

The Effects of Aid on Recipients' Reputations: Evidence from Natural Disaster Responses*

Allison Carnegie,[†] Lindsay Dolan,[‡]

April 3, 2015

*We thank Alex Coppock, Sarah Khan, and Lucy Martin for helpful comments and conversations. We also thank the participants of the 2014 IPES conference for their feedback. All remaining errors are our own.

[†]Assistant Professor, Department of Political Science, Columbia University, New York, NY.

[‡]PhD Candidate, Department of Political Science, Columbia University, New York, NY.

Abstract

Can foreign aid harm a recipient government's international reputation and global standing? If so, what actions do recipient governments take to try to protect their reputations? We argue that international assistance can undermine a government's international image by making it appear that the government is weak and cannot provide for its citizens. In response, we theorize that incompetent types of governments may reject foreign aid in attempt to fool the international community into believing that they are strong and thus have no need for such aid. However, recipient governments do not always decline aid; they do so when they have the ability to send a credible signal, when they care less about assisting affected citizens, and when rejecting aid is crucial for maintaining a high status in the eyes of the international community. Using a formal model, we explicitly derive these hypotheses. We then test them empirically on an original data set of political responses to natural disasters and find strong support for our theory. Finally, we use a survey experiment to demonstrate that international observers update their opinions of a government's reputation when they learn of a government's decision to reject international aid.

Keywords: foreign aid, governance, natural disaster, signaling

A central contention in political science is that states strongly desire international status and prestige.¹ Many scholars view the international system as a hierarchy of states seeking loftier positions,² showing that this goal is a frequent source of inter-state conflict.³ States desire status and prestige for own sake, because they can provide power and influence or because of material benefits associated with them, such as loans with lower interest rates, FDI, or trade concessions.⁴

But while significant attention has been given to identifying the importance of status in international relations, we know far less about how states attempt to *change* their status. The majority of work in this area has focused on war as the primary means by which states do so, but as Renshon (2015, p. 34) concludes, “it seems likely that states might use alternate strategies to alter the beliefs of their status community as to where they ‘stand.’”⁵ Understanding the ways in which states seek to alter other states’ perceptions of their rank and power is thus crucial for moving forward the debate on how status concerns shape state behavior short of war. Comprehension of these dynamics is particularly important in the current era in which states interact more than ever before in political, economic, and social domains. What strategies do these states employ to influence others’ perceptions of their strength and capabilities?

In this paper, we focus on a particular signal through which states convey increased status: self-sufficiency. While states provide assistance to other states for a variety of reasons, including desires to stimulate economic growth and development, we argue that such aid can also have the perverse effect of indicating the weakness of the recipient state. While donor status confers “superiority and power” to the donor, recipient status signals “inferiority and powerlessness” (Kuusik 2006, 57), leading states to attempt to escape the latter classification. States wishing to improve their international prestige thus attempt to reject such assistance to demonstrate their capacity for self-

¹See Abreu and Gul (2000); Dafoe, Renshon and Huth (2014); Gilpin (1981); Lake (2013); Morganthau (1960); O’Neill (2001); Renshon (2015); Sylvan, Graff and Pugliese (1998); Wohlforth (2009).

²Dafoe, Renshon and Huth (2014, 14) notes that “if there is one feature of reputations and status that scholars are in agreement upon, it is that leaders, policy elites and national populations are often concerned, even obsessed, with their status and reputation.”

³See Lebow (2010); Renshon (2015); Volgy et al. (2010).

⁴See Gray (2013); Tomz (2012).

⁵Scholars have also noted that status sometimes influences attempts to acquire nuclear weapons (Levite 2006) and membership in international organizations (Hafner-Burton and Montgomery 2006).

sufficiency.

Our argument builds on recent studies which suggest that aid may have a perverse domestic effect on recipients: it may undermine their reputations for competence and effectiveness.⁶ However, we argue that receipt of aid can also undermine states' *international* reputations and that, as a result, governments often reject foreign aid to signal their competence to the international community. Because highly effective governments have no need for foreign aid, they are able to decline it to demonstrate their self-sufficiency. Further, we show that many less competent governments claim they also have no need for aid in attempt to fool international actors into believing that they are highly competent. This argument comports well with the large literature arguing governments often seek out ways to send costly signals to demonstrate their competence to international audiences (Carnegie and Samii 2015; Hyde 2011*a*). Because it is difficult to observe whether governments are actually competent and trust-worthy, observers must rely on imperfect indicators (Heffetz and Frank 2008; Pinker, Nowak and Lee 2008). We claim that aid is just such an indicator, so that refusing to accept aid can signal a government's competence, leading incompetent governments to often try to adopt this signal to feign such competence.

For example, in 2006 Eritrea announced that it would no longer accept foreign aid, banishing Western NGOs and institutions from the country. A political advisor to Eritrea's president and head of Eritrea's ruling party stated, "We really don't see any need for [aid]...Africa has within itself the capacity to develop its own economy...We can do it on our own" (Clotey 2012). Yet many analysts have argued that Eritrea is not self-reliant, and in fact desperately needs the aid. A 2006 article in the Economist concludes that Eritrea must have declined the aid because "if Africa's youngest country cannot achieve self-reliance in practice, it can at least seek to create the illusion of it" (The Economist 2006, 1). Eritrea thus is believed to have turned down the aid in an attempt to signal a level of competence that it did not possess.

Yet states clearly do not always reject aid. We argue that in a government's decision about whether to accept aid, there are several costs and benefits of refusing to accept foreign aid that

⁶Note that the concepts of competence, preparedness, and effectiveness are all related, though are distinct. Throughout the paper, we thus use these terms interchangeably though we recognize the nuances in their definitions.

it must consider. We highlight three as being particularly important: the government's capacity for self-sufficiency, its concern for the welfare of affected citizens, and its international reputation. Consider each in turn:

First, governments reject aid when it is plausible to international observers that they could be competent. For instance, if a government has considerable resources, good institutions, is not overly dependent on aid, and is seen as relatively self-sufficient, it is more likely to govern effectively. In such a case, international actors experience difficulty discerning whether the government is indeed effective, and rely more heavily on the rejection of aid as a signal. By contrast, a government that possesses few resources and experiences extreme levels of corruption and mismanagement is not likely to fool anyone by refusing to accept aid, and thus does not find it worthwhile to do so. This type of government does not decline aid since doing so would not change observers' beliefs about its capabilities.

Second, aid rejections are more likely when the government receives fewer benefits from the aid. For example, this can occur when it values public service provision and citizen welfare less, or when affected citizens are less politically important. Governments that are thus able to turn down aid in order to signal competence to the international community may fail to do so the more they desire the public services that the aid can bring.⁷

Third, governments are more likely to reject aid when doing so is crucial for maintaining a good international image, which occurs when their reputation is not too strong but also not too weak. This logic implies that governments with a moderate level of international status, such as middle income countries, are more likely to reject aid. Low status governments would be unlikely to achieve global power status by rejecting aid, while global leaders would not need to refuse aid in order to obtain such an image.

This article formalizes and tests this argument, making several contributions. From a scholarly perspective, it moves forward the debate on the relationship between aid and status. Our argu-

⁷Note that while not all aid is used for public services, we focus on aid that is provided for this purpose to better isolate this mechanism. If instead, for example, the government confiscated all of the aid for its own personal use, we would expect that governments would decline aid when they derived a smaller benefit from this aid-driven consumption.

ment is related to, but distinct from, the literature on the “fiscal contract,” which shows that states exchange public services for tax receipts and support from their citizens (Bates and Lien 1985; Levi 1998; Moore 2008; Timmons 2005), keeping governments accountable to their citizens due to their need for tax revenues. However, if public services are funded by foreign aid donors rather than out of tax revenues, this contract may be broken (Ahmed 2012). Because the government is no longer seen as fulfilling its end of the tax bargain, it may lose legitimacy, undermining its authority (Brass 2010; Fowler 1991; Lake 2010; Sacks 2012). It may also become more corrupt, since taxes may lead citizens to hold governments accountable much more than foreign aid does (Martin 2014; Paler 2013) and because citizens perceive projects funded by aid to be less corrupt than those funded by the government (Milner, Nielson and Findley 2013).

Rather than maintaining a focus on whether aid undermines a government’s domestic legitimacy, however, we ask what effect aid has on a government’s reputation more broadly. We examine what actions governments take in response to aid’s impact on their international images. This can help to provide a better understanding of the strategic behavior surrounding the receipt of foreign aid, along with the broader consequence of foreign aid provision for governments and their citizens.

Further, this article also helps to inform policy debates surrounding foreign aid provision. For example, many policy-makers advocate for aid branding, such that citizens can easily identify which country supplied a given aid donation (Guiteras and Mobarak 2014). However, our study suggests that doing so can undermine a recipient government’s international reputation for good governance, which could cause them to decline to accept such aid. Moreover, it suggests that certain modes of delivering aid may be preferable to others; for instance, perhaps discreetly delivered aid that aims to build a government’s capacity for public service provision is more optimal than other forms of aid since it will seem less threatening to the government’s international standing and the government will be more likely to accept it.

Finally, the article helps to make sense of otherwise puzzling instances of aid rejection. A common assumption in the aid literature is that governments desire foreign aid; yet, if this is

the case, why do governments often refuse to accept this aid? Our theory makes an important contribution toward explaining the reasons behind governments' seemingly irrational decisions to reject aid.

In what follows, we lay out our theory in detail, situating it within the status literature. We then develop a formal model, which allows us to derive several testable hypotheses. We examine these hypotheses empirically by focusing on responses to humanitarian aid following natural disasters, and find strong support for our theory. We also test whether observers are persuaded by acts of aid rejection by fielding a survey experiment in two countries. We find that Americans improve their opinions of India when they learn it rejected aid after a natural disaster, while the opinions of Indians are not affected by this information. This evidence backs our claim that aid rejection decisions are primarily motivated by concerns for a country's international reputation. Finally, we conclude by discussing the broader implications of our argument and possible extensions of our findings.

Natural Disasters and International Status

To unpack when governments reject aid to improve their international status, we focus on a particular setting: natural disaster relief. Severe natural disasters have become an increasingly common occurrence around the world. These extreme events often cause thousands of deaths, billions of dollars in property damage, and dwarf individual countries' capacities to respond. The international community thus typically offers considerable assistance to help with the rebuilding and reconstruction effort. Yet despite the extreme need faced by victims of these disasters, and the generosity of the assistance offered, the governments of countries hit by these events often reject international assistance. This represents puzzling behavior; why would governments deny themselves the assistance they so urgently need? More generally, when do governments reject international involvement when that involvement is necessary and beneficial to citizens' welfare?

While considerable attention has been paid to the politics surrounding natural disasters, the re-

jection of disaster aid has received scant systematic analysis. The only work to our knowledge that has addresses this important topic systematically is Nelson (2010), which conducts a quantitative analysis of 77 disasters and finds that transition regimes are most likely to decline aid. However, this account tells us little about the political strategies and actors involved in the decision to turn down aid. By formally modeling this process, including political variables that are more precise than regime type, and exploring a variety of case studies along with a survey experiment, we are able to offer a new theory that sheds light on the political processes involved in accepting and rejecting aid offers.

We focus on the domain of natural disasters for several reasons. First, natural disasters represent a tough case for our theory since humanitarian aid following a disaster may be seen as more necessary, and therefore accepting it may cause less damage to a government's reputation than does accepting other types of foreign aid. Thus, if we find results in this setting, we can be more confident that the dynamics we uncover are present in other areas of international relations as well.

Second, while examining the universe of natural disasters does not eliminate problems of endogeneity, it mitigates them in helpful ways. Most important, the timing of natural disasters is essentially random, and is therefore not determined by strategic considerations related to reputation or aid provision. Natural disasters thus represent a particularly useful set of cases to study for empirical reasons.

Third, the receipt of aid following natural disasters is typically well-publicized, which helps to ensure against the concern that a null result would indicate that the international community is simply unaware of the government's receipt of foreign aid. Instead, severe natural disasters receive extensive international coverage due to their high salience. International actors thus pay close attention to this form of aid, allowing us to examine the government's disaster response in a setting where the aid they receive is heavily publicized. Since our theory requires aid receipt to be transparent, aid following natural disasters represents an ideal arena in which to examine our theoretical predictions.

Further, we emphasize the impact of aid rejection on *international*, rather than domestic repu-

tations. While aid rejections could signal competence to a state's domestic population in principle, there are several reasons to suspect that such rejections tend to work against politicians rather than for them. First, previous work has shown that people impacted by natural disasters demonstrate a greater interest in politics, with some of the highest voter turnout appearing in local areas most affected by a disaster (Fair et al. 2013; Sinclair, Hall and Alvarez 2011). One possible explanation for such a phenomenon is that individuals psychologically experience post-traumatic growth; this theory suggests that surviving trauma may motivate individuals to adopt more active political orientations (Blattman 2009). But it is also plausible that even purely rational individuals would change their political orientation after a natural disaster, either based on their new political demands or their updated evaluation of the role of politics as experienced in the disaster recovery efforts. Since disaster victims are likely to become involved in politics in the future, it may be especially costly for the government to turn down assistance rather than to provide the help that these citizens require.

Second, scholars have shown that relief efforts are not distributed uniformly due to political concerns. Natural disasters can represent opportunities for political actors to channel resources and distribute patronage (Cooperman 2014). Rebel groups also often rely on strategies of resource distribution (Sanchez de la Sierra 2013; Weinstein 2006); government groups and rebel groups are likely to compete to supply relief to their support bases when a natural disaster occurs in a conflict area (Beardsley and McQuinn 2009). Furthermore, relief efforts are more likely targeted to areas with higher newspaper circulation and electoral accountability institutions, implying that governments respond where their actions are most visible (Besley and Burgess 2002).⁸ These factors can increase the cost of aid rejection further, as it removes valuable opportunities for patronage and clientalism.

Third, previous studies show that natural disasters typically have negative electoral consequences. Writ large, incumbents are punished for natural disasters and even shark attacks (Achen and Bartels 2004), but this punishment is less severe when incumbent politicians handle a disaster

⁸Similarly, disasters appearing in the news are more likely to get relief (Eisensee and Strömberg 2007).

effectively (Cole, Healy and Werker 2012; Healy and Malhotra 2010). However, voters do not tend to reward advance preparation of disasters (Healy and Malhotra 2009) and, when natural disasters are sufficiently rare, politicians have little incentive to invest in disaster prevention anyway (Fox and Van Weelden 2013). This points to a moral hazard problem, since states may use aid as a form of disaster insurance and thus fail to prepare adequately (Cohen and Werker 2008; Werker 2010). Such behavior would further discourage the rejection of aid for domestic reasons.

However, despite the strong theoretical reasons to suspect that governments reject foreign aid due to concerns about international, rather than domestic, reputation, we also subject this logic to empirical testing below. Specifically, we conduct a survey experiment on reactions by both domestic and international actors to aid rejections, and only find evidence to support the contention that international audiences matter. Before presenting these results, however, we present our theory in greater detail to derive specific, empirically testable predictions.

Signaling and Status Improvements

Unlike theories that focus on the consequences of status concerns, we focus on the means by which states achieve greater status within the international community. We argue that states reject aid when doing so provides a credible signal of a state's type. States are able to send such a signal when the cost of rejecting aid is not so high that it outweighs the potential benefits of the signal, which occurs when states are competent, or have enough resources to cover-up their incompetence. States that lack resources would suffer too high a cost of rejecting it, and the international community would not believe that they were high status states anyway. Rejecting aid thus became a way for states to demonstrate their self-sufficiency and signal that they should be awarded higher status in the international community.

We develop this theory formally by adopting a version of Hyde (2011*b*)'s signaling model. While Hyde (2011)'s model explains how election observation became an international norm, we use the basic insights from her model to explain when governments reject aid. While incorporating

the basic framework of Hyde's model, we adapt it to our setting by modifying the parameters and set-up and use it to reach novel conclusions. Here, we describe the game as a heuristic device and provide the full model in the supporting information due to space constraints.

The model features two primary actors: the incumbent government and the international community. At the beginning of the game, a natural disaster occurs and the incumbent chooses whether to reject or accept international assistance for dealing with the disaster clean-up. Incumbents come in two types: "competent" or "incompetent." Competent governments have the resources to respond adequately to natural disasters and do not require foreign assistance. Incompetent governments do not possess these resources, and can not rebuild their country without foreign aid. However, incompetent governments can still reject the foreign assistance in order to try to appear competent. Doing so comes at a cost, however. Specifically, if the incumbent rejects assistance, she forgoes the aid and, if the government is incompetent, she chooses how much effort to expend in covering-up her inadequate response to the disaster. These efforts could include activities such as controlling state media, issuing false reports and statements of the ease with which recovery is proceeding, blocking affected citizens' abilities to communicate or organize, or making cosmetic changes to provide the illusion of recovery.

The international community prefers to accord higher status to competent governments than to incompetent governments. The international community can include powerful states, investors, international institutions, and other actors capable of determining the status on a particular state. Holding a state in greater esteem provides its own reward, as well as power, investment, and other benefits that accompany a better status. These potential benefits provide a strong incentive for states to try to demonstrate their competence to these international actors.

The international community seeks to confer higher status on competent states. Both competent and incompetent types of states may therefore reject aid following a disaster as a signal of their competence. However, states only have the incentive to do so when the expected benefits of obtaining a greater status outweigh the costs of rejecting aid. Aid rejection not only carries the opportunity cost of losing the foregone aid, but it also brings the risk that incompetent states will

be caught in their attempts to seem competent. Incompetent states with fewer resources, along with those that care more about providing a speedy recovery after the disaster, face steeper costs both to losing the assistance and to attempting to seem competent.

Next, the international community updates its beliefs about the incumbent's type based on whether the state rejected aid, and whether a cover-up was exposed by the media. Specifically, when reporters discover that the state did not adequately deal with the disaster, the media publishes this assessment in international newspapers, and otherwise publishes a positive report of the government's efforts. Because of the incentives to reject aid, the international community expects competent governments to do so. Since any competent government should refuse assistance, if the international community observes a state accept disaster aid, it concludes that such a state is not self-sufficient and therefore does not accord high status to that state. Thus, incompetent states may turn aid down, taking the chance that they will be discovered as being incompetent, but affording themselves the possibility of attaining a higher status.

If such states that reject aid are revealed to be incompetent, however, they are left in a worse position than if they had simply accepted aid in the first place. In either scenario, the state would not receive a higher status. Yet in the former scenario, the state also did not receive needed aid during a crucial period. Further, being revealed as a fraud could have negative implications for both domestic and international status. Domestically, citizens may punish the government for providing inadequate relief, as well as for posturing when it should have been focused on disaster relief. Citizens may conclude that the government cares more about its international reputation than their well-being. In response, citizens could fail to reelect the incumbent in a democracy, or could reduce support through protests, coup attempts, or violence in a regime of any kind.

Aid rejection thus provides one avenue short of war through which states can indicate their type and thus attain a better status. Having derived testable predictions from the model, we now move to examine whether they receive empirical support.

Illustrative Examples

We have argued that competent governments reject assistance following natural disasters to signal their competence to the international community and thereby receive higher status. Since status brings a host of benefits, incompetent governments may attempt to signal competence by similarly rejecting such aid. However, doing so means that the government 1) does not receive the needed aid and 2) risks its true type being detected and disseminated by the media. Because incompetent states with fewer resources and those that care less about assisting their citizens face steeper costs on both counts, these governments are the least likely to reject international aid. We now provide real-world examples that illustrate this logic. Though we only present a few cases due to space constraints, we coded each case in our sample and provide the remaining case descriptions in the supplemental appendix.

Sri Lanka

Sri Lanka represents a case of a state that accepted aid following a disaster because it was so far from being able to respond adequately that rejecting aid would not have been feasible. Indeed, the December 26, 2004 earthquake and following tsunamis killed 31,000 people, left 4,000 missing and destroyed 100,000 homes. Sri Lanka accepted aid following the disaster, as it did not have sufficient resources to respond. There was no coordinated plan for responding to such a large disaster, there was no tsunami warning system, and no disaster plans could be located. Its GDP in 2002 was only \$3,540 and the healthcare system was not prepared, leading to fears of disease outbreaks. All roads in affected areas were totally inaccessible following the tsunami, and rescue efforts were confused and slow to mobilize (Yamada et al. 2006).

Further, the country had been engrossed in a civil war that had lasted for decades, so that the violence and chaotic governing atmosphere compounded the situation. Indeed, “The preexisting civil conflict coupled with the scale of the disaster proved to be too much for the government of Sri Lanka to handle. There simply was not enough capacity on the part of the government to

deal with such a massive disaster” (Ching 2011, 6). In fact, some areas that were not open to foreign assistance before the disaster were then opened to foreign aid (Farley 2008). Sri Lanka even received \$25 million in aid from India, which was also hit hard by the disaster (Hall 2004).⁹

China 2008

China is an example of a country that was able to reject aid due to its competence in dealing with its natural disaster. China is a disaster prone country and has experienced several major disasters recently. In June 2007, China experienced severe flooding, killing 650 people throughout the flood season. On May 12, 2008, a 7.0 magnitude earthquake hit the Sichuan province of China, killing over 74,000, injuring 247,000 and displacing 5 million, after which many aftershocks hit, four above magnitude 5.0 (The Economist 2008). On August 3, 2014 a 6.4 magnitude earthquake hit the Yunnan province, killing 617 and injuring 2,400.

The Chinese Foreign Ministry either rejected or did not seek aid after each disaster, stating that it had the situation under control. It rejected international assistance after the floods in 2007 (Farley 2008), and then accepted some money and supplies after the earthquake in 2008 but did not accept relief workers (Tong 2008). President Xi Jinping said in 2008, “the relief work is happening efficiently and orderly” (The Economic Times 2013). It also did not seek funds after the 2011 flooding (Red Cross of China 2011), and rejected aid after the 2013 earthquake, stating that it had no need for the aid (The Associated Press 2013).

However, China was able to do so because it was capable of managing the disasters itself. For example, immediately following the 2008 earthquake, it deployed 100,000 troops to find survivors, the prime minister personally helped out for five days, and thousands of Chinese citizens volunteered to help with the clean up (The Economist 2008). The government also communicated effectively with the people rather than trying to cover up the extent of the disaster. Indeed,

⁹Although note that Sri Lanka initially rejected a 150 person rescue mission from Israel due to the military personnel on the crew, but later accepted a delegation of 60 soldiers from Israel instead (Hall 2004). Note also that it was difficult administer the aid because the civil turmoil made reaching an agreement over aid distribution difficult (Islam Web 2005). Reports also questioned whether the rebel group, the Liberation Tigers of Tamil Eelam, welcomed aid or interfered in foreign aid disbursement (Immigration and Refugee Board of Canada 2005).

the 2008 clean-up was widely thought to be efficient and well executed. It managed to prevent disease outbreaks, relocated vulnerable populations, and displayed quick medical response (Tong 2008). China's skill in disaster management was also widely acknowledged after each natural disaster mentioned above, as China possesses the resources to clean up most disasters, though its prevention efforts still could be improved (Adams 2010).

Indeed, state-run newspapers made sure to trumpet the government's success in its relief efforts, stating that the response to the 2008 earthquake was "more mature" and that "in its ability to mobilize people and in other indicators, China's disaster relief comes ahead of the United States, Japan and other developed countries" (The Associated Press 2013). Thus, since China was able to respond to the disasters by primarily using its own resources, it made sure to do so.

India After 2004

India represents a country that rejects aid to signal its higher status, but actually still needs the aid. India is one of the most disaster-prone countries in the world and an emerging global power. Until 2004, India always accepted international aid offers after natural disasters such as the 2004 Bihar floods, the 2002 Bengal cyclone, the 2001 Gujarat earthquake, the 1993 Latur earthquake, and the 1991 Uttarkashi earthquake (Kasturi 2013).

However, after its 2004 tsunami, which killed more than 12,000 and displaced over 600,000 people, India announced that it would no longer accept disaster aid and instead provided aid to other states hit by the tsunami (Kasturi 2013). Indeed, it turned down assistance not only in 2004, but in each subsequent disaster in which aid was offered. Examples are numerous. Following the 2005 Kashmir floods, which destroyed 2,500 villages in India and displaced five million people, India would accept no aid but provided aid to Pakistan (Krishnan 2014). The October 8, 2005 earthquake in India of magnitude 7.6 killed 1,300 people and displaced 30,000 families, yet India still refused aid. After India experienced flooding in Uttarakhand in 2013 in which thousands died, the U.S. and Japan offered aid, but India would not accept it (Kasturi 2013). When Kashmir was flooded in 2014, 150,000 people were displaced and yet India refused help from the United

Nations.

India claims that it no longer accepts aid because it no longer needs it. An external affairs ministry spokesperson stated, “As a general policy in case of rescue and relief operations, we have followed the practice that we have adequate ability to respond to emergency requirements” (Kasturi 2013). After the 2004 tsunami, Prime Minister Singh stated “We feel that we can cope up with the situation on our own” (Kasturi 2013). Indeed, this is a common refrain after disasters. After the 2005 earthquake, the Indian government insisted it did not need any foreign aid, stating “we ourselves are taking care of our victims” (Sengupta 2005).

After the 2004 tsunami, India’s relief efforts were widely criticized, with the UN calling it a “wake-up call” for India’s planners, Red Cross officials referring to the relief effort as “chaotic” and a human rights organization in Hong Kong characterizing the relief as “pathetic” (Margesson 2005). Human Rights Watch noted that many groups were discriminated against, such that the relief was also highly inequitable (Margesson 2005). Five years after the tsunami, reports noted that the Indian government failed to deliver on many of its aid promises, and many citizens remain without homes (RT News 2010).

After the 2005 flooding in Kashmir, an official of a prominent Indian NGO stated, “The intensity of the calamity could be attributed to poor resource management and lack of planning,” and the disaster response included a “near absence of the government’s agencies” in the region (Krishnan 2014). A professor of International Studies in Srinagar stated, “There was simply no disaster management...The civil administration simply vanished” (Krishnan 2014).

Indeed, India is still not prepared for a disaster, according to a 2013 government audit. The audit found that India’s disaster relief agency faces “critical gaps” and is ineffective when responding to disasters (Bhaila 2013). A report by the Comptroller and Auditor General found that the National Disaster Management Authority lacks both information about and control over disaster responses, “none of its mitigation and vulnerability mapping projects was completed”, and it “was found ineffective in its functioning in most of the core areas (Bhaila 2013). Further, “the deficiencies in this regard were not recognized and remedied, especially in terms of deployment or suitable

manpower, equipment and training” (Bhaila 2013).

India greatly aspires to become a global power. It is a nuclear power, and had greatly increased its military spending in recent years. Specifically, India’s military expenditures fluctuated between around \$17-19 billion from 1987-1994, increased at a fairly consistent rate from around \$20 billion in 1995 to \$29 billion in 2003, and then jumped dramatically to \$34 billion in 2004, \$36 billion in 2005, and continued to rise to \$49 billion in 2010 (Yearbook 2009). It’s major power goals were also apparent in its attempt to secure a permanent seat on the United Nations security council, launching a joint effort with three other countries in 2004 (Welle 2004). Indian President Mukherjee stated that India was “eminently suited” for the position and had “affirmed its willingness and capacity to shoulder the responsibilities” due to factors such as GDP, population, size, political system, culture, and UN contributions (Indo-Asian News Service 2012). These factors, among others, contribute to the perception that India has “ambitions to assert itself as a world power” Sengupta (2005).

Indeed, many reports agree that India rejects aid for this reason. For instance, India’s newspaper The Telegraph stated that India’s aid refusals build “on a quiet but assertive diplomatic aid policy that has coincided with its growing economic clout. It’s a policy that has seen India change from a country that happily accepted foreign aid to tide it over natural disasters just a decade ago to a nation that routinely rejects bilateral assistance to handle such crises” (Kasturi 2013). Further, “the policy is also about driving home a point to countries that have traditionally led the world’s economic system” (Kasturi 2013). A retired Indian diplomat concurred, stating, “There’s a certain sense of self-confidence that we can manage it and, let me say, a desire to signal that you are capable of managing things on your own” (Sengupta 2005). The president of the Henry L. Stimson Center stated, “Part of this has to do with national pride” (Sengupta 2005). Similarly, the director of a private research group in India stated that the rejection of foreign aid reflected India’s aspiration to be one of “the big boys” in the international community” (Sengupta 2005) and it “says a great deal...about India’s own ambitions to assert itself as a world power” (Sengupta 2005). Indeed, after the 2004 tsunami in which India first rejected aid and assisted other countries, Indian newspapers

published articles with headlines such as, “Post-tsunami India’s Image Rises Globally” (The Times of India 2005).¹⁰

India thus put sending this signal ahead of the welfare of its citizens, as the director of a private Indian research group said, “The risk really is that in our refusal to accept aid I don’t think we are keeping people to whom aid might go as central....We are playing politics with aid, using aid to make a statement” (Sengupta 2005). Indeed, according to CIRI’s physical integrity index, India received a 0/8 for the vast majority of years since 1990, and its human empowerment score prior to 1998 hovered between 10-12, but after 1998 fluctuated between 7-9 out of a possible 14 (Cingranelli and Richards 2010). After India’s refusal of aid after the 2004 tsunami, a U.S. official stated, “Frankly, we feel it is a misplaced desire to demonstrate India’s self-importance in the region. If anything, it seems to show the government does not care enough for the people” (Rajghatta 2005).

Japan

Japan represents an instance of a country that was not able to handle disasters adequately, but rejected aid to try to hide this fact and preserve its status. Instead, it was caught and suffered domestic backlash. Japan is frequently hit by massive disasters including tsunamis, earthquakes, floods, typhoons, and volcanic eruptions. Two of the most severe in recent memory were the 1995 Kobe earthquake and the 2011 Tohoku earthquake. The magnitude 7.2 that hit on January 17, 1995 earthquake killed 5,200 people, injured 30,000, displaced 300,000 and destroyed 110,000 buildings (Fukushima 1995). The magnitude 9.0 earthquake hit on March 11, 2011, triggering a tsunami which then caused accidents in Japan’s reactors, primarily in the Fukushima Daiichi Nuclear Power Plant. This massive disaster caused an estimated 15,889 deaths, 6,152 injuries, 2,601 missing people, 127,290 collapsed buildings, along with exposure to radiation and evacuation of 30,000 residents living near the plant (CNN 2014; National Police Agency of Japan 2014). The disaster’s damage is estimated to cost \$300 billion (CNN 2014).

¹⁰Because foreign direct investment has been highly controversial in India, signaling to investors was likely not a particularly strong motivation.

However, in both cases Japan refused international assistance. After the 1995 earthquake, Japan refused all international offers of help. Further, it took the government months to even recognize the relief efforts of Japanese volunteers (Choate 2011). After the 2011 disaster, while Japan did accept some aid following the earthquake, it did not accept all aid immediately. The chief director of an Israeli NGO stated “it was initially very difficult for the Japanese authorities to accept any kind of outside intervention or support” (Tokyo Weekender 2012). For instance, on March 12, 2011, the Japanese red Cross stated that it had “determined that external assistance is not required, and is therefore not seeking funding or other assistance from donors at this time” (Red Cross of China 2011). Similarly, Reuters reported “Japan’s government has receive doffers for assistance from 91 countries, and has accepted assistance from about 15 based on assessed needs” (Reuters 2011).

Further, once the government did accept some aid in 2011, the Israeli NGO official stated that “most of the places refused our help” once they arrived (Tokyo Weekender 2012). While the government did request aid, its reluctance was magnified after the Fukushima disaster, as it exhibited “reluctance to engage the international community more broadly on Fukushima” (Johnston 2013). For instance, the U.S. offered technical assistance if the nuclear reactors overheated, but the government and the Tokyo Electric Power (TEPCO) insisted they could handle the situation themselves. Further, Japan rejected a U.S. offer of cooling fuel rods for the affected nuclear reactors (BBC News 2011). Similarly, a senior U.S. official stated, “We tried to airlift generators to Fukushima right at the beginning, but the Japanese refused our help. They are very proud.” He added that they don’t have enough “capacity to handle this” (Timmerman 2011).

Many newspapers were very critical; for instance, a 2011 opinion piece written by the president of the European Bank for Reconstruction and Development stated, “A mixture of pride and arrogance...has led the public and private authorities in Japan to refuse international aid while hiding the scope of the disaster, both from their own people and from the international community....these same officials are refusing the cooperation of foreign experts” (Attali 2011). Indeed, Japan’s newspapers downplayed the threat, stating “while higher than normal levels of radiation

have been recorded in various parts of Japan, experts and government officials say the figures do not represent levels that could immediately affect human health” (BBC News 2011).

Yet as a wealthy country that does invest in earthquake preparedness, the country could have been conceivably handled the disaster on its own, and indeed, initially following the disaster there was considerable speculation about whether the government had the resources to cope with the disasters (McCurry and Sample 2011). However, after both disasters, Japan faced strong criticism for rejecting aid, as observers agreed that it desperately needed the assistance. The government was very unprepared for the 1995 disaster, experiencing many bureaucratic problems with providing assistance and difficulty coordinating a response (CBC News 2011). It admitted later that it had assumed that Japan was not likely to experience a major earthquake and so had not invested in disaster preparation (Fukushima 1995). It was thus largely unable to respond effectively (Fukushima 1995). The Japanese government was more prepared for the 2011 earthquake and tsunami than it was for the 1995 earthquake due to its enforcement of strict building codes, earthquake drills, information provision, and the installation of a tsunami warning system. However, it was totally unprepared for the possibility of a resulting nuclear disaster (Choate 2011). For instance, after the 2011 earthquake and tsunami, many reports concluded that “the crisis is too big for either Tepco or the government to handle” (Johnston 2013).

Japan is a developed country that has consistently sought greater international status. Though its military expenditures have remained relatively constant, staying between around \$45-60 billion since 1988 (Yearbook 2009), this is actually not a very appropriate measure of Japan’s international rise because Japan has fallen under the U.S.’s security umbrella since the end of WWII. More convincing indicators in this case are Japan’s attempt to attain a permanent membership on the U.N. Security Council, which it has declared as its aim since the early 1990s (Coulmas 2006), and its desire to host prominent international events. For example, the 2011 disaster coincided with Japan’s bid to host the Olympics. Reports stated, “many who oppose the Tokyo Olympic bid charge that nobody in the government or the media wants to draw international attention to Fukushima and risk giving the International Olympic Committee an excuse to reject the Japanese bid” (Johnston

2013). For instance, the former Ambassador to Switzerland wrote to Japanese Prime Minister Abe and the U.N. Secretary-General to urge more international assistance with Fukushima and to object to Japan's Olympic bid stating, "There's an international strategy to consider that Fukushima did not happen. Japan's media....has succeeded in creating a 'business as usual' atmosphere (Johnston 2013). Japan's anxiety to be seen as an influential international power contributed to its reluctance to accept aid after the 1995 earthquake, as it was especially hesitant to accept aid "from countries that in their eyes are less developed than Japan" (Fukushima 1995).

Yet Japan was caught trying to misrepresent the extent of its preparedness. The 1995 earthquake occurred soon after the election of Murayama, who was not very popular (WuDunn 1995); however, his relief efforts became so bungled that he quickly lost support despite rejecting aid and downplaying the extent of the damage (Fukushima 1995). After the 2011 earthquake, the Liberal Democratic Party would not accept aid or even admit to the extent of the disaster until after it won the July 22 2013 election. One day after the victory, the government conceded that the Fukushima plant was leaking radioactive groundwater into the Pacific Ocean (Johnston 2013). Further, the government was unpopular, such that reports speculated that "A public perception that it has mismanaged this human tragedy will be its death knell" (Choate 2011).

TEPCO and the Japanese government were also found to be hiding information and underplaying the scale of the disaster in part to attempt to return to "business as usual" as quickly as possible. As one author puts it, "If TEPCO and the government of Japan admit an earthquake can do damage to the reactor, this raises suspicions about the safety of every reactor they run" (Onda 2007). Further, the team responsible for looking into the disaster was "under constant internal and external pressure to downplay the situation and protect the interests of nuclear power" (Chandler 2012). A parliamentarian on the team noted the need for increased help from the U.S. but stated that only industry representatives were talking with the U.S. government (Chandler 2012).

Japan's human rights scores have been consistently high relative to other countries, though they fell slightly before both disasters, dropping in 1993, and again around 2010. (Japan's Physical Integrity Index fell from an 8/8 to a 7 in 1993 while its Human Empowerment Index remained at

14/14. The Physical Integrity Index fell to a 6 in 2010 and its Human Empowerment Index fell to a 13 in 2008 and a 12 in 2011 (Cingranelli and Richards 2010).)

Analysts pointed to both international and domestic consequences if the government failed to respond effectively, stating, “If Tokyo fails to address the crisis forcefully and effectively...the country will emerge from this disaster with its international powers curtailed, its confidence impaired, and its finances further damaged. The tendency of the world to view Japan as a spent force would thus be confirmed” (Madsen 2011). Yet it seems that because the government could not provide effective responses, it tried to hide the extent of the disaster to create the illusion of them.

Turkey

Turkey represents another state that tried to reject aid to improve its international status, but was caught and ended up with a domestic and international backlash. In 2011, an earthquake of magnitude 7.2 hit the city of Van, followed by severe aftershocks, killing 604 and injuring 4,152 people. Turkey initially issues a statement saying that the aid was not needed (Ravid 2011). However, the shortage of shelter grew so great that they triggered protests and Turkey was forced to accept aid by the end of the week (Seibert 2011).

Turkey was not prepared, though it could have been. However, for Turkey to be earthquake prepared, it would need to rebuild 10% and repair 30% of its homes (Dombey 2011). A prominent Turkish writer said “we should not blame the earthquake but the people who cheated on the construction and the municipalities that did not enforce the regulations” (Dombey 2011). An earthquake tax that was supposed to assist with disaster readiness went to other construction projects instead (Dombey 2011). Turkey thus has “poor building practices and lax enforcement of quality codes” (Peterson 2011).

However, Turkey initially rejected aid because, according to a Turkish writer and communist, it “didn’t want to create the impression that Turkey was in need of assistance from abroad, this was not in the interest of a country that is emerging as a regional player” (Dombey 2011). Indeed, just before the earthquake, Turkey’s newspaper, *Today’s Zaman* reported that “The events of the Arab

Spring, the Israeli-Palestinian conflict and a weakened Iran have left a window of opportunity for this once-dormant power to reemerge as the leader of the Middle East” (Myers 2011). The *Montreal Gazette* reported that Turkey was exercising this influence through its involvement in Syria, military exercises, and sanctions (Myers 2011). The economy tripled over the last decade. Analysts have concluded that it “could stem more from a desire to be seen as a strong power” (Jayasinghe and Sevin 2013). Such a motivation would be similar as the reason for its rejection of aid after its large 1999 earthquake. After that earthquake, it rejected aid from many groups, especially pro-Islamic groups because “that could be seen as weakening the prestige and authority of the state” (Kinzer 1999).

Yet Turkey was forced to relent and accept aid after protests erupted over the handling of the disaster. Turkey’s prime minister Erdogan admitted the government made a mistake in rejecting aid (Dombey 2011).

Experimental Findings

An implication of our model is that a government will sometimes reject disaster aid to fool an observer into thinking the government was prepared. Does aid rejection succeed in improving observers’ opinions? If so, which audiences are most susceptible? To answer these questions, we made use of an online survey experiment fielded in the US and India. All individuals read about a natural disaster in India; treated individuals also received the information that the Indian government rejected an offer of international assistance. We randomized whether the individuals in our experiment saw a real treatment or control borrowed from news reports. We found that aid rejection improved opinions of the government’s preparedness among Americans, but not Indians.¹¹

We fielded our online survey using the Qualtrics market research sample in India (N=750) and the US (N=750). The Qualtrics sample for each country is nationally representative based on age, gender, and region. It is worth noting that our Indian sample is remarkably educated, with the

¹¹Note that we also ran the survey using a hypothetical scenario, but did not find significant effects.

average respondent reporting a college or graduate degree. The average American respondent has between a high school degree and some college. The survey was fielded February 10-18, 2015. The surveys for each country were identical in treatments and outcomes but collected different covariates. We analyze results for Indians and for Americans separately.

Individuals were assigned to one of two conditions: real treatment or real control. The scenario, with treatment text in bold, reads:

On the next page, you will be asked to read about a real news event that occurred a few years ago. You will then be asked some questions about your reaction to this event. Read carefully, as you will not be permitted to return to this page.

South Asia's strongest earthquake on Oct. 8, 2005 killed around 75,000 people and left up to 3.5 million homeless in northern Pakistan and India. Many concrete-roofed buildings, including most government offices and schools, collapsed in the quake, burying thousands of people under rubble. According to the U.N. Children's Fund, the earthquake damaged or destroyed almost 10,000 schools and three-quarters of health facilities. **India, where the quake killed just over 1,300 people and left more than 6,600 homeless, did not ask for outside assistance. The government announced that it did not need international aid to recover.**

Our main outcome measure was "How much confidence do you have in the Indian government's ability to respond to the earthquake using its own resources? (1-7)" This is our measurement of the observer's belief in the preparedness of the government.¹²

Randomization was conducted in Qualtrics through simple random assignment. All of our balance tests in the US succeed (see Table 1). In India, treatment group reports slightly higher assets than the control group (see Table 2). However, these differences are not substantively significant. This evidence is consistent with the assumption that randomization was successful.

Tables 3 and 4 show the effect of the rejection treatment on our seven outcome measures. We estimate three models across all results. Model 1 reports a simple difference-in-means. Model 2 adjust for covariates. We have missing data on some covariates – including "followed international news" which was added after the launch of the survey – and so we also run Model 3, which adjusts for covariates with imputations to recover use of our full sample. Imputations are calculated by

¹²Note that we also asked respondents broader questions about the status and influence of India both at home and abroad, but did not find a significant effect.

Table 1: US: Descriptive statistics and test of balance

	Treatment		Control		Treatment-Control		N
	Mean	SD	Mean	SD	Difference	Difference SE	
Age	46.45	17.33	46.20	17.18	0.25	1.80	371
Male	0.55	0.50	0.50	0.50	0.05	0.05	370
Edu (1-8)	4.02	1.57	3.84	1.57	0.18	0.16	371
Income (1-8)	4.37	2.83	4.72	2.82	-0.34	0.29	371
Republican (1-6)	2.76	1.25	2.78	1.34	-0.02	0.14	342
Foreign born (0-1)	0.06	0.24	0.10	0.30	-0.04	0.03	371
Follows news (1-4)	3.16	1.13	3.30	0.96	-0.14	0.11	371
Follows intl (0-1)	0.58	0.50	0.66	0.47	-0.09	0.05	333

Follows intl was added after most respondents were reporting following the news daily. The question is “In the last week, which topics did you follow in the news? (Check as many as apply.)” and is coded 1 if individuals selected “international current events.”

Table 2: INDIA: Descriptive statistics and test of balance

	Treatment		Control		Treatment-Control		N
	Mean	SD	Mean	SD	Difference	Difference SE	
Age	37.84	13.50	37.12	13.32	0.71	1.35	397
Male	0.48	0.50	0.52	0.50	-0.04	0.05	397
Edu (1-6)	5.55	0.80	5.51	0.93	0.04	0.09	393
Assets (1-11)	8.82	2.12	8.19	2.78	0.63	0.25	397
Income (1-5)	3.50	1.12	3.45	1.20	0.06	0.12	397
Belongs to caste (0-1)	0.18	0.39	0.15	0.36	0.03	0.04	385
Effectiveness (1-7)	4.29	1.52	4.23	1.45	0.06	0.15	397
Pride (1-7)	4.96	1.48	4.87	1.48	0.09	0.15	397

We collected pre-treatment views of India for Indian respondents. *Effectiveness*: “Relative to other governments, do you feel the government of India is more, less, or about as effective as other governments in terms of how well it addresses the needs of its people?” *Pride*: “To what extent do you agree or disagree with the following statement: India should be proud of its role in international affairs.”

taking the mean or modal category. For our main outcome measure of interest, an individual’s confidence in the ability of the Indian government to recover from the natural disaster, individuals increase their confidence by about .4 points on a 1-7 scale. This result is statistically significant in Models 1 and 3, although it is not in Model 2 with missing data. Additional models in Table 5 show that this result is robust to inclusion and exclusion of various covariates.

A few observations emerge from the comparison of the US and India results. First, unsurprisingly, the control mean outcome measures are about a point higher in India than they are in the US. Second, it is possible that the lack of treatment effects in the India sample may be because of

less comprehension of the survey. Immediately following treatment and before outcome questions, we asked individuals two comprehension questions. While questions differed slightly according to treatment condition, the first tested their comprehension of the natural disaster and the second tested their comprehension of aid rejection. Table 6 shows the results. Overall, Americans scored better on the comprehension questions than Indians did. About 90 percent of Americans correctly identified the natural disaster, while Indians hovered in the 50s and 60s. Americans' comprehension of whether aid was offered and/or acceptance is lower than their comprehension of the disaster, but still significantly better than a coin flip. About 70 percent of Americans correctly answered "false" to the statement that India accepted an offer of assistance. Indians performed less well on this count. Only 59 percent correctly answered "false." Insofar as comprehension is a measure of treatment "compliance," this suggests that random assignment may be a weak instrument for treatment compliance among our Indian sample, making it less likely that we would detect statistically significant results.

Next we examine the heterogeneous treatment effects of aid rejections across the various populations in our study. An obvious dimension we varied was country: we found that Americans' opinions are more affected by aid rejection than Indians, which implies that any strategic aid rejection on the part of the Indian government is more likely to be catering to an international observer audience than to a domestic observer audience. While we sought a nationally representative sample, we also expect that within countries, some individuals are more influential observers than others. This motivates us to examine the heterogeneous treatments among Americans: Do elites or monitors, whose opinions are likely more influential for strategic state behavior, demonstrate different treatment effects than non-elites? To test this, we divide our sample into elites and non-elites, and monitors and non-monitors. Elites are those with at least a 4-year college degree or an income above USD 90,000. We expect that these people's opinions are more influential in motivating policy and investment and are therefore more likely to induce changes in India's behavior. Monitors are those who report having followed international current events in the last week. We expect that these people are the ones paying closer attention to international news, and are therefore

the audience that India should cater to.

Our elite results appear in Table 7, Models 2-3. Model 1 repeats the simple difference-in-means estimate. Model 2 controls just for elite: our main rejection result stands, and elites do not appear to have more or less confidence in the government of India than non-elites. In Model 3, we include the interaction term. The coefficient on the interaction term is substantively large and positive (.235) and the coefficient on rejection is smaller but still large and positive (.306). These results suggest that an elite who receives the rejection treatment improves her confidence in the Indian government's preparedness by .541 while non-elites improved their opinions by just .306, suggesting that elites exhibit stronger treatment effects. However, the difference in these Conditional Average Treatment Effects (CATEs) is not significant. To test this, we simulated random assignment 10,000 times, calculated the F-statistic comparing the two nested models (Model 2 and 3) across our schedule of potential outcomes, assuming a constant treatment effect of .414. When we did this, 41 percent of the F-statistics generated under the null model exceeded the observed F-statistic of .67, implying that the interaction term did not add explanatory value.

Monitor results are shown in Models 4 and 5 in Table 7. Model 4 simply controls for whether an individual is a monitor (followed international news in the last week). The coefficient on the aid rejection treatment is slightly less, but is still substantively large and significant (.379). Monitors are also more likely to hold higher confidence in the Indian government's ability to respond to the disaster. This may be because the group of monitors is highly self-selecting: individuals with more positive attitudes toward foreign governments may be more likely to read international news. When we include the interaction term in Model 5, our results change demonstrably. Our treatment effect on aid rejection entirely disappears to within a one-hundredth point of zero and our coefficient on monitors also approaches zero. The coefficient on the interaction term is extremely large (.598), dwarfing the treatment effect we estimated for our full sample. We repeated the same exercise described above to test whether this model offers a significant improvement on Model 4. Only 5.3 percent of our simulated F-statistics were as large as the one we observed (3.78), suggesting that these results are not simply due to random chance. This suggests that our treatment effect is

almost entirely concentrated in the population that regularly follows international news, and that this treatment effect is much larger than previously estimated. Since this population is likely to be the audience that cares about US foreign policy and that India can expect to influence, we find this to be promising support for our theory.

Conclusion

We have shown that foreign aid can undermine a recipient government's reputation for competence by weakening the role of the government in public service provision. Observers view such a government as one that has difficulty providing for its citizens and must turn to outside donors instead. We demonstrated that in response, unprepared and incompetent governments often reject foreign aid to try to trick observers into viewing them as being competent. Further, we showed that recipient governments are most likely to refuse to accept aid when they doing so represents a credible signal, when they value citizen welfare less, and when they need to turn down aid to maintain support. After formally deriving these hypotheses, we subjected them to an empirical examination and a survey experiment in which we focused on the domain of natural disaster responses, finding strong support for our theory.

While we have focused on the area of natural disaster aid, our theory applies to many other types of foreign assistance, as well. Future work might investigate when governments reject other types of interventions, such as other types of foreign aid, loans, peacekeepers, or military assistance. More generally, scholars could examine when countries take counter-productive actions in order to signal status and competence to observers. In addition to rejecting foreign aid, governments likely exhibit other seemingly irrational behaviors in order to demonstrate self-reliance to the international community. This remains a productive area for further investigation.

Table 3: US: Aid rejection treatment effect

	Ctrl Mean	Ctrl SD	Coef	SE	p	N	Coef	SE	p	N	Coef	SE	p	N
Confidence	3.71	1.29	0.42	0.14	0.00	371	0.23	0.17	0.17	302	0.39	0.16	0.01	370

Background covariates: Age, gender, income, race, state, party, news, followed international news, foreign born

Imputations covariates: Race (modal category), party (mean), followed international news (mean)

Table 4: INDIA: Aid rejection treatment effect

Confidence	Ctrl Mean	Ctrl SD	(1) No covariates			(2) With covariates			(3) With covariates (imputed values)		
			Coef	SE	N	Coef	SE	N	Coef	SE	N
	4.50	1.31	0.11	0.13	397	0.04	0.14	313	0.08	0.11	397

Background covariates: Age, gender, education, assets, income, state, party, caste, religion, effectiveness, pride

Imputations covariates: Education (mean), party (modal category), caste (mean), religion (modal category)

Table 5: US: Effect of rejection on confidence

	Confidence in ability to respond to disaster							
	confidence							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Rejection	0.416*** (0.143)	0.425*** (0.144)	0.424*** (0.144)	0.384** (0.157)	0.386** (0.157)	0.360** (0.158)	0.361** (0.167)	0.390** (0.157)
Age		0.004 (0.004)	0.005 (0.004)	0.003 (0.005)	0.004 (0.005)	0.006 (0.005)	0.006 (0.005)	0.006 (0.005)
Male		0.165 (0.144)	0.146 (0.145)	0.190 (0.155)	0.176 (0.157)	0.163 (0.157)	0.078 (0.171)	0.126 (0.156)
Edu (1-8)		-0.037 (0.051)	-0.034 (0.051)	-0.052 (0.055)	-0.049 (0.056)	-0.045 (0.056)	-0.041 (0.059)	-0.056 (0.055)
Income (1-8)		0.044 (0.028)	0.047* (0.029)	0.041 (0.031)	0.045 (0.031)	0.047 (0.031)	0.037 (0.033)	0.045 (0.031)
Republican (1-6) (imp)		-0.065 (0.058)	-0.047 (0.060)	-0.022 (0.062)	-0.009 (0.065)	-0.008 (0.065)	0.026 (0.069)	0.004 (0.065)
News (1-4)						-0.102 (0.081)	-0.193** (0.094)	-0.212** (0.089)
Foreign born (0-1)						-0.281 (0.298)	-0.407 (0.307)	-0.331 (0.295)
Followed intl (0-1)							0.533*** (0.197)	
Followed intl (0-1) (imp)								0.547*** (0.192)
Constant	3.709*** (0.104)	3.577*** (0.312)	3.400*** (0.335)	4.130*** (0.658)	3.989*** (0.679)	4.220*** (0.698)	3.725*** (0.752)	4.250*** (0.690)
Race (imp) F.E.	No	No	Yes	No	Yes	Yes	Yes	Yes
State F.E.	No	No	No	Yes	Yes	Yes	Yes	Yes
Observations	371	370	370	370	370	370	332	370
R ²	0.023	0.038	0.044	0.126	0.129	0.135	0.159	0.157
Adjusted R ²	0.020	0.022	0.020	-0.008	-0.014	-0.013	-0.008	0.009

Note: *p<0.1; **p<0.05; ***p<0.01

Table 6: Manipulation check

	Control	Treatment
<i>US</i>		
Percent passing Q1	0.88	0.89
Percent passing Q2		0.70
N	172	199
<i>India</i>		
Percent passing Q1	0.56	0.69
Percent passing Q2		0.59
N	208	189

Q1 (all): What kind of natural disaster struck India? Drought / Earthquake / Flood

Q2 (hyp control): India received an offer of humanitarian assistance from the international community. True / False

Q2 (hyp treatment): India accepted an offer of humanitarian assistance from the international community. True / False

No Q2 for real control

Q2 (real treatment): India accepted an offer of humanitarian assistance from the international community. True / False

Table 7: US: Heterogeneous treatment effects

	Confidence in ability to respond to disaster				
	(1)	(2)	(3)	(4)	(5)
Rejection	0.416*** (0.143)	0.414*** (0.143)	0.306 (0.194)	0.379** (0.150)	0.005 (0.243)
Elite		0.052 (0.143)	-0.076 (0.211)		
Rejection*Elite			0.235 (0.287)		
Followed intl				0.269* (0.154)	-0.059 (0.228)
Rejection*Followed intl					0.598* (0.308)
Constant	3.709*** (0.104)	3.687*** (0.122)	3.742*** (0.139)	3.574*** (0.149)	3.792*** (0.186)
Race (imp) F.E.	No	No	No	No	No
State F.E.	No	No	No	No	No
Observations	371	371	371	333	333
R ²	0.023	0.023	0.025	0.026	0.037
Adjusted R ²	0.020	0.018	0.017	0.020	0.028

Note: *p<0.1; **p<0.05; ***p<0.01

References

- Abreu, Dilip and Faruk Gul. 2000. "Bargaining and reputation." *Econometrica* 68(1):85–117.
- Achen, Christopher H and Larry M Bartels. 2004. "Blind retrospection. Electoral responses to drought, flu, and shark attacks." *Estudios/Working Papers (Centro de Estudios Avanzados en Ciencias Sociales)* (199):1.
- Adams, Jonathan. 2010. "China flood and oil spill response improves. Prevention? Not so much." *Christian Science Monitor* .
- Ahmed, Faisal Z. 2012. "The perils of unearned foreign income: Aid, remittances, and government survival." *American Political Science Review* 106(01):146–165.
- Anand, Sudhir and Amartya Sen. 2014. Human development index: methodology and measurement. Technical report Human Development Report Office (HDRO), United Nations Development Programme (UNDP).
- Ansari, Ali. 2014. "Persian Pride." *American Review* .
- Attali, Jacques. 2011. "The International Community Must Intervene – in Japan." *The World Post* .
- Barrionuevo, Alexei and Marc Lacey. 2010. "Chile Officials Call for Aid as Devastation Sinks In." *New York Times* .
- Bates, Robert H and Da-Hsiang Donald Lien. 1985. "Representative Government?".
- BBC News. 2005. "Overview: Quake Aftermath." *BBC News* .
- BBC News. 2008a. "Burma Continues to Reject Help." *BBC News* .
- BBC News. 2008b. "Burma Guilty of Inhuman Action." *BBC News* .
- BBC News. 2011. "As it Happened: Japan Earthquake." *BBC News* .

- Beardsley, Kyle and Brian McQuinn. 2009. "Rebel Groups as Predatory Organizations The Political Effects of the 2004 Tsunami in Indonesia and Sri Lanka." *Journal of Conflict Resolution* 53(4):624–645.
- Berg-Nordlie, Mikkel. 2011. "Brazil: Successful Country, Failed Cities?" *NIBR International* .
- Besley, Timothy and Robin Burgess. 2002. "The political economy of government responsiveness: Theory and evidence from India." *Quarterly Journal of Economics* pp. 1415–1451.
- Bhaila, Nita. 2013. "India disaster relief agency not ready for calamities–audit." *Thomson Reuters Foundation* .
- Bhanupong, N. 2007. "Adjustment and recovery in Thailand two years after the tsunami." *Tokyo: Asian Development Bank Institute* p. 45.
- Blattman, Christopher. 2009. "From violence to voting: War and political participation in Uganda." *American Political Science Review* 103(02):231–247.
- Brass, Jennifer Naomi. 2010. Surrogates for government? NGOs and the state in Kenya PhD thesis University of California, Berkeley.
- Carnegie, Allison and Cyrus Samii. 2015. "International Institutions and Political Liberalization: Evidence from the World Bank Loans Program." *Working Paper* .
- CBC News. 2011. "Japan opens the door to foreign help." *CBC News* .
- CBS News. 2010. "Pakistan Taliban: Reject Foreign Flood Aid." *CBS News* .
- Chandler, Erin. 2012. "Fukushima Team Under Constant Pressure to Protect Interests of Nuclear Power." *Institute for Policy Studies* .
- Ching, Erin. 2011. "Best Practices and Lessons Learned: The Humanitarian Response in Post-Tsunami Sri Lanka."

- Choate, Allen. 2011. "In Face of Disaster, Japanese Citizens and Government Pull from Lessons Learned." *The Asia Foundation* .
- CIA. 2004. "The world factbook." *Retrieved August 20*.
- Cingranelli, David L and David L Richards. 2010. "The Cingranelli and Richards (CIRI) human rights data project." *Human Rights Quarterly* 32(2):401–424.
- Clottey, Peter. 2012. "Eritrea Favors Investment Partnerships Over Aid." *Voice of America* .
- CNN. 2014. "2011 Japan Earthquake - Tsunami Fast Facts." *CNN World* .
- Cohen, Charles and Eric D Werker. 2008. "The political economy of "natural" disasters." *Journal of Conflict Resolution* .
- Cole, Shawn, Andrew Healy and Eric Werker. 2012. "Do voters demand responsive governments? Evidence from Indian disaster relief." *Journal of Development Economics* 97(2):167–181.
- Cooperman, Alice. 2014. "(Un)Natural Disasters: Drought and Corruption in Northeast Brazil." *Working paper* .
- Coulmas, Florian. 2006. "Japan's Bid for a Permanent Seat on the UN Security Council." *ASIEN* 100:18–22.
- CTF. 2009. "Myanmar Mission." *Camillian Task Force Relief Service* .
- Dafoe, Allan, Jonathan Renshon and Paul Huth. 2014. "Reputation and status as motives for war." *Annual Review of Political Science* .
- Daftari, Lisa. 2012. "Iranians show little confidence in gov't response to devastating earthquakes." *Fox News* .
- Dombey, Daniel. 2011. "Turkey Quake Prompts Questions." *Financial Times* .

- Eisensee, Thomas and David Strömberg. 2007. "News droughts, news floods, and US disaster relief." *The Quarterly Journal of Economics* pp. 693–728.
- Elhawary, Samir and Gerardo Castillo. 2008. "The role of the affected state: A case study on the Peruvian earthquake response." *Overseas Development Institute: HPG Working Paper* .
- Fair, C Christine, Patrick M Kuhn, Neil Malhotra and Jacob N Shapiro. 2013. How Natural Disasters Affect Political Attitudes and Behavior: Evidence from the 2010-11 Pakistani Floods. Technical report Working Paper Department of Politics, Princeton University.
- Fan, Lilianne. 2013. "Disaster as opportunity?" *Building back better in Aceh, Myanmar and Haiti* .
- Farley, Maggie. 2008. "How to help when help is refused?" *The Los Angeles Times* .
- Fowler, Alan. 1991. "The role of NGOs in changing state-society relations: perspectives from Eastern and Southern Africa." *Development Policy Review* 9(1):53–84.
- Fox, Justin and Richard Van Weelden. 2013. Hoping for the Best, Unprepared for the Worst. In *APSA 2013 Annual Meeting Paper*.
- Fukushima, Glen S. 1995. "The Great Hanshin Earthquake." *JPRI Occasional paper* (2).
- Gilpin, Robert. 1981. *War and change in world politics*. Cambridge University Press.
- Gray, Julia. 2013. *The Company States Keep: International Economic Organizations and Investor Perceptions*. Cambridge University Press.
- Group, World Bank. 2012. *World Development Indicators 2012*. World Bank Publications.
- Guiteras, Raymond and Ahmed Mushfiq Mobarak. 2014. "Does Development Aid Undermine Political Accountability? Leader and Constituent Responses to a Large-Scale Intervention."
- Hafner-Burton, Emilie M and Alexander H Montgomery. 2006. "Power positions international organizations, social networks, and conflict." *Journal of Conflict Resolution* 50(1):3–27.

- Hall, Randy. 2004. "Sri Lanka, India Reject Aid for Disaster Victims." *CNS News* .
- Healy, Andrew and Neil Malhotra. 2009. "Myopic voters and natural disaster policy." *American Political Science Review* 103(03):387–406.
- Healy, Andrew and Neil Malhotra. 2010. "Random events, economic losses, and retrospective voting: Implications for democratic competence." *International Quarterly Journal of Political Science* 5(2):193–208.
- Heffetz, Ori and Robert H Frank. 2008. "Preferences for status: Evidence and economic implications." *HANDBOOK OF SOCIAL ECONOMICS*, Jess Benhabib, Alberto Bisin, Matthew Jackson, eds 1:69–91.
- Hyde, Susan D. 2011a. "Catch us if you can: Election monitoring and international norm diffusion." *American Journal of Political Science* 55(2):356–369.
- Hyde, Susan D. 2011b. *The Pseudo-Democrat's Dilemma: Why Election Monitoring Became an International Norm*. Cornell University Press.
- IFRC. 2013. "Stronger Together: The Global Red Cross Red Crescent Response to the 2004 Indian Ocean Earthquake and Tsunami." *International Federation of Red Cross and Red Crescent Societies* .
- Immigration and Refugee Board of Canada. 2005. "Sri Lanka: The impact of the 26 December 2004 tsunami on human rights conditions in Sri Lanka." *Refworld* .
- Indo-Asian News Service. 2012. "India eminently suited for permanent UN Security Council seat: President." *Indo-Asian News Service* .
- Inside Disaster. 2014. "Why was the Destruction so Severe?" *Inside Disaster* .
- Islam Web. 2005. "Lanka Muslims Reject Aid Deal." *Islam Web* .

- Izadkhah, YO and K Amini Hosseini. 2011. "An Evaluation of Disaster Preparedness in Four Major Earthquakes in Iran." *JSEE-Journal of Seismology and Earthquake Engineering* .
- Jayasinghe, Namalie and Efe Sevin. 2013. "Disaster Public Diplomacy? An Examination of Long-term Impacts of Disaster Diplomacy on Turco-Greek Relations." *Prepared for ISA* .
- Johnston, Eric. 2013. "Japan under increasing pressure to accept outside nuclear help." *The Japan Times* .
- Kasturi, Charu Sudan. 2013. "Foreign Aid? No, Thanks." *The Telegraph* .
- Kinzer, Stephen. 1999. "Turkey Blocking Muslim Aid to Quake Victims." *New York Times* .
- Krishnan, Murali. 2014. "Disaster management: India's big challenge." *Deutsche Welle* .
- Kuusik, Riina. 2006. "Estonia's development cooperation: Power, prestige and practice of a new donor." *The Estonian Foreign Policy Yearbook 2006* .
- Lake, David. 2013. "Great power hierarchies and strategies in twenty-first century world politics." *Handbook of International Relations* pp. 555–77.
- Lake, David A. 2010. "Building legitimate states after civil wars." *Strengthening peace in post-civil war states: transforming spoilers into stakeholders* pp. 29–51.
- Lebow, Richard Ned. 2010. *Why nations fight: past and future motives for war*. Cambridge University Press.
- Levi, Margaret. 1998. "A state of trust." *Trust and governance* 1:77–101.
- Levite, Ariel E. 2006. "Never say never again: nuclear reversal revisited."
- Liana, Sara Miller. 2010. "Chile earthquake: President Bachelet opens up to foreign aid." *Christian Science Monitor* .
- Loney, Jim. 2010. "Haiti PM: Rebuilding Could Take 10 Years." *Reuters* .

- Madsen, Robert. 2011. "Japan's Black Swan." *Foreign Policy* .
- Magud, Nicolas. 2010. "Chile: Strong Recovery After Devastating Earthquake." *IMF Survey Magazine* .
- Margesson, Rhoda. 2005. Indian Ocean Earthquake and Tsunami: humanitarian assistance and relief operations. DTIC Document.
- Martin, Lucy. 2014. "Taxation, Loss Aversion, and Accountability: Theory and Experimental Evidence for Taxation's Effect on Citizen Behavior?"
- McCurry, Justin and Ian Sample. 2011. "Japan's earthquake preparation has spared it from a far worse fate." *The Guardian* .
- Milner, Helen, Daniel Nielson and Michael Findley. 2013. "Which Devil in Development? A Randomized Study of Citizen Actions Supporting Foreign Aid in Uganda." *Social Science Research Network Working Paper* .
- Moore, Mick. 2008. "Between coercion and contract: competing narratives on taxation and governance." *Taxation and state-building in developing countries* pp. 34–63.
- Morganthau, Hans Joachim. 1960. *Politics among nations: The struggle for power and peace*. AA Knopf.
- Myers, Sarah. 2011. "Turkish Public Diplomacy." *CDP* 2.
- National Police Agency of Japan. 2014. "Damage Situation and Police Countermeasures." *National Police Agency of Japan* .
- Nelson, Travis. 2010. "Rejecting the gift horse: international politics of disaster aid refusal." *Conflict, Security & Development* 10(3):379–402.
- Nisman, Daniel. 2013. "What could finally topple Iran's regime? Earthquakes." *Christian Science Monitor* .

- Onda, Katsunobu. 2007. *TEPCO: The Dark Empire*. Nanatsumori Shokan.
- O'Neill, Barry. 2001. *Honor, Symbols, War*. University of Michigan Press.
- Paler, Laura. 2013. "Keeping the public purse: An experiment in windfalls, taxes, and the incentives to restrain government." *American Political Science Review* 107(04):706–725.
- Peterson, Scott. 2011. "Teen rescued from Turkey quake rubble, as government eyes lax building construction." *The Christian Science Monitor* .
- Pinker, Steven, Martin A Nowak and James J Lee. 2008. "The logic of indirect speech." *Proceedings of the National Academy of Sciences* 105(3):833–838.
- Prada, Paulo and Matt Moffett. 2010. "Quake Returns Focus to Chile Military." *Wall Street Journal* .
- Rajghatta, Chidanand. 2005. "India's Tsunami Aid Phobia Misplaced?" *The Times of India* .
- Ravid, Barak. 2011. "Turkey requests aid from Israel for first time since struck by devastating earthquake." *Haaretz* .
- Red Cross of China. 2011. "China: Floods." *Information Bulletin* .
- Renois, Clarens. 2010. "Fears of major catastrophe as 7.0 quake rocks Haiti." *The Sydney Morning Herald* .
- Renshon, Jonathan. 2015. "Status deficits and war." *International Organization* .
- Reuters. 2011. "Factbox: Aid and rescue offers for Japan quake." *Reuters* .
- Rosa, Desiree. 2012. "The Boxing Day Tsunami and its Effects on Thailand's Tourism."
- RT News. 2010. "Tsunami Victims in India still Waiting for Compensation." *RT News* .
- Sacks, Audrey. 2012. "Can donors and non-state actors undermine citizens' legitimating beliefs?"

- Sanchez de la Sierra, Raul. 2013. "On the Origin of States: Stationary Bandits and Taxation in Eastern Congo." *Available at SSRN 2358701* .
- Schimmelpfennig, Sandra. 2010. "Why Chile is not Accepting International Assistance." *Huffington Post* .
- Seibert, Thomas. 2011. "Shelter Shortage Forces Turkey to Accept Foreign Aid." *The National* .
- Selth, Andrew. 2008. "Even paranoids have enemies: Cyclone Nargis and Myanmar's fears of invasion." *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 30(3):379–402.
- Sengupta, Somini. 2005. "Pride and Politics: India Rejects Quake Aid." *New York Times* .
- Shwayder, Maya. 2012. "Iran Rejects Foreign Aid To Help Earthquake Victims... Or Do They?" *International Business Times* .
- Sinclair, Betsy, Thad E Hall and R Michael Alvarez. 2011. "Flooding the vote: Hurricane Katrina and voter participation in New Orleans." *American politics research* 39(5):921–957.
- Smarttraveller. 2010. Travel Advice- Haiti. Technical report Smarttraveller: The Australian Government's travel advisory and consular assistance service.
- Steele, Pam. 2013. "Disaster preparedness: lessons from cyclone Nargis." *The Guardian* .
- Sylvan, David, Corinne Graff and Elisabetta Pugliese. 1998. Status and Prestige in International Relations. In *Pan-European International Relations Conference* .
- The Associated Press. 2013. "China ramps up earthquake disaster response efforts." *The Associated Press* .
- The Economic Times. 2013. "China begins air drop of food supplies in quake hit areas." *The Economic Times* .
- The Economist. 2006. "A Myth of Self-Reliance." *The Economist* .

- The Economist. 2008. "China Helps Itself." *The Economist* .
- The Economist. 2011. "Deadly Tremors." *The Economist* .
- The Times of India. 2005. "Post-tsunami India's image rises globally." *The Times of India* .
- Thompson, Ginger and Marc Lacey. 2010. "Chile Says Rebuilding May Cost Tens of Billions of Dollars." *New York Times* .
- Timmerman, Ken. 2011. "Japanese Reaction to Catastrophe Worries White House." *Newsmax* .
- Timmons, Jeffrey F. 2005. "The fiscal contract: States, taxes, and public services." *World Politics* 57(04):530–567.
- Tokyo Weekender. 2012. "Israeli NGO Helping Japan Through Creativity." *Tokyo Weekender* .
- Tomz, Michael. 2012. *Reputation and international cooperation: sovereign debt across three centuries*. Princeton University Press.
- Tong, Scott. 2008. "Will China accept help for earthquake?" *The Marketplace* .
- Torbati, Yeganeh. 2012. "Two earthquakes in Iran kill 300 and injure 5,000." *Reuters* .
- USGS. 2014. "Earthquakes with 50,000 or More Deaths." *U.S. Geological Survey* .
- Volgy, Thomas J, Renato Corbetta, Keith A Grant and Ryan G Baird. 2010. "Major power status in international politics." *Major Powers and the Quest for Status in International Politics; Global and Regional Perspectives* .
- Weinstein, Jeremy M. 2006. *Inside rebellion: The politics of insurgent violence*. Cambridge University Press.
- Welle, Deutsche. 2004. "G4 Nations Bid for Permanent Security Council Seat." *Global Policy Forum* .

- Werker, Eric. 2010. "Disaster Politics: International Politics and Relief Efforts." *Harvard International Review* .
- Wiseman, Paul. 2005. "Thailand's Thaksin rides crest of tsunami disaster." *USA Today* .
- Wohlforth, William C. 2009. "Unipolarity, status competition, and great power war." *World politics* 61(01):28–57.
- World Public Opinion. 2010. "Analysis of Multiple Polls Finds Little Evidence Iranian Public Sees Government as Illegitimate." *World Public Opinion* .
- WuDunn, Sheryl. 1995. "Japanese Apology for War Is Welcomed and Criticized." *The New York Times* .
- Yamada, Seiji, Ravindu P Gunatilake, Timur M Roytman, Sarath Gunatilake, Thushara Fernando and Lalan Fernando. 2006. "The Sri Lanka tsunami experience." *Disaster Management & Response* 4(2):38–48.
- Yearbook, SIPRI. 2009. "Stockholm International Peace Research Institute (SIPRI).".

Appendix of Supporting Information
(Not for publication)

Model Proof

The model features two actors, an incumbent i , and the international community. There are two types of incumbents: a truly competent type T or a pseudo-competent type P . The incumbent is type T with probability γ and is type P with probability $1 - \gamma$. We assume that $\gamma < 1/2$, since most states in the world are not considered to be in the club of high status, competent states.

The game proceeds as follows. At the beginning of the game, Nature determines the incumbent's type. Next, a natural disaster occurs and the incumbent chooses whether to reject international assistance ($I = 1$) or not ($I = 0$). If the incumbent rejects assistance, she forgoes the aid, which costs s . If the incumbent is type P and rejects aid, she chooses how much effort to expend in covering-up her inadequate response to the disaster ($M > 0$), which costs $c(I)$. Since competent types respond adequately and thus have no need to cover-up, $M|T = 0$. The probability that the cover-up is successful is q , which is a function of the extent of the effort to cover up and whether it rejects assistance, or $q(M, I)$. We assume that $q'(M, 1) > 0$, $q''(M, 1) > 0$, $q'(M, 0) > 0$, $q''(M, 0) < 0$. If the cover-up is detected, the incumbent receives a payoff of 0.

Next, the international community updates its beliefs about the incumbent's type based on whether he rejected aid, and whether the cover-up was exposed. Specifically, if a cover-up was exposed, the media publishes a negative report, $R = -1$, and otherwise publishes a positive report $R = 1$. The probability that the media publishes a negative report is a function of the extent to which the incumbent tried to cover-up its incompetence, or $r(M)$. The international community thus decides whether the incumbent receives a higher status, X , on the basis of the media's reports and the decision to reject aid, forming beliefs $\mu(t|I, R)$.

Pay-offs

The international community seeks to assign status in accordance with the incumbent's competence, assigning a high status to T and a low status to P . When they do so accurately they receive utility V . Thus, the international community receives V if $X = 1$ and $i = T$; V if $X = 0$ and $i = P$; and 0 otherwise.

By receiving a higher status, the incumbent receives benefit A . Thus, since truly competent governments don't cheat, $EU_T(1, M) = A - s$, and $EU_T(0, 0) = 0$.

Solving the Model

Proposition 1: There is a unique equilibrium which depends on the value of the status benefit associated with being competent A , the cost of the cover-up c , and the cost of rejecting aid s . If $A = 0$, neither T nor P rejects aid. The international community does not provide a status benefit. If $\frac{s+c}{q(1-r)} > A > s$, then T rejects and P does not. The international community provides higher status if and only if the incumbent rejects aid and no cover-up is detected. If $A > \frac{s+c}{q(1-r)} > s$, then T and P reject aid. The international community provides a higher states if the incumbent rejects aid and no cover-up is detected.

Proof: The incumbent rejects aid when its expected utility of doing so is greater than that from not doing so, or $EU_i(1, R) > EU_i(0, 0)$.

Since T never has anything to cover-up, $EU_T(1, M) = A - s$, and $EU_T(0, 0) = 0$. Thus, as long as there is some benefit to signaling a state's competence that is greater than the cost of rejecting aid ($A > s$), competent governments reject aid. Further, if $A = 0$, $EU_P(0, 0) = 0$ and $EU + P(1, R) = -c - s$. Thus, even if $A > s$ so that T rejects aid, P does not reject even if its cover-up won't be detected because it loses the value of the aid and pays a cost for covering up its incompetence. P does not reject aid as long as $c + s > A$, so that the reward from status is big enough to overcome the cost of the cover-up and the cost to forgoing the aid.

The international community awards status to the incumbent if and only if $I = 1$ and $R = 1$. If $R = -1$, the international community does not award status to the incumbent since $\mu(T|1, -1) = 0$.

If $I = 0$, the community's belief about the incumbent's type is $\mu(T|0,0) = \gamma$. Since $\gamma < 1/2$, the community does not award status when aid is accepted.

Since covering up incompetence and rejecting aid are both more difficult and more costly to do the fewer resources the incumbent has and the more the government cares about assisting its domestic population, states with few resources and who care less about helping their citizens should be less likely to reject aid to signal their competence.