The Far Right and International Organizations: How the Far Right in Government Affects Foreign Aid Funding

Alexandros Tokhi & Lisbeth Zimmermann

Goethe University Frankfurt am Main*

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Abstract

The Far Right is on the rise, winning elections and entering government globally. Whereas they heavily politicize international cooperation, existing research finds that far-right governments have rather limited effects on the operation and policies of international organizations (IOs). Analyzing the funding of IOs' development aid, we argue that donor governments with far right parties undermine IOs by systematically reducing their earmarked contributions. They do so because they cannot unilaterally control the liberal purposes and mandates of most IOs and fully align them with their anti-migration policies. We examine our argument with new data on earmarked funding commitments of 37 democratic donor states of the OECD between 1990 and 2020, and expand data on far-right parties beyond Western Europe. Using three-way fixed effects and dynamic balancing weights, we tackle important sources of static and dynamic confounding with marginal structural models. Across a series of regression analyses, we find that governments with far-right parties reduce their earmarked commitments to IOs by 30 percent on average, while they do not differ in their bilateral aid commitments from governments without far-right parties. A major implication of our research is that the far right not only politicizes IOs, but tries to directly undermine their operation and impact when IOs cannot be brought in line with their goal to fight migration with foreign aid.

Keywords: Far Right; International Organizations; Earmarked funding; bilateral aid; Party Politics

*Corresponding author: tokhi@soz.uni-frankfurt.de For helpful comments and feedback, we thank participants at the ECPR General Conference 2023 and at the Earmarked Funding of IOs Workshop at the University of Glasgow in 2023. For research assistance we thank Pauline Helms.

1 Introduction

The rise of the far right poses a challenge for international politics. Radical and extreme right parties have increased their votes and have entered governments in European, North and South American, or Asian democracies. From their new positions of influence, far-right parties often openly reject international institutions and organizations (IOs). Austria's formerly governing Freedom Party refused to sign the UN's Global Compact for Migration, and the Trump administration rescinded its ratification of the Paris Climate Agreement. These examples reflect a larger trend in which far-right parties in democracies drive the backlash against IOs by politicizing—real or purported—international constraints on sovereign nation states (Copelovitch et al., 2019; Walter, 2021a).

The nature of far-right challenges and, most notably, their effects on IOs are still debated, however. Despite strong expectations to the contrary (Copelovitch et al., 2019), research on populism—in its far-right variant—and IOs found that far-right parties in democracies are more successful in criticizing international institutions than affecting their operation, overturn their policy impact, or dismantle their authority. Neither do far-right governments leave IOs more often than others (von Borzyskowski et al., 2019), nor do they cause IO withdrawal cascades (Walter, 2021b). Instead, the far right often continues to (informally) cooperate with IOs, while publicly denouncing their decisions and procedures (Carnegie, Clark, & Kaya, 2024). As public sentiment against multilateralism grows in Western societies (Bearce et al., 2019), far-right parties seek to maximize their electoral gains by contesting IOs and the constraints they impose (Kiratli et al., 2024), but they rarely follow through on their anti-IO agenda once in government (Voeten, 2020). This has led to claims that far-right governments "bark, but don't bite" (Moravcsik, 2023).

However, to the extent that the far right wishes to consolidate and expand its electoral success, it would have to deliver also on its policy promises to change international policies that threaten national homogeneity and sovereignty. Once in government, there are many routes—perhaps less extreme than IO withdrawals—through which the far right can affect IOs by its unilateral actions (Carnegie, Clark, & Kaya, 2024). Another route, less explored in the literature, is the funding of IOs. Constituting an important area of IO activity, the bulk of IO resources for promoting "economic development and welfare of developing countries" (OECD, 2024) comes from voluntary contributions of donor governments to IOs (Reinsberg et al., 2024). Donors

thereby earmark their funds for specific project goals or regions, retaining control over IOs (Graham, 2017; Heinzel et al., 2023). Being an additional tool in donors' foreign aid toolkit, we contrast earmarked funding with direct bilateral aid. This provides us with an ideal setting in which to examine the impact of far-right governments on IO funding. Not only should the preferences of donor governments be similar in these two channels of foreign aid, but both also reflect voluntary measures that, unlike assessed contributions, can be changed more readily. In both bilateral aid and earmarked funding, donors have considerable discretion over the amount and allocation of foreign aid, and, importantly, control IOs rather than being controlled by them. In this setting, far-right governments have many options to decide about their foreign aid spending, affecting not only overall aid budgets, but in particular the funds available to IOs and thereby their effective operation and performance.

We argue that the far right in government undermines IOs by systematically reducing their earmarked funding commitments. They do so because they cannot unilaterally control the liberal purposes and mandates of most IOs and fully align them with their anti-migration policies. The far right's nativist ideology breeds strong preferences to fight migration (Mudde, 2007), with foreign aid being a potent tool to achieve their goals. In principle, earmarked funding offers far-right governments ample scope to tie their funding to very specific conditions, including migration-related measures, and to take advantage of the benefits of delegation to IOs, such as more efficient implementation and burden sharing (Dreher et al., 2022; Milner et al., 2013). However, the policy proposals of far-right governments can quickly become incompatible with the aid objectives and mandates of most IOs to promote human development, social justice, and equitable growth. To the extent that far-right governments remain a minority among IO member states and given that the IO has other options to mobilize funds, far-right governments lack the leverage to align the liberal character and purposes of most IOs with their anti-migration agenda. Given the inability to quickly change the course of IOs, bilateral aid promises far-right governments more control over the contents of their aid policies, such as demanding migrant return agreements from recipients in exchange for funds. As a result, the far right in government will reduce earmarked funding to IOs, threatening thereby the aid activities and operative effectiveness of IOs, while trying to pursue its anti-migration objectives via bilateral aid channels instead of cutting foreign aid altogether.

We examine our argument with novel data. Specifically, we use the earmarked funding data set, developed by Reinsberg et al. (2024), to obtain information on the earmarked commitments of 37 democratic donor states of the OECD's Development Assistance Committee (DAC) from 1990 to 2020. We complement this data with information on the same donor governments' bilateral aid commitments from the OECD's Creditor Reporting System. Using information from the PopuList (Rooduijn et al., 2023), the Comparative Manifesto Project (Lehmann et al., 2023), and PartyFacts (Döring et al., 2019), we refine and expand the coding of far-right parties to include governments beyond Western Europe. With its larger geographic and temporal scope, our data allow us to draw broader conclusions about far-right governments' foreign aid spending. To estimate the effect of far-right governments on IO earmarked funding, our research design tackles inferential threats stemming from static and dynamic confounding. To address biases due to time-invariant potential confounders, we use three sets of fixed effects: at the country, year, and aid sector levels. To balance our sample on time-varying potential confounders, including our main independent variable itself, we compute time-varying weights that remove observable differences between governments with and without far-right parties at each point in time.

In a series of regressions, we find that, across all aid sectors, countries, and time, governments with far-right parties reduce their earmarked commitments by about 30% on average, compared to governments without far-right parties. In terms of bilateral aid spending, far-right governments do not differ from their non far-right counterparts. Additional checks and causal sensitivity analyses support this finding. When the far right participates in OECD donor governments, it substantially reduces earmarked funding to IOs. Part of this is driven by the strong desire of far-right parties to fend off migration, and the limits IOs put on this through their liberal mandates and policy orientation. It is along these lines that Austria's formerly governing Freedom Party (FPÖ), for example, demanded to cut funds for the UNHCR, because it enabled free migration of Afghans to Austria.[1]

Our paper makes important contributions. First, we find that the far right not only barks, but also bites (Moravcsik, 2023). When its nativist ideology is in government, the far right directly reduces IO resources. The far right is not only a vocal critic of IOs (Voeten, 2020), but also uses the routes available to it to unilaterally undermine IOs (Carnegie et al., 2020). Second, our argument contributes to debates about multilateral aid and earmarked funding (Graham, 2017;

[1]Proposal brought forth by the FPÖ's spokesperson for development aid, Dr. Axel Kassegger, in the Austrian Parliament on February 23, 2022. See parlament.gv.at.

Heinzel et al., 2023; McLean, 2012; Milner et al., 2013). Existing research discusses earmarking as a solution to donor concerns about controlling IOs (see Milner et al., 2013); earmarking increases flexibility while creating benefits from delegation. However, the ideological differences between donors and IOs, or between donor countries, have been neglected in arguments about earmarking decisions. As our argument suggests, the problem of control manifests itself at a more fundamental, and less operational, level, namely when the liberal mandate of IOs—which cannot be easily changed—clashes with far-right policy priorities. Finally, we contribute to the literature on foreign aid and populism (Hackenesch et al., 2022; Hammerschmidt et al., 2022; Suzuki, 2023). We have argued and shown that the far right does not reduce foreign aid overall because it dislikes it, as some suggest and find (Hammerschmidt et al., 2022). Rather it uses it as a tool to fight migration, seeking opportunities to realize its goals. In contrast to previous studies (Hackenesch et al., 2022; Heinrich et al., 2021), we show that the far right in government does have substantial negative effects on foreign aid—when it is channeled through IOs.

2 State of the art

Research in comparative politics, European studies, and foreign policy studies has shown that far-right parties have decisively changed national and European policy discourses as well as the style of foreign policy. These effects far outweigh the substantive changes of policies and institutions the far right can achieve when in government, however (Heinisch, 2003; Verbeek et al., 2015). Because they make certain issues salient (Akkerman et al., 2016; van Spanje, 2010), such as immigration control, far-right parties win elections and hence pressure governments—often with success—to change course (Abou-Chadi et al., 2020), while their track record in government is more mixed (Lutz, 2019). Similarly, in the European Parliament, the far right changes the salience of issues they "own", but not necessarily policymaking (Chiru et al., 2023) as it is divided and does not have a majority (McDonnell et al., 2019). The foreign policy positions of far-right parties (Hofmann et al., 2021; Raunio et al., 2020) often represent "reactionary internationalism" (de Orellana et al., 2019) and advance authoritarian and highly personalized leadership styles (Destradi et al., 2019), shifting thereby the tone, but not necessarily the substance of international politics.

A similar diagnosis holds for the debate on populism—in its far-right variant—and IOs. While expectations suggest that the far right directly affects IOs and undermines its policies and procedures (Copelovitch et al., 2019), the evidence echoes findings from comparative studies. Populist governments in European and Latin American democracies do not withdraw more often from IOs than others (von Borzyskowski et al., 2019, p. 356); and even when they do leave, such as the UK did from the EU, they do not necessarily cause others to follow (Walter, 2021b).[2] Instead, far-right parties, in both opposition and governments, vocally politicize international institutions (Ecker-Ehrhardt, 2014; Kiratli et al., 2024; Spandler et al., 2023; Voeten, 2020; Walter, 2021a), but with little substantive changes in global policymaking, let alone a dismantling of IOs. In public, populist governments are highly critical of authoritative IOs, while they often continue to informally cooperate with them (Carnegie, Clark, & Kaya, 2024). As public sentiment turns increasingly against multilateralism and IOs in Western societies (Bearce et al., 2019), far-right parties seek to maximize their votes by publicly challenging IOs and international courts (Voeten, 2020). Apparently, the far right barks, but doesn't bite (Moravcsik, 2023).

However, in order to enhance their policy credibility and thus their votes and influence, far-right parties would also have to follow through on their anti-IO stance. In addition to leaving an IO, there are many other ways in which the far right can affect IOs through its unilateral decisions. Scholars have recently begun to pay more attention to these more subtle but nonetheless consequential ways of undermining IOs. Populist governments mislead IOs by providing them with inaccurate and often false information (Carnegie, Clark, & Zucker, 2024), thereby inhibiting IOs' information-generating functions (e.g., compliance monitoring).

Another way of targeting the functioning and impact of IOs is through their funding. To make a difference, many IOs promote economic development and social well-being throughout the world with their development aid. A growing portion of IOs' development budget comes from donor governments' voluntary financial contributions in the form of earmarked funding (Reinsberg et al., 2024). This allows donors to tie their voluntary funds to specific projects, and to define how and for what purposes IOs spend their money. While earlier research focused on when and why states channel funds through IOs in general (Bobba et al., 2006; McLean, 2015; Milner et al., 2013), recent work has analyzed the considerable donor control of IOs

[2]Focusing on nationalist leaders in both democracies and nondemocracies, Choi (2022) finds some support for a nationalism between IO withdrawals.

that earmarking provides (Eichenauer et al., 2017; Goetz et al., 2017; Graham, 2017) and the consequences this has for IO performance and future funding (Heinzel et al., 2023; Reinsberg et al., 2024). Less attention has been paid to questions of the political ideology and the ensuing foreign aid preferences of donor governments and how this may moderate and affect earmarked funding of IOs.

Despite the importance of earmarked funding in development policies, the literature on the populist radical right and foreign aid has not given much attention to it. This is noteworthy, as a series of works has offered important insights into the foreign aid policies of the far right. Through analyses of their foreign aid positions (Ostermann et al., 2022) and their strong public politicization of foreign aid (Hackenesch et al., 2021), scholars have shown that the European far right demands foreign aid to serve its anti-migration policies. Most studies in this field also investigated whether the populist radical right has direct (via government) or indirect (via opposition) effects on donor governments' foreign aid decisions (Hackenesch et al., 2022; Hammerschmidt et al., 2022; Heinrich et al., 2021; Suzuki, 2023). Despite thorough analyses, however, findings differ quite markedly. Some uncover an indirect effect only, suggesting that the far right in government does not change much in terms of foreign aid (Hackenesch et al., 2022; Heinrich et al., 2021). Others, by contrast, find that far-right governments reduce aid spending in general (Hammerschmidt et al., 2022), raising questions about whether these cuts are due to reductions in donors' earmarked funding or bilateral aid, as the outcome variables in these studies comprise commitments for both aid channels.

3 Controlling foreign aid: why the far right avoids IOs

The far right comprises radical-right and extreme-right parties that share an authoritarian and nativist ideology. While the former accept democratic politics, the latter often seek to violently overthrow them (Pirro, 2023). Despite debates about its authoritarian ideology,[3] comparativists agree that nativism constitutes the ideological backbone of the far right. Representing an extreme form of nationalism, nativism captures the idea that "states should be inhabited exclusively by members of the native group" (Mudde, 2007, p. 19). This (imagined) nation is, according to this worldview, threatened by nonnative persons and ideas; a threat the far right

[3]Authoritarianism can mean either law and order policies (Mudde, 2007) or social inequality (Pirro, 2023).

seeks to minimize. To effectively pursue this goal, the far right will adjust it to different policy fields, resulting in different positions and the use of different policy tools. With respect to its international policies in general, and foreign aid in particular, the far right's most salient policy concern is to effectively reduce migration.

Nativist ideology breeds anti-migration policies, and also influences the far right's foreign aid preferences (Hackenesch et al., 2021; Suzuki, 2023). According to some analysts, the far right in donor countries would like to cut foreign aid altogether because it represents a generous subsidy of foreigners (Heinrich et al., 2021). In line with this, many far-right parties politicize their governments' aid policies, demanding cuts and changes (Hackenesch et al., 2021; Heinrich et al., 2021; Kiratli, 2021). However, foreign aid is not a simple transfer of money to the needy without returns. Instead, it buys influence over recipient countries and serves as a powerful tool to advance donor governments' interests (Alesina et al., 2000; Dreher et al., 2015), including in the case of multilateral aid (McLean, 2015). While far-right parties may politicize foreign aid because it is used for the wrong ends, they may nonetheless value its potential to fend off migration. Far-right parties have incentives to use foreign aid as tool to reduce migration.

To use this tool, however, it is not enough to remain in opposition. Political parties, particularly new contenders such as most far-right parties, care about the consistency between their (electoral) promises and policies (Greene et al., 2018). While they are often influential when in opposition, staying there gives rival governing parties control over the exact contents and implementation of policies, and, more importantly, over the benefits these policies may entail. Far-right parties do not stop at influencing governments from the opposition, but have strong incentives to continue—if not intensify—their efforts to use foreign aid to fight migration once in government. This promises to deliver tangible benefits for their constituents and helps to stabilize and extend their political influence.

The far right in donor governments

In government, far-right parties gain authority to define and implement foreign aid as a tool to thwart off migration and deliver concrete policies to their constituents, whose eventual benefits they can credibly claim for themselves. Government offices provide the far right with critical capabilities that allow them to tailor foreign aid to their policy priorities (Hammerschmidt et al., 2022; Lutz, 2019; Suzuki, 2023). In addition to setting policy agendas, drafting public

budgets, and overseeing expenditures, representatives of far-right parties become ministers or heads of public agencies that are active in development cooperation. Moreover, a country's diplomatic channels give the far right access to recipient governments and IOs' decision-making and governing bodies. The access to other governments and IOs critically informs far-right parties about the range of possible foreign aid policies, shaping their funding decisions.

Together, these policymaking capabilities give far-right parties direct influence over donor governments' foreign aid channels, allowing them to determine not only whether money should be spent, but also how much and to which purposes. Traditionally, donors directly channel foreign aid to recipients via bilateral aid, tying the funds to specific projects. Donors can also bypass recipient governments and give foreign aid to domestic, transnational, or even local NGOs in recipient countries to carry out development projects (Dietrich, 2013).

Complementing bilateral aid, donors also increasingly channel foreign aid to recipients via IOs in the form of earmarked contributions (Eichenauer et al., 2017; Graham, 2017). Donors thereby task IOs and their staff to manage and disburse their contributions, while specifying in which countries, for which projects, and themes the contributions should be spent. Such earmarked contributions have increased in the past decades, relative to IOs' core contributions, as they offer an alternative route to exercise control over how and to which ends donor money is spent (Reinsberg et al., 2024). In contrast to regular core funding of international organizations, both bilateral aid and earmarked funding represent voluntary contributions of donor governments to recipients. In both cases, donors retain discretion over the amount of foreign aid they are willing to commit and over how the money should be spent.

Participation in government offers many pathways to pursue specific goals via foreign aid. However, the far right is constrained in its ability to re-purpose foreign aid in accordance with its policy objectives, due to forming governing coalitions with other parties and due to its interactions with IOs in deciding about earmarked funding.As both coalition partners and IOs might influence far-right aid policies, we discuss each in turn.

To enter government in established democracies, far-right parties need to strike coalition agreements with other parties; they rarely win a governing majority on their own.[4] According

[4]Coalition governments with multiple parties are the norm in proportional voting systems. Yet even in majoritarian systems with two dominant diverse catch-all parties, the intra-party groups close to the far right need to compromise with more moderate intra-party factions. An example is the European Research Group within the UK's Conservative Party that is very influential, but that nonetheless has to arrange itself with more mainstream conservative factions.

to many observers, intra-coalition dynamics and day-to-day governing routines should moderate the far right's positions and contribute to its limited policy success, resulting in symbolic rather than substantive changes (for a discussion, see Lutz, 2019). However, while it may tone down its populist rhetoric, the far right is very unlikely to moderate its policy goals (Akkerman et al., 2015). They want to establish policy consistency on the issue they "own", showing their supporters that they can indeed deliver on their goal to reduce migration and use foreign aid to that end. Far-right parties will therefore not only pursue their goals with resolve, but also condition their support of governing coalitions on whether their top priorities are met. In 2001, for example, the Danish Liberal and Conservative parties needed the votes of the radical-right Danish People's Party to form a government. While the latter stayed out of government, the liberals and conservatives secured its support with a fundamental historical change in Denmark's foreign aid policies: not only was the aid budget reduced, cutting in particular money for multilateral institutions, but the remaining funds where partially shifted to security and migration-containment measures (Engberg-Pedersen et al., 2021; Lancaster, 2006). The example also suggests that far-right parties do not have to necessarily enter government; their support for a minority coalition can be already enough to effectively pursue "their issues" and substantively change foreign aid.

The policy distance to their coalition partners is another reason why far-right parties often succeed in implementing their policies in government. Progressive or green parties almost never build coalitions with parties from the far right. Instead, the most likely partners are mainstream right-wing or conservative parties. Notwithstanding their many disagreements, coalitions of mainstream right-wing and far-right parties lower ideological heterogeneity, often resulting in a smaller distance of their respective policy proposals (de Lange, 2012; Suzuki, 2023). In contrast to progressive parties that seek to reduce poverty and extend social welfare to developing countries (Thérien, 2002), mainstream right-wing parties use foreign aid to advance national interests (Allen et al., 2018; Greene et al., 2018; Tingley, 2010), emphasizing trade, economic, or security benefits. The focus on advancing national interests appears more compatible with demands to protect the nation from the threats of migration. This relative proximity of positions creates room to agree on common policies, combining therefore right-wing demands with far-right policy priorities. For example, Italy's prime minister, Giorgia Meloni, promotes in her so-called "Mattei plan" energy cooperation with North African countries, promising direct investments of Italian industry, while at the same time conditioning these investments on tackling

migration from North Africa.[5] The plan reflects policy compromises of her coalition of far-right and mainstream right parties. Moreover, in coalition governments, foreign aid decisions are not only made by one ministry, but typically involved different ministries and public agencies. As a result, the foreign aid policies of governments with far-right participation will feature a combination of different goals—bridging measures to fight migration with action to advance national economic interests.

The far right and earmarked funding

The intra-coalition agreement on the purposes of foreign aid has implications for decisions about the funding channels to be used and for the amount of foreign aid. IOs offer different opportunities and constraints. Channeling voluntary contributions through IOs offers many benefits to donor governments (Dreher et al., 2022; Milner et al., 2013). First, dedicated IO staff with thematic and geographic expertise facilitate the efficient project implementation (Heinzel, 2022). Second, the review and monitoring procedures of IOs increase transparency regarding the use of funds in recipient countries, mitigating donor concerns about possible corruption——a concern repeatedly voiced by far-right parties.[6]. Third, and most importantly, earmarked funding gives donors considerable control over IOs' development work. Not only can donors rescind their monetary commitments without much effort, they also can define conditions for where and how the IO should use the funds (Eichenauer et al., 2017; Graham, 2017; Reinsberg et al., 2024). These conditions can attach quite significant strings to donor's earmarked contributions, in the form of precise thematic, geographic, or project-related requirements. For example, Germany funded the UN Office on Drugs and Crime (UNODC) to deliver investigative equipment to Mozambique's national criminal services (geographic string) to fight terrorism (thematic string).[7] Earmarked funding allows donors to closely align IOs' development work with their preferences, offering important advantages over core contributions to IOs, and, in cases where efficiency, accountability, and the implementation of conditions are desired, even over bilateral aid (see Dreher et al., 2022; Dreher et al., 2018).

[5]For details on the Mattei plan, see rfi.fr

[6]For example, Austria's FPÖ spokesperson for development cooperation, Dr. Axel Kassegger, criticized the corruption in the disbursement of foreign aid, suggesting also the involvement of the IMF. See parlament.gv.at from May 2020.

[7]See UNODC: unodc.org

The flexibility and level of control offered by earmarked contributions could be an attractive instrument for donor governments with far-right participation. Public statements by far-right policymakers suggest that the use of international institutions with bite is a viable option for them. For example, the candidate for the European Parliament elections in 2024 of the Alternative für Deutschland (AfD), Maximilian Krah, would use the pooled resources and authority of the IO to protect Europe's external borders, while ending binding legislation and oversight of Brussels over its member states.[8] The far right often seems less concerned with using authoritative IOs for its ends, as long as they bind others, but not itself.

However, the possible benefits of earmarked funding schemes still come with a significant cost for donor governments with far-right participation. Far-right governments cannot fully align their anti-migration preferences with the liberal policy mandate and character of most IOs. While donor governments with far-right parties can propose or decide to participate in projects that specifically target migration, the IO retains, despite the possible earmarking strings, the discretion to accept donor proposals or not. In some cases, agendas might align enough between the IO staff, other donors, and the donor government with far-right participation. However, in other cases, the IO may also reject funding proposals of far-right governments as they are bound to observing human rights and pursue development policies based on liberal values and principles (see McLean, 2012). This can lead to a clash between their liberal mandate and far-right governments' proposals. For example, Giorgia Meloni would probably have a hard time to find IO support for her deal with the Albanian government on running internment camps in Albania for migrants rescued at sea by Italian boats.[9] But even in less extreme cases, such as in declaring domestic expenditures for refugees as foreign aid (Engberg-Pedersen et al., 2021, p. 135), states are bound to international definitions and standards that put a limit on re-purposing foreign aid.

Governments with far-right participation often propose projects that conflict with international organizations' (IOs) liberal policy mandates. While IOs aim to secure as much funding as possible, accepting such proposals risks their reputation among other donors and staff. Other governments might withdraw their (monetary) support, while staff will internally object. This incentivizes IOs to reject far-right proposals, as long as far-right governments remain a minority

[8]See interview of Maximilian Krah by Thilo Jung at "Jung&Naiv" (at 1 hour and 28 minutes) from April 19, 2024, youtube.com

[9]On her plan, see the Guardian's Lorenzo Tondo on November 6, 2023, guardian.co.uk

among donors. In addition, IOs can develop their own projects and seek funding of private actors, reducing their reliance on far-right governments' resources at least to some extent (Zimmermann et al., 2024). In turn, far-right parties would need substantial backing from other donors to alter the liberal policy mandate and principles of IOs in a manner that aligns them more closely with their anti-migration agenda. Anticipating the difficulty of changing IOs when there are few allies and a great deal of ideological diversity among them, the far-right will struggle to unilaterally compel IOs and their staff to accept proposals that serve far-right policy goals. Consequently, the far right in government would be disinclined to channel aid through IOs, reducing therefore its earmarked funding.

Summary and expectations

The liberal content of IO development policies and goals clashes with the far right's policy priorities. Far-right parties want to maximize control over foreign aid resources they are willing to spend to fight migration. The liberal mandate of most IOs as well as the ideological diversity of member states put a limit on the far-right's goals. Because it cannot fully control and redefine the liberal character of most IOs' development aid, the far right in government will cut its earmarked contributions to IOs. Accordingly, we expect the following relationship to hold:

Hypothesis 1. *If the far-right parties participate in donor governments, earmarked funding is likely to decline compared to donor governments without far-right parties*

To the extent that IOs' liberal mandate and policies constrain the far right, donor governments with far-right participation are likely to use bilateral aid to advance their national economic interests coupled with anti-migration projects. While bilateral aid may entail loss of efficiency and accountability in project implementation, the benefits for governments with far-right parties go beyond the re-purposing of funds from social and human development to fending off migration. First, with bilateral aid, far-right governments can try to achieve immediate gains by channeling funds to measures where they can credibly claim to make a difference. Second, bilateral aid allows governments to empower local allies and NGOs in recipient countries that advance donors' ideas and policies (e.g., Greene et al., 2018, p. 288). This not only helps the far right to show their constituents that their policies and ideology resonate in the world, but to build a network of allies that projects and advances their policy agenda internationally.

Far-right parties in government would therefore have incentives to use bilateral aid. For example, Austria's formerly governing Freedom Party (FPÖ) strongly advocated for increasing the country's bilateral aid budget, conditioning them on recipients accepting return agreements.[10] As a result, far-right parties in government do not necessarily want to cut bilateral aid, particularly not if it can serve its goals. Accordingly, we expect the following relationship to hold:

Hypothesis 2. *Donor governments with far-right parties do not differ in terms of bilateral aid from governments without far-right parties*

4 Research design

To empirically examine our hypotheses, we develop a research design that addresses important challenges in estimating the effect of governments with far-right parties on their foreign aid funding. These include the over-time imbalance of governments with and without far-right participation as well as sources of static and dynamic confounding. Before we discuss our solutions to these challenges, we present our sample and data. Here, we broaden the temporal and geographic coverage of our data and extend the coding of far-right government participation beyond Western Europe. Taken together, our research design allows us to increase confidence in our effect estimates and to draw broader conclusions about the influence of the far right on donor governments' foreign aid.

Sample and outcome data

Our sample includes 37 democratic donor countries that report their aid activities to the OECD's Development Assistance Committee (DAC). While the set of DAC donors comprises 47 countries, we exclude all nondemocracies. We do so, because in authoritarian regimes the probability of having a far-right party in government does not vary with elections. To determine whether a given DAC donor is a democracy or not, we use the updated data from Boix et al. (2012).[11] Our time frame covers the years from 1990 until 2020. However, not all countries in our sample were reporting to the DAC, either because they were not independent (e.g., Lithuania in 1990) or not

[10] See Proposal brought to Parliament by FPÖ in September 2023: parlament.gv.at

[11] A borderline case is Turkey from 2016 on. Yet, excluding or including Turkey in our analysis does not change our main findings, see Table C.9 in the Appendix. We also provide robustness checks that code Turkey as having an RRP government throughout the entire period of observation. Results are again similar to our main findings, see Table C.11.

in the OECD (e.g., Poland before 1996). Therefore, we start observing each country from its first year of DAC reporting until the year 2020. In addition to donor countries and years, we also consider the sectors of aid as defined by the OECD. The OECD distinguishes between different sectors of aid, including disaster relief, funding for schools, or support for domestic industry. The OECD sector codes allow us to determine for which specific activity donors give funds. Given the large number of OECD sector codes, we group them to thematically related clusters or issue areas. Specifically, we define nine issue areas: Social welfare, Political system, Economy, Public utilities, Disaster assistance, Environment, Other, Migration, and Human Rights.[12] We add the issue-area level to our data, because we want to capture important structural differences of aid activity. For example, the annual variability in disaster relief funding is very high, setting this aid activity apart from aid toward the domestic economy. With the classification of issue areas, we observe foreign aid funding for each country, issue area, and year, resulting in 4667 observations.

Having defined our sample and units of observation, we use the earmarked funding data set developed by Reinsberg et al. (2024) to measure our first outcome variable. This is defined as the amount of monetary commitments (in constant million US dollars) made by DAC donors to IO aid projects. We focus on commitments, instead of monetary disbursements, for two reasons. First, the OECD can more reliably translate the donors' monetary pledges to the annual level than actual disbursements that cannot be allocated ex post to a specific year and that often reflect past governments' policy choices. Second, donors decide on commitments almost on an annual level and therefore more closely reflect their contemporaneous intention to allocate foreign aid (see also Hammerschmidt et al., 2022). We measure amount of earmarked commitments to IOs across donor states, issue areas, and years. In our sample, donors commit on average 67 million US dollars per year to IOs in the context of earmarked funding (s.d. 278 million USD).

We use data from the OECD's Creditor Reporting System Aid Activity Database to measure our second outcome variable, which is the amount of bilateral commitments made by donors. We clean this data from earmarked funding and other contributions to multilaterals which are also channeled through IOs, obtaining thereby the amount of bilateral commitments per donor country, issue area, and year. On average, the direct bilateral aid is much higher than earmarked funding commitments. Specifically, and across all issue areas, donors, and years, the average

[12]For details, see Section A.2 in the Appendix

bilateral aid commitments amount to 427 million (constant) USD per year (s.d. 1014 million USD).

Measuring the far right in government

Our main independent variable is whether far-right parties participate in donor governments or not. To measure this variable, we first need to identify far-right parties in all of our 37 OECD donor countries, before we determine whether these parties participated in government during our period of observation. Within the political space of the far right, comparativists distinguish between radical and extreme right parties. The degree of nativism and opposition to democracy are less pronounced in the case of radical right parties (RRP) than in the case of extreme right parties. Hungary's Fidesz or Italy's Fratelli d'Italia are examples of RRPs, while Hungary's Jobbik party or Italy's former Movimento Sociale Italiano (MSI) count as extreme right parties. As these examples suggests, it is typically RRPs that participate in government, and only very rarely the extreme right.[13]

We use three different data sources to identify and code far-right parties: the PopuList (Rooduijn et al., 2023), the Comparative Manifesto Project (Lehmann et al., 2023), and the PartyFacts repository (Döring et al., 2019). The PopuList, an expert-generated dataset, identifies populist parties in 32 European countries that have won at least one seat in the national legislature or at least 2% in national parliamentary elections since 1992. Based on Mudde's populism concept (Mudde, 2007), PopuList includes parties with a left-wing, right-wing, and centrist ideology, as well as eurosceptic parties without a clear ideology. Because not all parties coded as populist or only eurosceptic belong to the far right (or vice versa), we repeatedly went through the PopuList to obtain the relevant set of parties for our analysis. First, we excluded all left-wing parties, leaving us with extreme right, radical right, and euroskeptic/populist/other parties. Most parties coded as populist and far right were RRPs, while the non-populist far right belonged to the extreme right. Second, we went through those parties that were only coded as populist (or euroskeptic) without any indication of their ideology. To resolve possible disambiguation, we used information from the Manifesto project and PartyFacts. Specifically, the Manifesto data helped us to determine the party family of each party. If an ideology-free populist (or euroskeptic) party from the PopuList belonged to the nationalist party family, we

[13] One example is the neo-fascist Party of Rights that participated in Croatia's government.

coded it as far right. Based on the party's manifesto, we further ascertained whether it is a radical or extreme right party by using their stance on the role of the nation in politics and their position on migration. To further reduce disambiguation, we also considered to which European party-group the party in question was affiliated. Based on this procedure, we classified the UK's Democratic Unionist Party (DUP) as a radical right party, which was defined only as euroskeptic in the PopuList. We proceeded similarly for all other populist/euroskeptic parties, being thus able to code whether the remaining parties in the PopuList were right-wing/conservative (e.g., UK Convervatives) or part of the far right. Most non-European DAC participants were not included in the PopuList, such as New Zealand or South Korea. We therefore used Manifesto data and background information provided by PartyFacts to determine whether the parties in these countries were part of the far right or not. The resulting list of parties includes for all donor countries in our sample all far-right parties, that is, both RRPs and extreme right parties, while excluding centrist, mainstream right-wing parties (the UK Conservatives), and those without an ideology (e.g., Italy's Five-Star Movement).[14]

To measure whether the far right participates in government, we use the "Political Parties, Elections, and Governments" dataset (PPEG, 2022). The PPEG data provides consistent and full information on elections and government composition. In line with our theoretical discussion above, we adopt a minimal definition of far-right government participation. The support of a far-right party in terms of voting a minority coalition of parties into government qualifies as the minimum condition for counting as far-right participation in government. This means that the far-right party does not have to send ministers to the cabinet, but without its votes a coalition government cannot be formed. Of course, our indicator captures also instances where far-right parties participate in government with their own ministers as junior coalition partners and instances where they lead the government. Combining our list of far-right parties with information on government formation and composition from the PPEG, we obtain an indicator variable of whether far-right parties participated in government for all of our 37 DAC donor countries from 1990 to 2020. With one exception (Croatian Party of Rights), only radical right parties participated in government. Hence, we use the label RRP government (participation) for our main independent variable.

[14]For the list of far-right parties we coded, see Table A.1 in the Appendix.

Finally, we must align the time scales of our aid funding and party data. Electoral cycles and governments do not necessarily follow the rhythm of a calendar year. To still match temporal variation in government with the annual variation in aid commitments, we need to decide on how to aggregate the party-government data on an annual level. For years in which the government did not change, due to elections or government breakdowns, the rule is simple: we code if the government had an RRP or not. For all other years with frequent government changes or regular elections, we count the months in which an RRP participated in the government and then define thresholds: if an RRP took part in the government for more than six months, we coded the entire country-year as having an RRP government. If the duration of the RRP government was less than or equal to six months within a calendar year, we code the entire country-year as having no RRP government.

Our resulting dichotomous indicator takes on the value of one if an RRP participates in government, and zero otherwise. In total, about one-fifth of all observations in our sample had an RRP government, with significant cross-country and temporal variation (sample average: 0.21, sample standard deviation: 0.41). This is a first indication of a strong imbalance in the distribution of governments with and without RRPs. To further discern this imbalance, Figure 1 plots our measure of RRP government participation over time. As can be seen, the annual share of observations with RRP governments grows over time, starting from around 10% in 1990 to reach around 35% from 2015 and on. This pattern is congruent with the overall observed rise of the radical right in wealthy democracies. The first wave of RRP governments in the early 2000s is driven by the many newly established democracies from Eastern Europe that joined the OECD/DAC and that had predominantly governments with RRP participation. From 2015 onward, RRPs increasingly participated in governments of Southern and Western Europe, adding to the further growth of their over-time prevalence among the OECD's DAC members and participants.

We next briefly inspect the joint distribution of foreign aid and RRP government participation. We show the unadjusted data, i.e., without any controls or other statistical precautions. Figure 2 shows the average amount of dollars committed to earmarked funding (left plot) of IOs and bilateral aid (right plot) for governments with and without RRP participation.

The differences are remarkable. While non-RRP government commit almost 75 million USD to earmarked funding (95% CI: $66, 86$), governments with RRP commit on average around 35 million USD (95% CI: $29, 41$). This difference of 40 million USD holds across all nine issue areas

Figure 1: Annual share of RRP government participation over time. The time series represents the moving average of our binary indicator RRP government

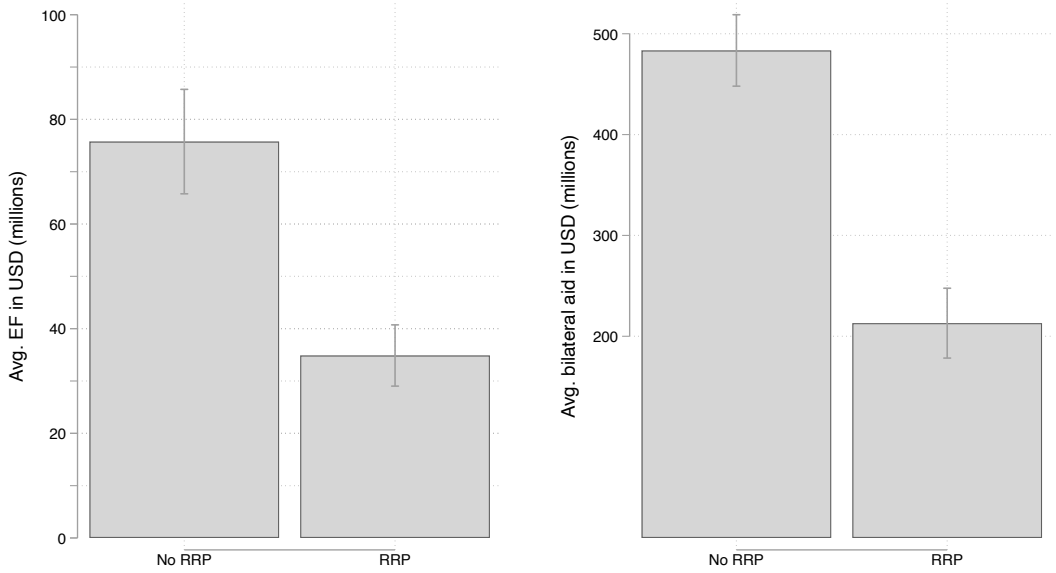

Figure 2: Average amount of foreign aid commitments for governments without RRPs (no RRP) and those with (RRP). The left plot shows the average earmarked commitments, while the right plot average bilateral commitments, both in constant US dollars.

of aid activity we defined above. In the case of bilateral aid, a similar pattern emerges. While non-RRP governments commit on average 483 million USD (95% CI: 448, 519), governments with RRP participation spend around 213 million USD for bilateral aid (95% CI: 178, 248). Again, they differ significantly by an amount of 270 million USD across all issue areas. Concerning the issue areas, the data show that there are systematic differences across them in term of monetary commitments made between RRP and non-RRP governments, but not with respect to migration where we would expect a strong difference (e.g., Hackenesch et al., 2022). Details can be found in Tables A.2 and A.3.[15]

However, while the differences seem remarkable, these descriptive statistics do not adjust for a series of important static and dynamic confounders, nor for the observed imbalances between governments with and without RRPs. To minimize all these sources of potential biases in our data and obtain a cleaner and more reliable estimate of the effect of RRP government participation on foreign aid, we suggest in the next section a series of statistical adjustments before we fit regressions.

Modeling the effect of RRPs on foreign aid

Whether radical right parties participate in government is certainly not determined by chance. Accordingly, and as typical for observational data, any observed differences between governments with and without RRPs may be confounded by a series of observable and unobservable factors. We focus on static and dynamic sources of such confounding biases and suggest marginal structural models as an approach to enhance the comparability of donor governments across countries, issue areas of foreign aid, and, importantly, time.

Static confounding describes biases arising due to time-invariant factors that affect both the occurrence and decisions of governments with RRPs and foreign aid allocations at each level of our analysis. At the annual level, common shocks to all DAC donors in a particular year may raise the odds of RRP government participation and donor propensity to spend on foreign aid. For example, in the aftermath of the financial crisis of 2007/08, some RRPs in Europe entered government (e.g., Greece), while many governments faced severe debt crises and cut their budgets. In addition, year fixed effects allow us to capture changes in the OECD's

[15]We also show the distribution of earmarked funding commitments over time (Figure A.1) and the annual growth of earmarked commitments for our sample, which shows strong growth patterns as well as fluctuations (Figure A.2).

reporting system that occur at regular temporal intervals. At the level of issue areas of aid activity, some areas consistently receive more funds than others, owing in part to long-term government preferences to channel money to certain development goals but not others. Finally, we expect that time-invariant country characteristics may drive part of the variation in RRP government participation and foreign aid policies. We capture these relatively static sources of confounding, which also include other time-invariant factors that do not necessarily affect our main independent variable, with respective sets of fixed effects at the country, issue-area, and annual level.

While fixed effects address these sources of static confounding, we are left with another important source of confounding stemming from the longitudinal nature of our data. Our main independent variable, RRP government participation, is time-varying by definition, as is a series of potential confounders, such as GDP. As shown above, the prevalence of RRP governments varies strongly over time. This not only indicates an imbalance between RRP and non-RRP governments at each point in time, but, perhaps more importantly, the possibility of dynamic feedback effects. These occur when past RRP governments (in $t-1$), for example, influence the occurrence of RRP governments in t and the outcome, in addition to the effects of RRP governments today on the outcome. Time-varying potential confounders are another source of bias. GDP per capita, for example, can both affect the probability of RRP government participation, such as when falling average per-person income generates electoral frustration that favors radical right policy platforms, and by affecting the propensity of governments to mobilize domestic resources for development aid. Importantly, the policy decisions of an RRP government affect GDP per capita, too, which in turn has consequences for the same government's for foreign aid (and perhaps its chance for re-election). In this case, GDP per capita is a post-treatment variable. Including it in classical regression that adjust for potential confounders leads to bias. The usual recommendation is to leave the post-treatment values out of the regression and use just its pre-treatment values. However, this can lead to the well-known omitted variable bias, reinforcing a pernicious trade-off between post-treatment and omitted variable bias (Blackwell, 2013). To overcome this trade-off and effectively address dynamic confounding, we use marginal structural models (MSM) that make sure that treated units (governments with RRP participa-

tion) and untreated units (governments without RRP participation) are balanced on observable potential confounders, not only across time, but *at each point in time.*[16]

Marginal structural models

The intuition behind MSMs (Blackwell, 2013; Hernán et al., 2000; Robins et al., 2000) is to pre-process the data in such a way as to make the probability of treatment assignment independent of observed time-varying confounders (and of prior treatment history). At the basis of MSM stands the propensity score (Rosenbaum et al., 1983) that captures the probability of receiving treatment as a function of observed potential confounders. The estimated propensity score is then inverted, creating thereby weights with which treated and untreated observations are multiplied. The weights serve to balance treated (RRP governments) and untreated (non-RRP governments) observations, leveling out any differences between them that are due to observed potential confounders. The idea is that the weights create a pseudo-population, giving more weight to under-represented and less weight to over-represented units. Conditional on the included variables capturing potential confounders, the weights thereby mimic data as if it would have resulted from a randomized experiment, with the difference that they level out the differences between treated and untreated units only on the observed potential confounders.

To the extent that the weights balance our sample, treated and untreated units are sequentially exchangeable, conditional on their their prior treatment and covariate history. In other words, through weighting we make treated and untreated groups more comparable to each other and rule out that dynamic confounders, such as past treatment or GDP per capita, bias our effect estimate. Because the weighted, or pre-processed, data do not differ any longer with respect to time-varying confounders, we can analyze the data without adjusting for time-varying confounders in our statistical model. This reduces model dependence and also frees us from including too many controls in our analysis, risking to control away our treatment effect. In addition, the time-varying weights correct for the observed imbalances in the frequency of RRP and non-RRP governments. Other variables, which are related to the outcome, but are not

[16]Part of the dynamic confounding could be addressed by instrumental variable regression or regression discontinuity. However, regarding the former, finding a suitable instrument is notoriously difficulty as it depends on many strong assumptions, and, moreover, risks analyzing only a subset of the data. Regarding regression discontinuity, it is challenging to define a homogeneous cut-off value for the entire sample that would serve as threshold to differentiate RRP governments from non-RRP governments. Moreover, the available information from our data would be reduced as we would need to choose a smaller bandwidth within which to look for sufficiently comparable cases of RRP and non-RRP governments.

necessarily confounders, can be included to increase precision of estimates or capture fixed effects. The MSMs we specify estimate the average treatment effect, comparing the hypothetical situation where all units would have been non-RRP governments (and their foreign aid) with the hypothetical situation where all units would have been RRP governments (and their foreign aid).

While MSMs allow us to tackle important inferential challenges, they do not guarantee the identification of a causal effect. This is because we can only balance our data on potential confounders that are observed, i.e., measured. The possibility that we omit, or cannot measure, a potential time-varying confounder is therefore always present, both in our case and in analyses with longitudinal observational data more generally. However, we believe that all the precautions we take (dynamic weighting and covariate balance, as well as three-way fixed effects), increase confidence in our estimates and in our assumption that RRP and non-RRP government are sufficiently comparable to each other, given all these precautions. To further boost this confidence, we conduct robustness checks and a sensitivity analysis to quantify the inferential dangers from unobseved confounding.

Calculating dynamic inverse probability of treatment weights

The procedure to calculate inverse probability of treatment weights (IPTW) begins with determining set of time-varying potential confounders that we include in our analysis. We focus on economic and political variables. We assume that they affect both the likelihood of governments with RRP participation and funding decisions.

First, we take GDP per capita and the level of GDP (both in constant US dollars) with data from the World Bank into account. As already noted, indicators of a country's wealth or size of its economy may influence the occurrence of radical right parties in government, such as when a country witnesses an economic recession in whose wake the radical right wins votes. In turn, the GDP measures also influence a donor states' capacity and willingness to pay for foreign aid.

Second, we use the unemployment share as a further potential confounder in the construction of our IPTWs. Higher unemployment creates a reservoir of dissatisfied voters that could be more easily mobilized by RRPs, which can more easily win elections and enter government. If high unemployment rates persist, governments (also non-RRP ones) may change their policy priorities, trying to fight unemployment through domestic growth strategies instead of giving

foreign aid. We use data from the IMF to measure the share of unemployed persons to the total labor force.

Third, as a political factor we distinguish between parliamentary and presidential democracies. It appears to be easier for RRPs to enter government in parliamentary democracies as these typically have multi-party coalitions. Yet, with frequently changing coalition governments, policy preferences for or against foreign aid may also change more swiftly, affecting foreign aid expenditures. We use data from Anckar et al. (2019) to determine whether the democracies in our sample are parliamentary or presidential, recording also possible over-time changes.

Fourth, we include a countries' duration of OECD membership as a further potential confounder. How long states have been members of the OECD may affect both the incidence of RRP governments and their propensity to commit funds to development aid. The OECD has been created by established and wealthy democracies and its long-term members tend to have fewer governments with RPPs than younger democracies, particularly from Eastern and Southern Europe, which have a higher tendency to produce RRP governments. In addition, the older (and often richer) OECD members give more funds to development aid than the OECD's younger members. We measure OECD membership duration with information from states joining the OECD.

Fifth, we code whether or not countries are full DAC members. Whether or not a country is a full DAC member can be related to both the occurrence of RRP governments and total earmarked commitments. Many Eastern European countries with pronounced RRP government participation were not full DAC members during the period of observation, and accordingly committed (and reported) less than DAC member governments without RRPs.

Finally, we take an important variable into account which is closely related to the frequency of RRP governments in our sample and which may also have effects on foreign aid commitments. This is the duration of a government within a state. The shorter the duration of a government, the more likely are governments with RRP participation in our sample. In turn, frequent government changes can also lower the ability of a state to make commitments to development aid and result in lower overall contributions. We use data from the PPEG to compute the duration, measured in months, of a government.

With this set of time-varying confounders, we estimate IPTW. To calculate these weights, we proceed in three steps. First, we estimate for each observation the probability of having an RRP

government, conditional on the time-varying confounders above and past RRP governments (time-varying treatment).[17] The estimated probability is the propensity score, which we invert to obtain the IPTW. Second, we standardize the IPTW by the marginal probability of observing an RRP government to minimize the range of the resulting weights. We thus obtain for each country-year observation an individual stabilized weight.[18] Third, we take the product of this weight for each state across its period of observation. This gives us time-varying weights.

To see whether we achieve balance with the time-varying IPTWs, we need to check their distribution and balancing properties. Concerning their distribution, the average of all weights is close to one and their maximum around 4,[19] which meets the benchmarks for IPTW ranges (Hernán et al., 2000). Over time, the distribution of our weights has a mean close to one, with the range only increasing at very late points in time (notably around the year 2018).[20] Concerning covariate balance, Table 1 shows the balance achieved. Calculating covariate balance in longitudinal data requires a different approach than just performing t-tests or checking the cross-sectional mean standardized difference. Following Blackwell (2013), we regress the lagged potential confounder on the other confounders at baseline and on the lagged and contemporaneous treatment variable. The t-value on the treatment variable at t serves to assess balance across the treated and untreated units. This value should be below 2 to indicate balance. Our weights balance all time-varying confounders across treated and untreated groups (column "weighted" in Table 1). While the variables GDP and Parliamentary were not imbalanced before the weighting, all others were, with government duration, unemployment, and OECD membership duration being strongly imbalanced.

With the balance achieved on time-varying confounders and the relative frequency of treated and untreated observations being made comparable over time, we now specify and fit MSMs. In our case, we specify weighted linear OLS regressions where we log our dependent variables (amount of earmarked commitments; amount of bilateral commitments) and regress them on

[17] More specifically, we fit a logit model with RRP government (0/1) as dependent variable and as right-hand side variables the lagged RRP government indicator (capturing treatment history), the lagged values of all time-varying confounders as well as their baseline values (at the start of each case's observation period).

[18] More specifically, we estimate again a logit model with RRP government as dependent variable and its lagged value as independent variable to find the marginal probability of observing an RRP government. We construct the weights as follows: $w_{ij} = \frac{\text{Marginal Probability(RRP government)}_{ij}}{\text{Propensity Score of RRP government}_{ij}}$, with i being the country, and j being the year.

[19] See Table C.5 in the Appendix.

[20] See Figure C.3 in the Appendix.

Table 1: Balance of time-varying covariates

Variable	Unweighted	Weighted
GDP	1.7	1.8
GDP per capita	2.1	0.6
Govt. duration	6.7	0.4
DAC	2.01	1
Unemployment	6	0.05
Parliamentary	1.5	1.4
OECD duration	4.2	0.5

our main independent variable (RRP government participation) and on three sets of fixed effects: for countries, issue areas, and years. Because the data is already balanced on time-varying confounders, there is no need to include them in this regression specification. However, other variables that are not necessarily potential confounders, but that may affect just the outcomes, can be included to enhance precision of estimates. Fiscal austerity is such a variable. Austerity policies come along with major government cuts concerning public spending. It is not unreasonable to assume that tighter fiscal rules and lower government expenditures in the wake of austerity policies will also reduce development aid. We use data on states' structural fiscal balance from the IMF's International Financial Statistics and calculate their first difference to obtain a proxy for austerity. A positive first difference of structural fiscal balance indicates higher austerity, while a negative first difference less austere fiscal policies. While the electoral effects of austerity are debated (Alesina et al., 2024), recent research also suggests that austerity may be related to the odds of RRP strength (Baccini et al., 2023). Accordingly, we calculate a set of weights balancing also on austerity and include the analysis in the Appendix.[21]

5 How RRPs in government affect foreign aid

Main results

We find that donor governments with RRP participation systematically reduce earmarked funding to IOs, while they do not differ in terms of their bilateral aid commitments from non-RRP governments. In a series of MSMs, our findings support our hypotheses that RRPs in govern-

[21]See Table C.9, Model 5. Descriptive statistics on all variables included in the main and additional analyses can be found in Table B.4 in the Appendix.

ment will target multilateral foreign aid channeled through IOs, while not necessarily avoiding bilateral aid.

Table 2 presents our main findings. Models 1 and 2 have the (logged) amount of earmarked commitments to IOs as dependent variable. Model 2, however, also includes our main independent variable lagged by one year. We thereby capture how RRP government participation in the year before affects earmarked funding decisions. Models 3 and 4 of Table 2, by contrast, have the (logged) amount of donors' bilateral commitments as their dependent variable. Model 4, similar to model 2, includes the lagged independent variable.

We find that donor governments with RRP participation are negatively and significantly related to earmarked funding commitments in Model 1 (Table 2) that focuses on the contemporaneous effects of governing RRPs. Specifically, a donor government with RRP participation reduces on average the (logged) earmarked funding to IOs by -0.33 points, which amounts to a reduction by 28%.[22] This sizable reduction applies to all issue areas of the OECD's aid activity, as well as across time.

Table 2: MSMs with earmarked funding and direct bilateral aid

	Earmarked Funding		Direct Bilateral Aid	
	(1)	(2)	(3)	(4)
RRP	-0.33^{**}	-0.19^{*}	-0.12	-0.12
	(0.09)	(0.11)	(0.07)	(0.09)
RRP_{t-1}		-0.23^{**}		0.01
		(0.11)		(0.09)
Constant	1.13^{**}	1.18^{**}	5.87^{**}	5.87^{**}
	(0.43)	(0.43)	(0.32)	(0.32)
R^2	0.64	0.64	0.80	0.80
F	79.91^{**}	78.18^{**}	59.54^{**}	58.03^{**}
N	4399	4399	4399	4399

Note: Marginal structural linear models with dependent variable earmarked funding commitments (Models 1 and 2) or direct bilateral aid (Models 3 and 4). All models include country, year, and issue area fixed effects. Lagged austerity included as control. Robust standard errors in parentheses. *Statistical significance:* * $p < 0.10$, ** $p < 0.05$.

[22] FN: We obtain this percentage change by exponentiating the estimated coefficient on RRP. That is $e^{-}0.33 = 0.72; 1 - 0.72 \approx 0.28$.

Model 2 in Table 2 also takes into account possible temporal lags of the effect of RRP governments on the amount of their earmarked monetary commitments. In other words, governments with RRP participation may have both long- and short-term effects on earmarked funding commitments. Both the contemporaneous (RRP) and lagged ($\text{RRP}_t - 1$) versions of our main independent variable are negatively and significantly related to earmarked funding. This suggests that RRP governments continue their cuts to earmarked funding for IOs over time. Specifically, governments with RRPs reduce the amount of earmarked funding commitments by about 18% in the same year. In the preceding period, RRP governments reduce their earmarked funding commitments by an even larger magnitude (21%). The total two-period effect is negative and statistically significant (-0.37, 95% CI: $-0.59, 0.15$), implying an overall reduction of earmarked commitments by about 31%, distributed across two periods. That is, the amounts committed by RRP governments are almost by a third lower than the earmarked amounts committed by non-RRP governments—across all sectors of foreign aid, and over time.

While governments with far-right participation cut to IOs in the form of earmarked commitments, this is not necessarily part of their politicization strategies against IOs, which would aim at maximizing votes. For example, in both cases of the latest government participation of the Finn's Party in Finnland since 2023 and the Fratelli D'Italia and Lega in Italy since 2022, IO funding, let alone earmarked funds, is neither mentioned in the manifestos nor in later coalition agreements. Giving funding to IOs is not per se a politicized issue which needs broad public discussion for far-right parties.[23]

Instead, governments with RRP participation systematically eschew foreign aid channeled through IOs in the form of earmarked funding, as they are more constrained to use such foreign aid in a way to align with their anti-migration preferences. They do not pay more or less than others, though, with respect to bilateral aid. In Model 3 (Table 2), the coefficient on our main independent variable (RRP) is negative, but statistically indistinguishable from zero. While there appears to be a tendency that RRP governments would refrain from bilateral aid, it is not a systematic pattern. When we consider possible lagged effects of RRP government involvement, as in Model 4, we again find no systematic evidence that RRP governments would spend more or less on bilateral aid. Here, there is a slight tendency that governments with RRPs in the

[23]The most recent party manifestos in the comparative manifesto project do not mention multi-bi or multilateral aid or earmarked funding. Regarding coalition agreements, for the Finnish one, see valtioneuvosto.fi and for the Italian one, see rainews.it

preceding year pay more than non-RRP governments. However, the coefficient on RRP_{t-1} is statistically insignificant. The same applies to the coefficient on RRP in Model 4. While it suggests a negative tendency regarding bilateral aid, this is again not systematic. The total two-period effect of RRP governments in Model 4 is -0.12 (95% CI: $-0.29, 0.04$). As a result, the estimates from Models 3 and 4 in Table 2 provide evidence in favor of hypothesis 2. The fact that we did not find any systematic difference between RRP and non-RRP governments regarding their bilateral aid supports our expectation that both types of government would use bilateral aid to a similar extent, notwithstanding their different political ideology. For example, while the Orban government (Fidesz with a supermajority since 2010) hardly spends anything on earmarked funding to international organizations (OECD, 2023), it has systematically increased its bilateral spending, citing the fight against migration as its main objective.[24] The FPÖ, Austria's radical right party that participated in several governments, openly demanded to stop giving funds to the UNHCR, because it allows Afghans to flee the country and come to Europe.[25]

The participation of the far right in government, however, has systematic and negative effects on the amount of earmarked contributions to IOs. Our analysis yields novel insights on the effects donor governments with far-right parties can have on foreign aid. The effect of the radical right on foreign aid is direct and applies across all issue areas of aid activity (or aid sectors). It affects chiefly earmarked contributions, undermining the funds available to IOs to carry out their projects. They reduce earmarked funding to IOs by almost a third, compared to non-RRP governments. Moreover, this effect is not confined to narrow and very specific issue areas, such as migration. Instead, it applies across all aid-activity sectors of the OECD. In addition, the results regarding the direct effect of RRPs nuance claims that RRP government participation would not change much in terms of foreign aid policies, as it already affected foreign aid allocations from the opposition. As we show, they do matter a great deal once in government. Their direct effect on earmarked funding is substantial and consistent, weakening thereby the financial basis and operational capacity of IOs for their development projects.

Instead of directly proceeding to reducing their earmarked monetary commitments to IOs, far-right governments could in principle make also use of the many options to define strings, i.e. tie their funds to geographic, thematic, sector-specific, or similar conditions. We use information

[24] See the Hungarian government's international development cooperation strategy, kormany.hu

[25] See proposal of FPÖ spokesperson for development aid, Dr. Axel Kassegger on February 23, 2022 in the Austrian Parliament: parlament.gv.at.

from the earmarked funding data set (Reinsberg et al., 2024) and construct a stringency index to reflect the severity of condition donors formulate. Estimating our main MSM with the stringency index as dependent variable, we find that RRP governments do not differ from others in defining severe conditions for their earmarked funds. Taken together with our main findings in Table 2, this suggests that rather than spending time and resources to define strings, RRP governments directly cut earmarked commitments.[26]

In turn, bilateral aid is not systematically affected by the presence of radical right parties in government. This suggests that previous findings that focused only on overall aid expenditures and the far right's behavior, should distinguish between the funding channels—via IOs or directly to recipients—donor governments can use. To the extent that these channels provide different incentives and constraints for donors, we show that governments with radical right parties reduce earmarked contributions to IOs in statistically and substantively important ways. Once we distinguish between these funding channels, we find that RRP governments do not significantly affect bilateral aid, as previously suggested (Hammerschmidt et al., 2022). And indeed, as an out-of-sample case, the new conservative Swedish government, backed by the far-right Sweden Democrats, explicitly announced, and followed through on its policy, to reduce funding for multilateral institutions. Instead, it wants to focus on supporting directly civil society actors in aid recipients (Käppeli et al., 2022).

Further analyses

We invested considerable effort to reduce various sources of bias. We have narrowed the set of countries to include only democracies from the OECD where the radical right can be voted in and out of government offices, increasing comparability between donors. We have made large strides to reduce dynamic confounding, an inferential threat often present in longitudinal observational data that should be explicitly addressed. We estimated IPTWs to balance our sample and remove time-varying potential confounders. To tackle static confounding, we added three sets of fixed effects to our analysis, at the level of countries, issue areas, and years. Despite all these measures, we cannot prove causality; instead we can take more measures to further increase confidence in our findings.

[26]Results can be found in Table C.6 in the Appendix.

Therefore, we provide in the Appendix in Table C.9 a series of robustness checks that include, among others, lagged outcome variables (Model 1), country–issue-area fixed effects (Model 2), and that, moreover, exclude some outliers (Models 3 and 4), and use a different set of weights (5). In addition, we use region fixed effects and estimate models without any fixed effects (Table C.8. We also expand our coding of RRP governments by coding the Trump administration and Erdogan's AKP as radical right (and excluding again observations from Turkey after 2016) in the models of Table C.11. Our main findings are robust to all these additional checks.[27]

Finally, we perform a sensitivity analysis of our effect estimate of RRP governments using the E-value approach by VanderWeele et al. (2017). We use the coefficient on RRP from Model 1 in Table 2 and calculate its E-value, which is 2.04. This tells us that an unobserved confounder (that we ignore or omit) would need to be associated with both RRP government and earmarked funding commitments by a risk-ratio of 2 each, given the confounders we already adjust for, to explain away our estimate. This is a relatively large effect that is comparatively rare in social science research (Ding et al., 2016; VanderWeele et al., 2017). The findings from the sensitivity analysis provide further support for our approach and findings.

Taken together, our findings from MSMs with three-way fixed effects clearly demonstrate that RRPs in government systematically and substantially reduce earmarked funding of IOs. RRPs that partake in a donor country's government do not differ in terms of their bilateral foreign aid commitments from governments that have no RRPs.

6 Conclusion

The goal of this paper was to investigate whether governments with far-right parties affect IO funding. We argued and found that far-right participation in donor governments puts severe pressure on IOs and their available funds. When in government, the far right contributes to reduce voluntary earmarked commitments to IOs by 30 percent on average. We provide clear and consistent evidence for this effect in a study of 37 democratic donor states of the OECD between 1990 and 2020. While the far-right eschews earmarked funding of IOs, it does not differ in terms of bilateral aid from other donor governments. Bilateral aid spending remains

[27] We also switch models entirely, using an IPT-weighted negative binomial model to regress the non-logged amount of earmarked and bilateral commitments, respectively, on RRP government and fixed effects. Findings are again similar to our main estimates. See Table C.12.

stable. This, we argue, is based on the constraints governments with far-right participation face in channeling foreign aid via multilateral institutions. In principle, earmarked funding gives far-right governments many options to control IOs by specifying how, where, on what, and under what conditions funds can be spent. However, the liberal mandate of most IOs, as well as the difficulty of mobilizing other donor states with different ideologies (or IO staff) to change IO mandates and policy purposes, often make it difficult for the far right to achieve its most important goal—to use foreign aid strategically to combat migration. Similar constraints do not apply to bilateral aid, which can be more easily repurposed.

One might object to our argument and study that the observed cuts in earmarked funding are not related to the far right in government, but to shifts in public opinion. However, recent research in comparative politics casts doubt on the link between public opinion and government responsiveness (O'Grady et al., 2019) or far-right policy success (Abou-Chadi et al., 2020). Multi-dimensional and complex issues, as in the case of international institutions, multilateralism, and the technicalities of earmarked funding and bilateral aid (see Bearce et al., 2019) should further complicate the link between public opinion and far-right government decisions on foreign aid. These doubts, as well as our causal sensitivity analysis, mitigate our concerns regarding public opinion. In addition, we have a binary treatment that does not focus on the degree of far-right participation in government. While future studies may provide more fine-grained conceptualizations, our coding of the far right in government is consistent with our assumption that even by their mere support for a government, e.g., procuring the necessary votes to form a minority government, far-right parties will try to secure changes in their priority policy issues.

Our findings have important implications both for research and policy. The far right does not only change the rhetoric and style of international politics, it also aims at realizing its main objectives—leading to a shift away from multilateral channels for foreign aid and a preference for bilateral aid. This shift is not only worrying because bilateral aid has been shown to be less effective, notwithstanding ongoing discussions about the relative advantages of bilateral and multilateral aid (Dreher et al., 2018; Findley et al., 2017; Martens et al., 2002; Rodrik, 1996). It is also worrying because spending more on bilateral rather than multilateral aid undermines the norms and institutions around the idea of multilateralism as a rules-based order that helps to moderate, at least to some extent, idiosyncratic state interests (Ruggie, 1992).

We analyzed IO funding decisions of far-right government in a very specific context, one where decisions are mostly made unilaterally and can be implemented relatively quickly. The decisions to withdraw funds from IOs, however, do not spell immediate doom to international institutions. International organizations are learning organizations, which use their bureaucratic entrepreneurship to continue work on the issues they care about (Zimmermann et al., 2024). Moreover, IOs create mechanisms of resilience as shown also in the case of sharing information to counter false information provided by states (Carnegie et al., 2020). In the context of multilateral aid, IOs compensate for lost earmarked funding by fundraising campaigns in other donor states or among private investors (Hirschmann, 2021). How other IO member states and IO administrations reflect and react to changes in funding patterns is therefore a field which needs more intense study. Yet such compensation mechanisms by IOs have mostly been studied with regard to funding cuts by single (powerful) states, as in the case the US and UNFPA (Hirschmann, 2021) or in the case of the US and development banks (Carnegie et al., 2020). The more far-right governments form, the more difficult it may become to set up and run such resilience mechanisms, and the more we might see overall long-term shifts in IO policies, such as in the case of the EU and its stricter migration policies.

More generally, the findings point to a research agenda which, instead of prioritizing a focus on the broad concept of populism, starts from the far right's ideological core (nativism) and analyzes different types of engagement with international institutions, including funding, hiring, and civil society interactions. Similarly, future research could further explore the extent to which IOs with stronger liberal mandates are more likely to experience funding cuts by the far right than other IOs, such as UNHCR as opposed to the IOM. In conclusion, future research on IOs and how they are affected by the global rise of the Far Right promises to reveal changes in international cooperation which often occur "under the radar".

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Appendices

Appendix A Supplementary data information

A.1 List of parties coded as far right

The list in Table A.1 comprises all parties that we coded as far right. Most of them can be classified as radical right parties. The column 'Government' indicates whether the party supported or participated in the country's government. Note that this indicator applies to any government participation of the far right during our period of observation (1990-2020).

Table A.1: List of far-right parties

Country	Party name	Government
Austria	Team Stronach	0
Austria	Freedom Party of Austria	1
Austria	Alliance for the Future of Austria	1
Belgium	People's Party	0
Belgium	Libertarian, Direct, Democratic	0
Belgium	Flemish Interest	0
Bulgaria	Attack	1
Bulgaria	Will	0
Bulgaria	National Front for the Salvation of Bulgaria	1
Bulgaria	IMRO - National Bulgarian Movement	1
Bulgaria	Reload Bulgaria	0
Bulgaria	Order, Law and Justice	1
Switzerland	Federal Democratic Union of Switzerland	0
Switzerland	National Action-Swiss Democrats	0
Switzerland	Ticino League	0
Switzerland	Geneva Citizens' Movement	0
Switzerland	Swiss People's Party	1
Switzerland	Automobile Party	0
Cyprus	National Popular Front	0
Czech Republic	Action of Dissatisfied Citizens	0
Czech Republic	Public Affairs	1
Czech Republic	Dawn-National Coalition	0
Czech Republic	Freedom and Direct Democracy	0
Czech Republic	Coalition for Republic	0
Germany	Alternative for Germany	0
Denmark	Progress Party	0
Denmark	The New Right	0
Denmark	Danish People's Party	1
Spain	Voice	0

Estonia	Estonian Conservative People's Party	1
Estonia	Estonian Citizens	0
Finland	Finns Party	0
France	National Front	0
United Kingdom	Democratic Unionist Party	1
United Kingdom	United Kingdom Independence Party	0
Greece	Popular Orthodox Rally	1
Greece	Political Spring	0
Greece	Golden Dawn	0
Greece	Greek Solution	0
Greece	Independent Greeks	1
Croatia	Bridge of Independent Lists	0
Croatia	Croatian Democratic Alliance of Slavonia and Baranja	1
Croatia	Croatian Party of Rights	1
Croatia	Croatian Growth	1
Hungary	Fidesz	1
Hungary	Jobbik	0
Hungary	Christian Democratic People's Party	1
Hungary	Hungarian Justice and Life Party	0
Iceland	Centre Party	0
Iceland	Independence Party	1
Italy	Brothers of Italy	0
Italy	Italian Social Movement	1
Italy	(Northern) League	1
South Korea	New Frontier Party	1
Lithuania	Lithuanian National Union List	0
Lithuania	The Way of Courage	0
Lithuania	Order and Justice	1
Lithuania	National Resurrection Party	1
Luxembourg	Alternative Democratic Reform Party	0
Latvia	Who owns the state?	1
Latvia	For Fatherland and Freedom	1
Netherlands	Fortuyn List	1
Netherlands	Livable Netherlands	0
Netherlands	Centre Democrats	0
Netherlands	Party for Freedom	1
Netherlands	Reformed Political League	0
Netherlands	Forum for Democracy	0
Norway	Progress Party	1
New Zealand	New Zealand First Party	1
Poland	KORWiN	0
Poland	Kukiz '15	0
Poland	Real Politics Union	0
Poland	League of Polish Families	0
Poland	Law and Justice	1
Poland	Movement for the Reconstruction of Poland	0
Poland	Christian National Union	1
Poland	Party X	0
Romania	Greater Romania Party	1
Romania	Romanian National Unity Party	1
Slovakia	We are family	1

Slovakia	Slovak National Party	1
Slovakia	Ordinary People	1
Slovakia	Kotleba - People's Party Our Slovakia	0
Slovenia	Slovenian Democratic Party	0
Slovenia	Slovenian National Party	0
Sweden	New Democracy	0
Sweden	Sweden Democrats	0
Turkey	Welfare Party	1
Turkey	Nationalist Action Party (MHP)	1

A.2 OECD sector codes and issue areas

The OECD differentiates between different sectors of aid activity, including funds allocated to strengthening recipient economies, direct relief and disaster aid, or funding for schools and health care. The OECD has several so-called sector codes that classify for which specific activity donors earmark their commitments. We use these sector codes and generate nine different issue areas to which varying amounts of monetary commitments are allocated. We use some sector codes that belong to larger issue areas, e.g., women's reproductive health to Health, and create new issue areas.

The issue areas we define are the following: Social (health, education, and social security), Political System (all funds for strengthening democratic institutions and civil society, including peacekeeping operations), Economy (all multi-bi aid for strengthening recipients' economy), Public Utilities (includes infrastructure work and energy systems), Assistance (direct relief and emergency funds), Environment (aid to protect the environment, including climate change measures), and Other (all commitments made that the OECD does not further classify into its existing sector codes). These issue areas summarize the existing DAC sector codes into larger categories. We define two new issue areas by aggregating different sector codes: Migration and Human Rights. Migration includes donor costs for refugees along with funds expended for the facilitation of orderly migration and alien registration. Our Human Rights issue area comprises activities meant to strengthen reproductive health rights and measures, women's right, children's right, and strengthening human rights civil society organizations. With this classification of issue areas to which earmarked funding flows, we obtain as a unit of observation the country–issue-area–year construct.

Table A.2 shows the average amount of earmarked commitments per issue area, distinguishing between governments without RRPs and those with. We test whether there is any systematic differences using t-tests.

Table A.2: T-test for difference in average EF commitments for governments without RRPs and with RRPs. Bold cell entries under t indicate significance at $p < 0.05$ level, italicized entries under t indicate significance at $p < 0.10$ level .

Issue area	EF No RRP	EF RRP	t	N
Social	105.37	56.27	**2.72**	630
Political System	60.69	38.65	**2.52**	612
Economy	56.54	32.14	**2.31**	577
Public Utilities	21.91	17.11	0.84	501
Assistance	270.28	68.38	**2.86**	592
Migration	10.22	16.29	-0.71	130
Environment	45.17	36.93	0.90	592
Human Rights	23.06	14.59	*1.86*	515
Other	15.25	7.47	1.47	518

Table A.3: Average bilateral commitments across issue areas for governments without RRPs (No RRP) and with RRPs. The column labeled t shows t-values. Bold values indicate significance at $p < 0.05$ level

Issue area	No RRP	RRP	t	N
Social	934.75	242.87	**4.43**	630
Political system	527.30	149.73	**3.97**	612
Economy	474.10	454.96	0.21	577
Public Utilities	552.41	281.75	1.64	501
Assistance	526.09	189.49	**3.49**	592
Migration	433.84	194.94	1.72	130
Environment	331.99	109.46	**4.74**	592
Human Rights	101.96	43.52	**2.57**	515
Other	344.90	236.02	**1.96**	518

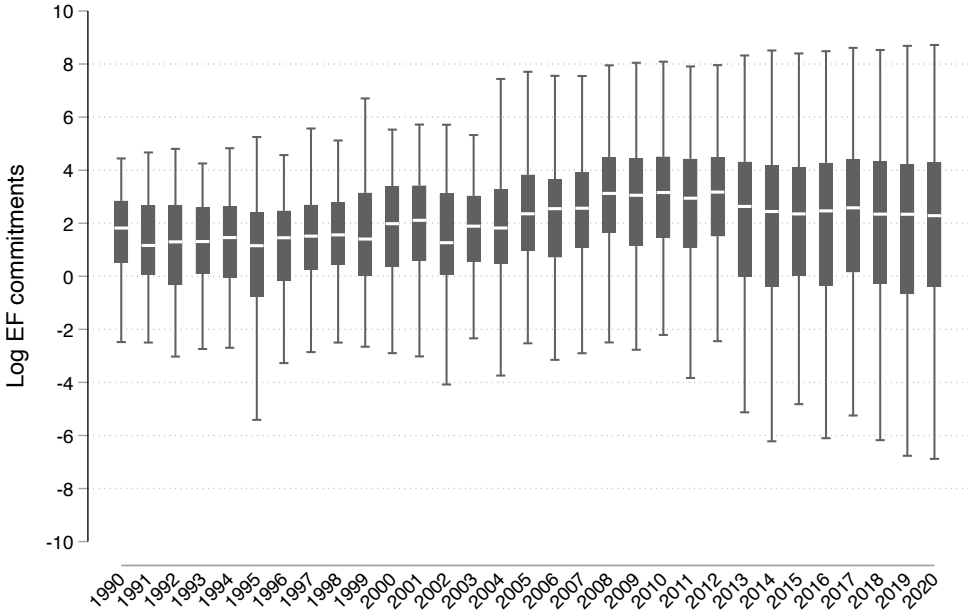

Figure A.1: Distribution of EF commitments over time

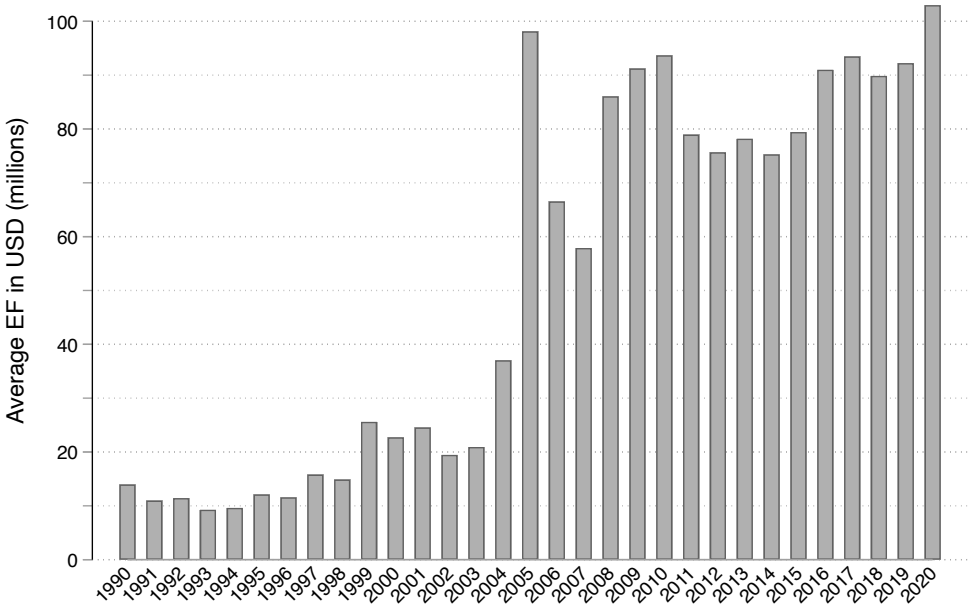

Figure A.2: Average EF commitments over time

Appendix B Descriptive statistics

Table B.4: Descriptive statistics

Variable	Mean	SD	Min.	Max.	N
EF commitments (million USD)	67.2	278.8	0	6115.5	4667
Log EF commitments	2.001	2.5	-9.7	8.7	4532
Bilateral commitments (million USD)	426.9	1014.21	-994.64	11260.1	4667
Log bilateral commitments	4.37	2.31	-5.9	9.32	4615
RRP	0.21	0.41	0	1	4667
GDP (constant, billion USD)	1488.7	3140.6	13.2	19929	4667
GDP per capita (PPP, constant USD)	46523.9	14814.1	21470	120647.8	4667
Government duration (in months)	34	15	7	62	4667
DAC member	0.94	0.24	0	1	4667
Unemployment	7.1	3.6	1.7	27.5	4667
Parliamentary vs presidential system	0.8	0.4	0	1	4667
OECD membership duration	41.5	14.5	-8	59	4667
Austerity	-0.14	1.7	-9.7	8.4	4595
America	0.09	0.28	0	1	4667
Asia	0.05	0.2	0	1	4667
Europe	0.78	0.4	0	1	4667
Oceania	0.07	0.26	0	1	4667
Social	0.13	0.34	0	1	4667
Political System	0.13	0.34	0	1	4667
Economy	0.12	0.33	0	1	4667
Public Utilities	0.10	0.3	0	1	4667
Assistance	0.13	0.3	0	1	4667
Migration	0.028	0.16	0	1	4667
Environment	0.13	0.33	0	1	4667
Human Rights	0.11	0.31	0	1	4667
Other	0.11	0.31	0	1	4667

Appendix C Weighted analysis

C.1 Weights distribution

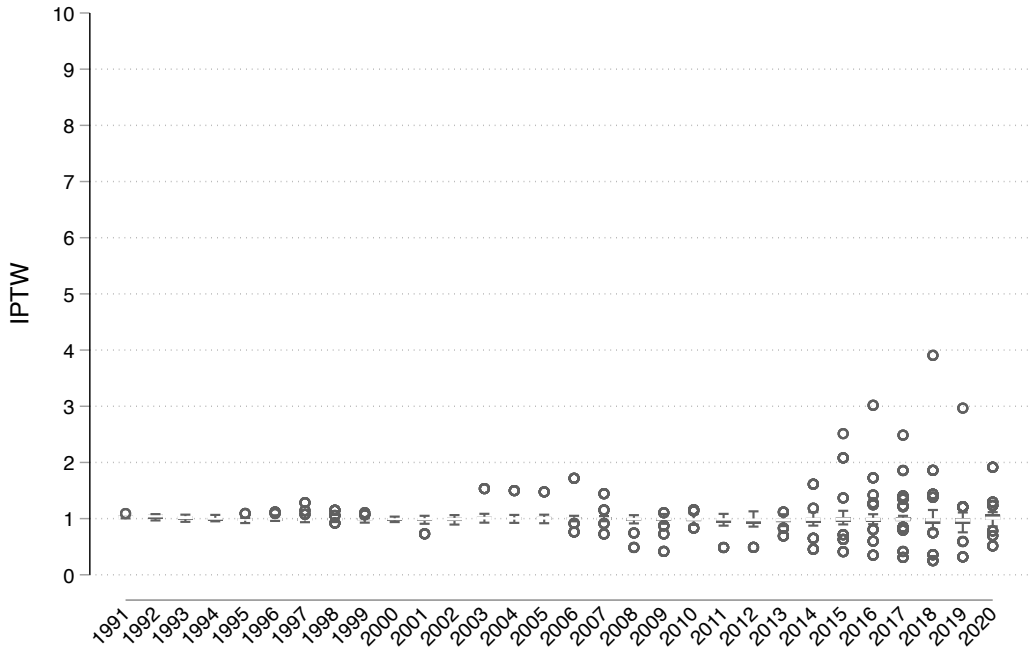

Figure C.3: Distribution of Inverse Probability of Treatment Weights over time.

Table C.5: Descriptive statistics of dynamic IPTWs

Mean	**SD**	**Min.**	**Max.**	***N***
1	0.21	0.25	3.91	4667

C.2 Stringency

The earmarked funding data set (EFD) offers another useful indicator to examine how RRP governments may affect international institutions. In particular, the EFD provides information on the conditions that states impose when committing funds to aid activities. States can choose to define geographic, thematic, or project-related criteria, for example, when making decisions about their donations. The EFD systematically measures these criteria and summarizes them, through a weighted additive aggregation procedure, into a stringency index. This index informs about the extent of rules and criteria that donors specify, imposing thereby conditions on international institutions (and often recipients) on how to spend the money. We average the stringency index across our nine issue areas, per state, and year. The original index ranged from 1 to 7, where higher values indicate stronger strings attached by donor states on international agents. We re-scale this indicator to range between zero and six, with zero indicating no to very low strings, and six the maximum possible number of strings. Our sample average of stringency is 2.4 (SD=0.87), indicating that strings are rather moderately distributed in our sample.

In Table C.6, Model 1 and 2 show again our main findings concerning earmarked funding commitments. In Model 3 we distinguish again between the contemporaneous and the lagged effects RRPs in government could have on the stringency of their earmarking. We find no systematic association between RRP governments and more strings attached to IOs and their development work. While the coefficient on RRP in Model 3 is negative, it is statistically insignificant. In Model 4, the coefficient on the lagged RRP variable is statistically significant and negative, suggesting that RRPs reduce the stringency on earmarked projects. However, when we consider the total effect of RRP governments—that is, their effect in time t and $t-1$—we find no discernible effect as the total effect is -0.07 and statistically indistinguishable from zero.

RRPs in government do not invest much time and effort to specify strings for how IOs should spend earmarked funds. Instead, they directly cut earmarked funding of IOs.

Table C.6: MSMs with earmarked funding and stringency

	(1) DV: Earmarked Funding	(2) DV: Stringency Index
RRP	-0.33**	-0.05
	(0.09)	(0.04)
Constant	1.13**	1.77**
	(0.43)	(0.26)
r2	0.64	0.32
F	79.91**	30.87**
N	4399	4399

Robust standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$

Note: Marginal structural linear models with dependent variable earmarked funding commitments (Models 1) or stringency index (Models 2). All models include country, year, and issue area fixed effects. Lagged austerity included as control. Robust standard errors in parentheses. *Statistical significance:* * $p < 0.10$, ** $p < 0.05$.

C.3 No fixed effects and region fixed effects

In this section, we provide some additional analyses to assess the robustness of our main findings from the MSMs in the main text. First, we drop all sets of fixed effects and just run the baseline MSM. We then alter the set of fixed effects. Table C.8 shows the first set of MSM estimates. Model 1 is the baseline MSM, adding only the baseline values of the time-varying potential confounding variables and austerity. Model 2 adds fixed effects of the UN regions to which DAC-reporting states belong. As Table C.7 shows, there is much variation in the occurrence of RRP governments across regions. For example, 69% of all observations from Eastern Europe have an RRP in government. Model 3 adds to these region effects also issue area fixed effects to take into account the varying EF commitments of states across thematic aid sectors.

Table C.7: Distribution of RRP governments across detailed UN regions classification

	RRP		
	mean	sd	count
Australia and New Zealand	0.13	0.33	349
Eastern Asia	0.30	0.46	238
Eastern Europe	0.69	0.47	267
Northern America	0.00	0.00	414
Northern Europe	0.18	0.38	1452
Southern Europe	0.21	0.40	685
Western Asia	0.00	0.00	4
Western Europe	0.22	0.41	1258
Total	0.21	0.41	4667

We find across all three models that RRP government participation is significantly associated with a reduction in earmarked funding commitments. The percentage reduction is estimated to be around 25% (Model 1), and the estimates from Model 2 (24%) and 3 (23%) are very close to this.

Table C.8: MSM with region and issue area fixed effects

	(1) No FE	(2) Region FE	(3) Issue FE
RRP	-0.28**	-0.27**	-0.25**
	(0.13)	(0.13)	(0.13)
Constant	2.22**	1.80**	2.45**
	(0.16)	(0.27)	(0.26)
R^2	0.17	0.17	0.30
F	113.38**	83.65**	103.64**
N	4435	4435	4435

Linear MSMs, robust SE in parentheses.
Includes TVCs at baseline + lag of austerity
* $p < 0.10$, ** $p < 0.05$

C.4 Lagged DV, Country-Sector fixed effects, Outliers, alternative weights

Table C.9: Robustness 1

	(1) Lagged DV	(2) Ctr-IA FE	(3) - TR	(4) - CH	(5) Weights 2
RRP	−0.194**	−0.275**	−0.296**	−0.331**	−0.299**
	(0.0815)	(0.0826)	(0.0952)	(0.0974)	(0.0939)
Constant	0.614	0.333	1.100**	1.044**	1.211**
	(0.535)	(0.445)	(0.424)	(0.425)	(0.457)
R^2	0.713	0.728	0.641	0.644	0.638
F	85.22**	43.20**	78.92**	72.92**	83.00**
N	3891	4435	4431	4226	4435

Note: Linear marginal structural models with earmarked funding commitments as dependent variable. All models, except Model 2, include country, year, and issue area fixed effects. Model 2 includes year and country–issue-area fixed effects. Robust standard errors in parentheses. *Statistical significance:* ** $p < 0.05$.

Second, we change the model specification of our main MSM. In particular, we include the lagged dependent variable, specify more fine-grained country fixed effects, drop outliers, and present an alternative set of balancing weights. Table C.9 shows some robustness checks for our main models with earmarked funding commitments as dependent variable. Model 1 includes three sets of fixed effects (country, issue area, year), the lag of austerity, and the lagged dependent variable. Substantively, findings are similar to our main findings. Model 2 in Table C.9 changes the one set of fixed effects, specifying country–issue-area fixed effects. This is to control for unobserved time-invariant country and aid sector specific effects, such as when Norway traditionally spends most on the empowerment of marginalized groups in other countries. Findings are again in line with our main results in Table 2. Models 3 and 4 exclude, each, the outlier cases of Turkey and Switzerland. It is debated whether Turkey counts as a democracy after the failed coup attempt in 2016. Moreover, Turkey, despite the participation of a radical right party in government, increased remarkably its foreign aid, both direct bilateral and earmarked funding. In the case of Switzerland, the Swiss People's Party (SVP) is the strongest political party, openly rejects multilateral development aid, and participates in the country's all-parties government since decades. It thus represents a case with strong RRP governmental

participation. Excluding Switzerland, though, contributes to making our estimated effect of RRP slightly stronger.

Finally, Model 5 in Table C.9 uses a slightly different set of dynamic balancing weights. In particular, these weights also balance on austerity and its prior history. Using this set of weights, whose distribution meets expected standards (mean close to one, maximum below 10 as shown in Table C.10) leaves our main findings intact.

Table C.10: Distribution of alternative set of weights (W2) of Model 5

Mean	**Std. Dev.**	**Min.**	**Max.**	***N***
0.99	0.22	0.16	3.09	4565

C.5 Extended RRP coding

Table C.11 has results on MSM where we modified our main independent variable (RRP government). Specifically, under this re-coding of RRP government, we also define the Trump administration as radical right. In addition, due to its strong anti-migration and nationalist positions, we also code the Turkish AKP as radical right. With this extended coding, we re-fit our main models from Table 2.

The column title "US+TR" means that we re-estimate the model with both the US and Turkey (along with all the other) governments as RRP. The column title "US-TR" means that we keep the RRP coding of the Trump administration, but we drop Turkey from the analysis, analogously to the rationale of Model 3 in Table C.9.

Our main results remain intact.

Table C.11: MSM that code the Trump administration and Turkey as RRP

	Earmarked funding		Bilateral aid	
	(US+TUR 1)	(US-TR: 2)	(US+TUR: 3)	(US-TR: 4)
RRP	−0.26**	−0.29**	−0.11	−0.11
	(0.09)	(0.09)	(0.07)	(0.07)
Constant	1.10**	1.14**	5.88**	5.87**
	(0.42)	(0.42)	(0.32)	(0.32)
r2	0.64	0.64	0.80	0.80
F	78.74**	79.78**	59.53**	59.60**
N	4435.00	4395.00	4399.00	4395.00

Note: Linear marginal structural models. All models include country, issue area, and year fixed effects. Lagged austerity is added as time-varying control. Robust standard errors in parentheses. *Statistical significance:* $^{**}p < 0.05$.

C.6 Switching statistical models

Because we logged our outcome variables in our main analyses—to reduce the highly skewed distribution of our data and to increase precision and modeling flexibility, we lose some few observations that had zeroes in their commitments. To guard against the possibility that this affects our results, we use a count model to include those cases that reported zero commitments. Specifically, we fitted a negative binomial model, instead of a Poisson, because the descriptive data already showed a variation considerably larger than the mean. The alternative Poisson model assume equality between the conditional mean and conditional variances of a distribution.

We weigh the negative binomial regression with the dynamic IPTWs to balance our sample. The model includes our main independent variable (RRP), year and issue area fixed effects, as well as all time-varying potential confounders at their baseline value. We also include the lag of austerity. Our substantive results remain the same: while RRP governments reduce earmarked funding to IOs, they do not differ from non-RRP governments when it comes to bilateral aid.

Table C.12: Negative binomial models with non-logged outcome variables

	Earmarked commitments	Bilateral commitments
RRP	-0.179**	0.0655
	(0.07)	(0.11)
Constant	1.464**	5.386**
	(0.42)	(0.23)
Log.-Lik.	-19071.57	-28721.52
AIC	38235.15	57535.04
N	4560	4560

Note: Dynamic IPT-Weighted negative binomial models with amount of earmarked commitments (Model 1) and bilateral commitments (Model 2) in constant USD as dependent variable. Robust standard errors in parentheses. Models include year and issue area fixed effects. All time-varying confounders included at their baseline values. Lagged austerity also included. *Statistical significance:* $^{**}p < 0.05$.