

# **Zeppelin University**

Chair of Political Science

Prof. Dr. rer. pol. Joachim Behnke

Bachelor Thesis

**Strategic Aid Competition:**

**An Empirical Analysis of the Influence of Chinese  
Engagement on the U.S. Aid Flows in Sub-Saharan Africa**

Written by:	Luca Elias Messerschmidt
Student-ID:	14201768
Course of Studies:	Politics, Administration & International Relations
Semester:	Spring Semester 2018
Supervisor:	Prof. Dr. rer. pol. Joachim Behnke
Submission Date:	May 2 <sup>nd</sup> 2018

## ABSTRACT

Do countries strategically react to aid flows of others? If so, to what degree do aid provision and distribution depend on agencies within the executive body? The existence of donor competition would explain patterns and motives of strategic aid allocation that could be used to solve inefficiencies within the foreign aid system of bilateral development assistance. Focusing more on *how* and less on *why* foreign aid is used, a theoretical foreign policy model for foreign aid decisions is developed and suggests the existence of an influence of external actors on all domestic actor groups when foreign pressures are perceived as a threat (political enemy) or a chance (ally). Having chosen the Sino-American case due to topicality, this paper aims to identify reactional patterns towards specific regions and countries of interest and to examine interstate correlation maps to gain better understanding if, how and where the United States react to Chinese assistance. Using a time and country fixed effects panel model with lagged independent variables, this paper tests the validity and robustness of the hypothesis about external influence on domestic aid decisions. Even though descriptive and bivariate analyses revealed positive correlation patterns on a macro level, the specified reaction model has proven no significant reaction by the United States in general or for single agencies. Nevertheless, the present paper provides important findings for future work on spatial and multi-level models aiming at measuring interaction of aid donors in a competitive foreign aid market.