)
Conservative government			-0.090** (0.042)			-0.089* (0.043)
R-squared	0.860	0.749	0.845	0.859	0.750	0.845
No. obs.	569	399	462	569	399	462
No. countries	23	20	22	23	20	22

Table 1: (Continued)

	(7)	(8)	(9)	(10)	(11)	(12)
<i>Western European countries</i>						
Vote share	-0.199 (0.265)	-0.113 (0.371)	-0.475 (0.365)	-0.391 (0.286)	-0.543 (0.409)	-0.626 (0.360)
Seat share	-0.034 (0.067)	-0.014 (0.086)	0.009 (0.053)	-0.035 (0.067)	-0.012 (0.082)	0.003 (0.053)
Government participation	0.645*** (0.081)	0.574*** (0.099)	0.611*** (0.103)	0.640*** (0.079)	0.566*** (0.095)	0.604*** (0.101)
Lagged dependent variable						
No. asylum seekers	0.027** (0.011)	0.038 (0.023)	0.029* (0.015)	0.025** (0.011)	0.033 (0.023)	0.028 (0.016)
Per-capita GDP	0.310 (0.200)	0.262 (0.213)	0.459 (0.383)	0.317 (0.214)	0.319 (0.194)	0.463 (0.394)
Population	0.423 (0.445)	0.548 (0.531)	0.281 (0.416)	0.435 (0.440)	0.440 (0.486)	0.331 (0.395)
GDP growth	0.008 (0.005)	0.002 (0.006)	0.008 (0.006)	0.008 (0.005)	0.001 (0.006)	0.008 (0.006)
Unemployment rate	-0.013*** (0.004)	-0.015** (0.005)	-0.011** (0.004)	-0.013*** (0.004)	-0.017** (0.006)	-0.012** (0.004)
Public opinion on aid	0.396** (0.167)				0.332 (0.192)	
Fractionalization (opp.)			0.028 (0.073)			0.036 (0.070)
Left-wing government			-0.098 (0.063)			-0.093 (0.064)
Conservative government			-0.090 (0.058)			-0.082 (0.060)
<i>R</i> -squared	0.840	0.755	0.840	0.841	0.758	0.841
No. obs.	481	330	401	481	330	401
No. countries	18	15	17	18	15	17

Note: Standard errors clustered by country in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 2: Migration Containment-Related Aid Shares and Aid Amounts as the Dependent Variables, for all European Countries and Western European Countries

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	<i>Aid shares</i>			<i>Aid amounts</i>					
	<i>All countries</i>		<i>Western European countries</i>		<i>All countries</i>			<i>Western European countries</i>	
Vote share	0.122*** (0.040)		0.143*** (0.048)		2.771 (1.844)		2.805 (1.865)		1.232 (1.730)
Seat share		0.070** (0.033)		0.097** (0.040)		1.208 (1.699)		0.160 (0.332)	0.038 (0.327)
Government participation	-0.001 (0.005)	-0.002 (0.005)	0.002 (0.006)	0.001 (0.005)	0.156 (0.328)	0.036 (0.322)			
Lagged dependent variable	0.485*** (0.050)	0.491*** (0.052)	0.483*** (0.051)	0.490*** (0.053)	0.002*** (0.000)	0.002*** (0.000)	0.002*** (0.000)	0.002*** (0.000)	0.002*** (0.000)
No. asylum seekers	0.001 (0.004)	0.001 (0.004)	0.002 (0.004)	0.001 (0.004)	-0.051 (0.086)	-0.053 (0.087)	-0.050 (0.087)		-0.053 (0.088)
Per-capita GDP	-0.016 (0.054)	-0.007 (0.053)	-0.005 (0.055)	0.004 (0.054)	1.349 (1.932)	1.389 (1.943)	1.375 (1.930)	1.409 (1.940)	
Population	0.198 (0.139)	0.178 (0.136)	0.184 (0.140)	0.164 (0.138)	2.686 (2.961)	2.975 (2.890)	2.648 (2.961)	2.946 (2.891)	
GDP growth	0.000 (0.001)	-0.000 (0.001)	0.000 (0.001)	-0.000 (0.001)	-0.004 (0.038)	-0.012 (0.037)	-0.004 (0.038)	-0.011 (0.038)	
Unemployment rate	-0.002 (0.002)	-0.002 (0.002)	-0.001 (0.002)	-0.002 (0.002)	-0.080** (0.035)	-0.086** (0.034)	-0.080** (0.035)	-0.086** (0.034)	
R-squared	0.495	0.489	0.510	0.503					
No. obs.	338	338	310	310	338	338	310	310	310
No. countries	23	23	18	18	23	23	18	18	18

Note: Standard errors clustered by country in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

statistically not significant. Finally, PRRPs' participation in government had no statistically significant effect on the share of migration containment-related aid. One possible explanation is that coalition foreign policymaking is often shaped by two interrelated factors that were not accounted for in our analysis, and might well affect PRRPs' ability to design foreign policies when in government. One is the allocation of the foreign minister to the senior or to a junior coalition party and the second is the degree of policy discretion ascribed to the foreign ministry (Oppermann *et al.*, 2017).

Previous research indicates that PRRPs influence migration policy by pushing mainstream parties to adopt more restrictive stances (for example Schain, 2006; Verbeek and Zaslove, 2015). Our findings add credence to this proposition, by demonstrating that PRRPs impact not only domestic policy, but also external migration policy, specifically migration-related foreign aid. The 'electoral threat' is a plausible mechanism here. Indeed, PRRPs mobilize and gain votes foremost around the migration issue. Therefore, it is no surprise that governments may increase aid spending to curb migration when PRRPs gain strength. As we controlled for the number of asylum seekers and for public opinion on migration, our results indicate that it was not migration flows or public opinion *per se* which led to the effect. Rather, PRRPs' mobilization on migration seems to have put mainstream parties under pressure to adjust their policies. It should be noted that we did not find a similar effect on sectors of development policy that might prevent migration in the longer term, like job creation. This suggests that the effect was propelled by a short-term attempt by governments to contain migration by strengthening border management and security systems in countries of origin and transit and to tackle the most immediate causes of flight such as conflict and terror.

In addition to migration-related aid, PRRP strength was associated with reduced aid for climate adaptation and mitigation (Table 3). Throughout the estimations, PRRPs' vote and seat share had a statistically significant and negative effect on the share and amounts of climate-related aid. The average mean of the share of climate-related aid was 6.6 per cent in our sample. This means that an increase in PRRP vote share by 10 per cent was associated with a decrease in the share of climate-related aid by 1.8 percentage points on average, corresponding to 27.4 per cent of its mean (based on the estimates in column 1). When weighing countries by their importance as aid donors, the size of the effect increased (Appendix F, found online in the Supporting Information section). Thus governments in large donor countries appear to be especially susceptible to the influence of PRRPs with regard to climate-related aid spending. This result was robust to inclusion of a variable capturing public opinion on climate change. Thus, we can conclude that the changes in climate-related aid spending were not driven by public opinion. Rather, similar to migration-related aid, PRRP electoral strength seems to have had an independent effect on governing parties' policy positions. Again, we found no evidence of reductions in climate aid spending related to PRRPs' participation in government. Previous research notes that climate policy has evolved from a valence issue, characterized by high levels of consensus, to a positional issue, meaning that it is a matter of party competition (Fraune and Knodt, 2018). While climate policy has only recently become important among PRRPs, our results suggest that this policy area is moving more to the fore in electoral competition.

Beyond aid related to migration and climate, we found a correlation between PRRP strength and reduced aid for multilateral institutions, at least in our smaller sample of Western European countries (Table 4). In the model specifications, we used the share

Table 3: Climate Change-Related Aid Shares and Aid Amounts as the Dependent Variables, for all European Countries and Western European Countries^a

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<i>Aid shares</i>			<i>Aid amounts</i>				
	<i>All countries</i>		<i>Western European countries</i>		<i>All countries</i>		<i>Western European countries</i>	
Vote share	-0.180** (0.080)		-0.181** (0.082)	-0.166** (0.076)	-3.286** (1.186)	-2.861** (1.189)	-3.728*** (1.237)	-3.649** (1.393)
Seat share		-0.158** (0.072)		0.014 (0.015)	0.033 (0.242)	0.079 (0.245)	-0.073 (0.238)	-0.045 (0.240)
Government participation		0.015 (0.014)		0.418*** (0.100)	0.266*** (0.076)	0.265*** (0.080)	0.278*** (0.083)	0.276*** (0.086)
Lagged dependent variable	0.424*** (0.094)	0.417*** (0.100)	0.426*** (0.094)	0.418*** (0.100)	0.266*** (0.076)	0.265*** (0.080)	0.278*** (0.083)	0.276*** (0.086)
No. asylum seekers	-0.005 (0.005)	-0.005 (0.004)	-0.005 (0.005)	-0.005 (0.005)	0.188* (0.106)	0.188* (0.105)	0.208* (0.111)	0.208* (0.108)
Per-capita GDP	-0.039 (0.063)	-0.053 (0.070)	-0.038 (0.065)	-0.055 (0.072)	3.285 (2.454)	3.021 (2.534)	3.115 (2.417)	2.770 (2.490)
Population	0.025 (0.116)	0.043 (0.107)	0.022 (0.120)	0.045 (0.110)	10.333*** (3.295)	10.632*** (3.323)	10.472*** (3.267)	10.937*** (3.277)
GDP growth	0.001 (0.001)	0.002 (0.001)	0.001 (0.001)	0.002 (0.001)	0.016 (0.034)	0.021 (0.033)	0.017 (0.033)	0.023 (0.032)
Unemployment rate	-0.004*** (0.001)	-0.004*** (0.001)	-0.004*** (0.001)	-0.004*** (0.001)	-0.041 (0.040)	-0.041 (0.041)	-0.041 (0.040)	-0.043 (0.041)
R-squared	0.728	0.727	0.729	0.728	0.742	0.741	0.747	0.747
No. obs.	275	275	256	256	277	277	256	256
No. countries	22	22	18	18	22	22	18	18

Note: Standard errors clustered by country in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.
^aNote that the period of observation in these estimations is restrained to 2000–17 in the case of climate-related aid because of data availability.

Table 4: Multilateral Aid Shares and Multilateral and Bilateral Aid Amounts as the Dependent Variables, for all European Countries and Western European Countries

	(1)	(2)	(3)	(4)	(5)	(6)
	<i>Multilateral aid shares</i>			<i>Multilateral aid amounts</i>		
	<i>All countries</i>	<i>Western European countries</i>	<i>All countries</i>	<i>Western European countries</i>	<i>All countries</i>	<i>All countries</i>
Vote share	-0.026 (0.116)		-0.066 (0.119)		0.212 (0.507)	
Seat share		0.011 (0.090)		0.047 (0.122)		0.182 (0.405)
Government participation	-0.003 (0.016)	-0.005 (0.016)	0.001 (0.023)	0.003 (0.023)	-0.046 (0.031)	-0.050 (0.037)
Lagged dependent variable	0.601*** (0.043)	0.600*** (0.043)	0.618*** (0.036)	0.623*** (0.036)	0.635*** (0.062)	0.635*** (0.062)
No. asylum seekers	-0.005 (0.004)	-0.005 (0.004)	-0.003 (0.003)	-0.002 (0.003)	0.010 (0.011)	0.011 (0.012)
Per-capita GDP	0.141** (0.058)	0.139*** (0.060)	0.043 (0.052)	0.045 (0.058)	0.976*** (0.274)	0.970*** (0.273)
Population	-0.313* (0.164)	-0.304* (0.165)	-0.182 (0.178)	-0.171 (0.179)	-0.604 (0.365)	-0.607 (0.361)
GDP growth	-0.001 (0.002)	-0.001 (0.002)	0.000 (0.002)	0.000 (0.002)	0.013** (0.006)	0.013** (0.005)
Unemployment rate	0.005*** (0.001)	0.005*** (0.001)	0.005*** (0.001)	0.006*** (0.001)	0.004 (0.005)	0.004 (0.005)
R-squared	569	569	481	481	828	828
No. observations	507	507	508	507	569	569
No. countries	23	23	18	18	23	23

Table 4: (Continued)

	(7)	(8)	(9)	(10)	(11)	(12)
	Multilateral aid amounts			Bilateral aid amounts		
	Western European countries		All countries	Western European countries		
Vote share	-0.509* (0.281)		0.397 (0.357)		-0.101 (0.443)	
Seat share		-0.477* (0.268)		0.198 (0.361)		-0.514 (0.481)
Government participation	-0.056 (0.034)	-0.052 (0.032)	-0.035 (0.086)	-0.034 (0.085)	-0.055 (0.111)	-0.059 (0.110)
Lagged dependent variable	0.490*** (0.124)	0.486*** (0.122)	0.608*** (0.051)	0.610*** (0.051)	0.657*** (0.050)	0.656*** (0.049)
No. asylum seekers	0.017 (0.012)	0.016 (0.012)	0.030** (0.013)	0.031** (0.013)	0.023 (0.015)	0.019 (0.015)
Per-capita GDP	0.639** (0.227)	0.645** (0.231)	0.369* (0.200)	0.365* (0.205)	0.186 (0.223)	0.185 (0.248)
Population	0.288 (0.235)	0.327 (0.250)	0.821 (0.483)	0.766 (0.491)	0.879 (0.704)	0.867 (0.701)
GDP growth	0.007 (0.005)	0.007 (0.005)	0.017 (0.011)	0.016 (0.011)	0.010 (0.009)	0.009 (0.009)
Unemployment rate	-0.003 (0.004)	-0.003 (0.005)	-0.022*** (0.004)	-0.022*** (0.005)	-0.026*** (0.004)	-0.027*** (0.004)
R-squared	0.784	0.784	0.718	0.717	0.749	0.750
No. observations	481	481	569	569	481	481
No. countries	18	18	23	23	18	18

Note: Standard errors clustered by country in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

and amounts of multilateral aid spending as dependent variables. PRRPs' vote and seat share had a statistically significant and negative effect on multilateral aid amounts in the Western European countries (at the 10 per cent significance level). In quantitative terms, an increase in the vote share of PRRPs by 10 percentage points led to a decrease in multilateral aid spending by 5.2 per cent (based on column 7) in these countries.¹⁵ Employing multilateral aid shares as the dependent variable, the effects of PRRPs' vote and seat share were not statistically significant. Again, we found no statistically significant effects for PRRPs' participation in government. Our results thereby provide empirical confirmation of previous research arguing that the rise of PRRPs has made multilateral cooperation more difficult (Colgan and Keohane, 2017; De Spiegeleire *et al.*, 2017). In view of their influence in shifting aid away from multilateral organizations, the rise of PRRPs could have broader implications for the future of multilateral cooperation.

Conclusion

Has the rise of PRRPs impacted European aid spending, and if so how? Parties on the left and right of the political spectrum have always held different positions on the objectives, purposes and instruments of development aid. Yet, they have generally concurred on the overall legitimacy of aid provision. PRRPs, instead, fundamentally question that development aid should be provided to countries of the Global South or they call for using aid only in cases where it is supposed to contribute reducing the number of refugees coming towards Europe.

In the analysis presented here, we found that the rise of PRRPs is not a 'niche issue' but has broad-based implications for the orientation of foreign aid. In our period of investigation, PRRP strength did not have a statistically significant negative impact on overall aid budgets. Instead, European governments have responded to the rise of PRRPs by changing the substantive orientation of foreign aid. They have used aid for pursuing a more nationally-oriented development policy, translating into greater emphasis on migration and less emphasis on climate action and multilateralism. Indeed, since the 2015 migration crisis, European governments have adopted a new narrative on foreign aid, framing aid as an instrument for stemming migration (Bergmann *et al.*, 2021; Lauwers *et al.*, 2021). The findings from our analysis suggest that this has enabled governments to 'ring-fence' overall aid budgets.

In addition, our results show that the 'electoral threat' of PRRPs as a key mechanism for changes in aid allocations does not only work for migration policy, but also for the climate–development nexus and aid provided for multilateral organizations. Previous work has demonstrated that particularly in the field of migration policy, PRRPs influence decision-making by putting mainstream parties under pressure to adjust their policy positions (Schain, 2006; Williams, 2018). Our research suggests that as climate policy and multilateral cooperation are becoming more relevant topics for PRRPs, mainstream parties feel pressured to also adjust development aid budgets related to these fields. Even when controlling for public opinion, PRRPs' share of the vote and seats in parliament were linked to changes in aid allocations.

¹⁵For comparison, we also estimated regressions with bilateral aid amounts as the dependent variable. The effects of vote and seat share on bilateral aid, while also negative in the sample of Western European countries, never reached statistical significance (Appendix G, found online in the Supporting Information section).

PRRPs' negative impact on aid related to climate change was particularly pronounced in the larger European donor countries. Previous research shows that the larger European donors and the EU institutions influence the overall orientation of European development policy (Carbone, 2007). If key European donors link aid more strongly to national interests in response to the rise of PRRPs in their countries, collective action and coordination among European donors (Bodenstein *et al.*, 2017) might become even more difficult.

Our paper has provided first evidence on the tangible impact of PRRPs on foreign aid budgets across European countries. Future research could further investigate how the rise of PRRPs across European countries and their presence in the European Parliament affect foreign aid decision-making processes at the EU level and notably development assistance provided by the EU institutions as well as the EU collectively.

Acknowledgements

The authors would like to thank Julian Bergmann and Daniel Stockemer as well as two anonymous reviewers and the JCMS editors for their valuable comments on earlier versions of this paper. We would like to thank Anna Katharina Hörter and Alma Wisskirchen for their research assistance.

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Supporting Information

Additional supporting information may be found online in the Supporting Information section at the end of the article.

Appendix S1. Supporting information.