

Partisan Influences on Foreign Aid Policy:  
An Empirical Examination of the Effects of Party Ideology on  
American Foreign Aid Practices

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## Introduction

Few areas of research in political science are as nuanced and multifaceted as the politics of strategic generosity. Foreign aid, also commonly called international development aid or some close variation, occupies a unique place in the international political sphere because its essence springs from benevolence and a willingness to sacrifice in order to help others. These noble intentions usually take a backseat to strategy and power interests in most political interactions. However, since World War II, foreign aid practices have evolved and become densely packed with political strategy. The idea of foreign aid may have begun as true-intentioned benevolence, but the real world application of it has acquired a strategic dimension that is now an indispensable foreign policy tool for powerful governments. The different ways in which governments provide aid give insight into the policy preferences of those in power. Studying these methods allows citizens to choose their leaders more wisely.

The United States has occupied a preeminent place in world politics since the end of WWII, being almost universally recognized as the number one military, cultural and, most of all, economic influence. Wartime success in Europe, new found respect for Americans around the globe and the subsequent rebuilding of the Western world allowed American leaders to shape the New World economy to their liking, often putting in place many mechanisms to enhance American hegemony. As a result, the US economy has grown at a rate that no other country could match, consequently endowing the American government with a budget many times larger than that of any other advanced, industrialized nation.

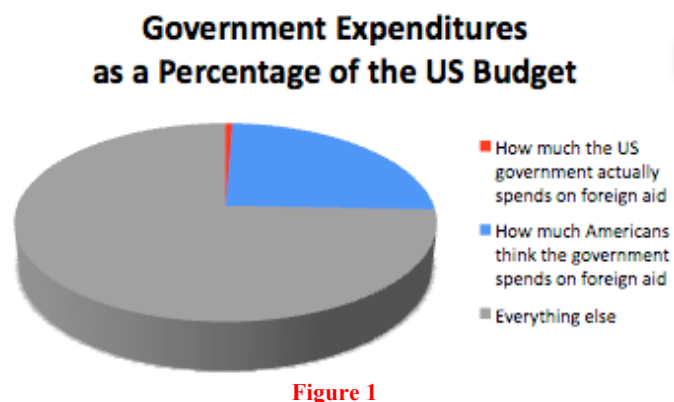
So what do these huge budgets mean for US foreign development policy? From a fiscal perspective, it means that the US could continue to provide the same amount of foreign aid at a steadily decreasing percentage of the national budget as the American economy grew. Historical data show a similar pattern. While the aid budget has grown in dollar value since the 1960s, aid as a percentage of the total budget has dropped significantly over the same period. However, even though foreign aid has lost standing in American policy according to the ratios, economic dominance allows the United States to still give more aid in hard cash than any other country on Earth.

That fact is what prompted the writing of the current paper and should jar the American citizenry into realizing the unparalleled influence their leaders possess.

If the United States is still giving the most aid in hard cash at a percentage of its budget well below the average among rich countries, American citizens clearly have a greater obligation to understand the aid policy preferences of American leaders than citizens of other countries do of their leadership. The fact that most Americans (in a recent CNN poll) think the US

government spends 25% of its budget on foreign aid (when it actually spends less than 1%) underscores this obligation. (see Figure 1) More money in the US

budget may be spent on domestic endeavors, but the effects of the roughly 0.6% put towards foreign aid reach millions, sometimes billions, more people than any other expenditure.



There are two methods of aid distribution commonly used by donor governments: multilateral channels and bilateral channels. A multilateral agreement is transacted through a third party, such as the UN, and it describes an exchange with much more separation between donor and recipient in terms of direct interaction, control over where the aid goes and building a political relationship. A bilateral arrangement is more or less a direct agreement between two governments, which often includes conditions imposed by the donor that must be met in order for the funds to be transferred to the recipient government. This process naturally makes bilateral aid much more strategically oriented, since there exists an easy mechanism for donors to enforce conditionality. Although these two methods both disburse aid to those in need, they do so with differing levels of success and reflect different policy strategies. In the United States, partisan ideology can have a huge influence on the policy preferences of elected officials and effect changes in aid practices over time.

Inspired by the difference in language used by each party when discussing international engagement, the instincts of American voters and the nature of American political discourse, this paper will test the following hypotheses:

1. Multilateral aid practices tend to increase under Democratic governments
2. The foreign aid budget tends to increase under Democratic governments

The task of truly understanding policy preferences on a fundamental level is very difficult, however analyzing political parties, instead of individuals, can greatly simplify the task. Luckily for this paper, the American political system is neatly divided into two major parties, Democrats and Republicans, which roughly represent the two ends on the

spectrum of American political ideology. In an attempt to simplify the impossibly complicated, this paper assumes the two parties to represent baskets of policy preferences common to their respective constituents. As Gomberg, et al. wrote in 2004, “The parties function as aggregators of preferences of the population and they present well-defined platforms for the general vote. [...] Preferences (ideology) of each party are determined, according to some fixed aggregation rule, by the preferences of its members” (pg 374). It is the goal of this paper to identify what effects partisan ideology has on foreign aid policy. Armed with this knowledge, the American citizenry can be one step closer to the ideal “educated voter.”

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## Literature Review

### *Foreign Aid Redefined*

To familiarize oneself with the appropriate groundwork concerning this project, it is best to start with foreign aid literature and then work back into theory on policy preferences. The logical first question then becomes what is foreign aid? What exactly does a donor give to a recipient in an aid exchange? A useful approach to this question is *not* to look at the innumerable material manifestations of foreign aid, but at what that aid represents. An important distinction made by Hattori (2001) is that “foreign aid is a *voluntary* practice of donor states, whereas welfare is a right of citizens” (pg 636). This

statement implies that

governments only

provide foreign aid

when they can spare it,

much like an individual

Table 2 Giving practices by type of reciprocity

Type of reciprocity	Reciprocated (balanced)	Generalized	Un-reciprocated (negative)
nature of power relation	competitive/ friendly equality	ranking among equals	hierarchy under more formal political organization

Figure 2; taken from Hattori (2001)

will only give to charity if they have enough funds to support their own life. These unreciprocated acts of charity give the power relationship between donor and recipient a hierarchical character, as opposed to the other types of giving shown in Figure 2. Hattori identifies foreign aid donations as acts of *symbolic domination*, in that the donor occupies a position of power over the recipient because the donor is providing what the recipient needs to survive. The idea of symbolic domination sheds important light on the topic of this paper because it redefines the foreign aid relationship as a power relationship and an active influence in affirming social relations between countries.

The strategies that governments utilize in order to strengthen this *symbolic domination* often differ in what channels are used to disburse aid. As mentioned previously, the two main aid channels are bilateralism and multilateralism. These two means of giving have only coexisted in widespread practice since the early 1960s; bilateralism was the traditional means of foreign aid disbursal previously (Hattori, 2001; Milner, 2006).

*The Rise of Multilateralism*

Over the mid-20<sup>th</sup> century, the world entered an unprecedented era of internationalism spurred by the widespread destruction wrought by World War II. The World Bank had sprung into existence to help finance the reconstruction of crippled European states; the United Nations had been created and gained the support of the world's most powerful governments; countless treaties were signed to prevent the horrors of world war from gripping the planet again; and, a new environment of the top reaching down to help the bottom was born. Once the wounds of WWII had scarred over, these new institutions suddenly found themselves without purpose, so they naturally turned to other projects. For example, the World Bank established a new branch called the International Development Association (IDA), which aggregates foreign aid donations from rich countries and administers development projects in poor countries; or, United Nation peace-keeping missions, which began as weak cease fire agreements, have evolved and now sometimes employ militarized action without the consent of the involved parties. These new institutions are manifestations of an environment of internationalism that has grown throughout the 20<sup>th</sup> century.

Thus a new collection of international organizations was created and has since evolved to play its own significant role free from the influence of domestic governments. These institutions are what facilitate multilateral foreign aid giving. Figure 3 (on the next page) illustrates the growth of multilateral practices among members of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) since the mid-1960s. The DAC is a panel of 24 “rich” countries that have agreed to aggregate a portion of their foreign aid budgets and goals.

When a donor country decides to give a portion of its aid through a multilateral agency, it relinquishes most, if not all control over where the aid goes, who gets to use it, and for what purpose. Therefore the strategic value of aid is greatly reduced by nature of the multilateral

transaction since

donor governments

have limited power

to enforce any kind

of conditionality

(Hattori, 2001).

While this may be

undesirable to donor governments, many scholars believe that multilateralism is more beneficial for recipients than bilateralism because the process naturally improves the quality of aid. (Milner, 2006; Balogh, 1967; Skidmore, 2012)

Milner (2006) argues for two main reasons why multilateralism is a better method of aid disbursement for recipients than traditional bilateralism: 1) information provision, and 2) a decrease in politicization. The multilateral process is better suited for information provision, she writes, because of a collective action problem that exists among donor governments in gathering information about recipients. Multilateral institutions aimed at facilitating development funding will be better equipped to collect and provide region specific information – information that improves the quality of aid – than any individual government. Also, interactions between multilateral agencies, which can be said to represent “global interests”, and recipient countries are much less

*Table 4* Percentage breakdown of bilateral and multilateral ODA

	1960–64	1965–69	1970–74	1975–79	1980–84	1985–89	1990–94	1995–97
Bi-aid	95	90	80	70	71	74	71	67
Multi-aid	5	10	20	30	29	26	29	33

*Source:* DAC (1960: 18; 1963: 80; 1965: 128–9, 138; 1967: 77, 81, 91, 185; 1968: 75, 260–1; 1969: 311; 1970: 48–9, 174–5; 1971: 62, 168–9; 1973: 184–5; 1974: 212–3, 228–9, 261; 1975: 202–3; 1976: 214–5; 1977: 172–3; 1978: 201, 228, 238–9; 1979: 210–1, 226, 238–9; 1980: 184–5, 209; 1981: 180–1, 205; 1982: 204–5; 1983: 226–7; 1984: 214, 244–5, 318–9; 1985: 331; 1986: 238, 268–9, 1987: 204, 240–1; 1988: 190, 230–1, 246; 1989: 264–7; 1990: 248–51, 264; 1991: 246; 1992: A32, A 38, A70–A73; 1994: A3–A4, D4; 1995, A42; 1998: A3, A4, A42, A96).

*Note:* ‘DAC’ stands for the member states of the Development Assistance Committee of the Organization for Economic Cooperation and Development. Calculation uses net disbursement figures by donor countries and multilateral aid agencies. It does not include debt relief, reparations, or subscriptions to multilateral financial organizations. ‘ODA’ refers to official development assistance. ‘Bi-aid’ refers to bilateral ODA, whereas ‘multi-aid’ refers to multilateral ODA.

**Figure 3; taken from Hattori (2001)**



politicized than interactions between donor and recipient governments. This means the parties involved are more likely to cooperate because their interests are aligned or non-conflicting, which allows the multilateral agency to enforce conditionality more effectively than an individual donor country could.

However, multilateralism is not *always* a better method of aid disbursement than bilateralism; there are certainly instances where a direct agreement is more efficient and beneficial for the recipient country. For example, bilateral aid agreements between neighboring states are often better than multilateral arrangements because the two countries are already familiar with the political and cultural environment of their neighbor. The problem of information provision identified by Milner is solved by virtue of their proximity to each other. Furthermore, the aid would also contribute to strengthening political relationships, which can stabilize the region and promote economic growth. These effects can greatly improve the welfare of all people living in the region. Multilateral agreements, which obscure the identities of donors (Hattori, 2001), could not produce the same utility in this example.

The question then arises, is the best kind of aid for a particular situation always given? In other words, do the needs of recipients mainly dictate where and how aid is allocated around the globe? Unfortunately, the answer is a resounding “no.” A donor-interest model has been shown time and again to describe aid-giving behavior much more accurately than a recipient-need model (Milner, 2006; Balogh, 1967; Vuong, 2003; Skidmore, 2012; Howard, 2010; Smith, 2008). Empirical evidence suggests that donors choose aid channels and recipients in a manner that furthers their own interests, not necessarily in a manner that improves the welfare of those most in need of aid.

*A Donor-Interest Model of American Aid Giving*

When it comes to the United States, historical events suggest that donor-interests play a huge role in aid-giving behavior. For example, since the signing of the Egyptian-Israeli peace treaty on the White House lawn in 1979, Egypt and Israel have received many times more aid from the United States than most of the poorest countries in the world. These aid agreements appear to serve as political leverage in calming tensions in the Middle East and, in the case of Egypt, as a tool to remove a potentially destructive player from an already unstable situation. In return for aid, the United States gets some measure of international political stability.

Another great example of American leaders furthering national interests by using foreign aid is the case of Pakistan. Since 2002, Pakistan has received almost \$20 billion USD in foreign aid from the United States, but instead of that aid being primarily focused on economic and infrastructural development, which Pakistan is desperately in need of, almost two-thirds of that aid has been directed into military projects. Ibrahim (2009) argues for 5 objectives of US foreign aid to Pakistan and the top two are “Covering the extra cost to Pakistan’s military of fighting terrorism” and “military equipment to fight terrorism.” (“Development and humanitarian assistance” was number 4.) Foreign aid to Pakistan spiked after September 11<sup>th</sup>, 2001 when the United States began to get militarily involved in Afghanistan and Iraq, which strongly suggests that this aid is being used to secure an ally in a region that is already extremely anti-American. The aid contract is also completely bilateral, with the United States enforcing conditionality (very poorly, so says Ibrahim) on Pakistan before aid is transferred. If the United States could not enforce conditionality, as would be the case in a multilateral arrangement, it is very likely that

Pakistan would receive much less aid since the US could not require that the aid be used to fight terrorism. However, it is not surprising that this arrangement is bilateral given that a “good deal of research suggests [...] that bilateral aid is more tied to donor interests than is multilateral aid, which is often more needs-based in its orientation” (Milner, 2006: pg 109). In this case, the United States gets military support to help fight its own wars in return for aid.

Foreign aid policy, as well as being a tool to influence the international environment, is also commonly a battleground for domestic issues. It can sometimes serve as a conduit for American cultural and social pressures to affect the rest of the world. For example, the Reagan administration initiated the Mexico City Policy, which mandated that foreign aid would not be given to any governments that fund abortion-related activities (Petroni, 2008). This policy at face value already demonstrated clear socio-cultural pressures, but the political influences behind it came to light when every Democratic president since Reagan revoked the policy and every Republican reinstated it. (The act last went out of effect on January 23, 2009, three days after Barack Obama assumed the presidency.) The histories of the Mexico City Policy, the Israeli-Egyptian peace treaty, the US-Pakistan aid relationship and many other examples, clearly suggest that a donor-interest model best describes American aid giving behavior.

In the past, the international environment has prompted the US to adopt specific aid-giving strategies to combat certain geopolitical foes, specifically the USSR in the Cold War. This was an instance of a change in aid policy caused by an exogenous source to the American political sphere, as opposed to an endogenous source, such as a dispute over abortion rights. The environment during the Cold War was ripe for a strong

American aid agenda, specifically a strong multilateral agenda, for a few key reasons: 1) the Western world perceived a common enemy in the USSR; 2) American military strength was considered the only feasible defense against a Russian nuclear attack; and, 3) “[t]he US had also crafted Cold War international organizations to preserve US autonomy of action, and US allies only went along with this as long as they relied on American military supremacy to protect them from the USSR” (Skidmore, 2012: pg 44). As a result, average multilateral spending during the Cold War was notably higher than multilateral spending post-1991. Overall US aid giving also increased during the Cold War, but the ratio of multilateral aid to bilateral aid was significantly higher during that time than after 1991. (The next section will discuss how the Cold War was handled in data analysis)

American foreign aid policy during the Cold War is a perfect example of “self-interested multilateralism,” which Vuong (2003) describes as a nation strategically using multilateral agencies to further its own interests. However, without the Cold War conditions listed above, it would seem that bilateralism naturally lends itself to strategic considerations more than multilateralism. Aside from the recipient being fully aware of the donor’s identity, bilateralism also allows the donor to dictate all terms in the aid agreement (Milner, 2006; Balogh, 1967; Hattori, 2001). Multilateralism, on the other hand, naturally requires donors to sacrifice most of the strategic value of aid (Hattori, 2001). In an international environment void of a common enemy that can only be defeated by one nation’s military strength, or a global problem that can only be solved through one nation’s leadership, bilateralism is a much more potent tool for donors in

furthering their own interests and reinforcing their *symbolic domination* over recipients (Milner, 2006; Hattori, 2001; Hattori, 2003).

In the years since the Cold War ended, American multilateral practices have diminished because international conditions have changed drastically. Without a common enemy, other countries are now much less willing to tolerate American bullishness in international institutions, meaning that multilateralism now restrains American autonomy of choice much more than it did in the Cold War era (Milner, 2006). At home, Congress and the public are also less likely to support multilateralism because it is perceived to give more power to the president; this is a counter-intuitive dynamic identified by Skidmore (2012) that will be discussed in depth in a later section.

Other scholars, such as Vuong (2003) and Howard (2010), have also suggested that military conflicts can have strong effects on aid giving. Howard argues that events like September 11<sup>th</sup>, 2001 or the Black Hawk Down incident in Somalia are perceived by the public to be policy failures of government leaders, and the government responds to these situations by moderating their policies. In the sphere of foreign aid, this dynamic causes strong multilateral or bilateral policy platforms to be moderated towards a more balanced approach. Despite coming into office touting a strong bilateral agenda, Howard writes, 9/11 had huge effects on the policies of the Bush administration and he ended up presiding over one of the strongest periods of American multilateralism since the Cold War. After Black Hawk Down in Somalia and the horrifying images of American soldiers being dragged through the streets of Mogadishu, the Clinton government, which had assumed power promising an era of “assertive multilateralism,” moderated their policies towards the middle in response to public outrage. However, since these events are

somewhat short-lived, occur irrespective of the dominant party in power and are caused by factors exogenous to the United States, this paper makes no attempt to control for them and assumes they affect the aid policies of both parties equally over time.

### *Policy Preferences of American Political Parties*

The other body of literature that this project rests on concerns the nature of political parties, specifically sources of policy preferences and their evolution over time. Objectively describing the nature of political parties can be very difficult and any attempt is extremely susceptible to bias due to the conflicting and very personal nature of political ideology. Disregarding domestic political ideology that has little bearing on foreign aid policy, the disposition of each party towards international involvement is most relevant to this project. By surveying partisan research, it is easy to gain a general impression of these dispositions.

Milner (2006) writes that “parties on the left part of the political spectrum would be more interested in foreign aid” (pg 124) and also, while discussing party controls on her data, that she expects “that left governments have a greater propensity to give aid multilaterally” (pg 125). Milner & Tingley (2011) argue that “those holding conservative values should be more supportive of free trade and oppose [foreign] aid as a form of government intervention to redistribute wealth globally” (pg 48). Goldstein and Moss (2005) discuss US aid giving in Africa and state, “The popular perceptions are simply that Democrats care more than Republicans about [Africa]” (pg 1289). Fordham (1998) notes, “During the early Cold War era, liberals tended to favor the Truman

Administration's internationalist foreign policy, whereas conservatives tended to oppose it.”

Digging deeper, the language used in the official platforms of each party can also help to illuminate their disposition towards international involvement. A section in the 2012 GOP platform, titled “Sovereign American Leadership in International Organizations” begins by stating:

*“Since the end of World War II, the United States, through the founding of the United Nations and NATO, has participated in a wide range of international organizations which can, but sometimes do not, serve the cause of peace and prosperity. While acting through them, our country must always reserve the right to go its own way. **There can be no substitute for principled American leadership.**” (pg 45, emphasis added)*

While it cannot be said that this passage necessarily condemns international organizations, it certainly does not seem to advocate enthusiastic engagement with them. To make this even clearer, in the corresponding section from the 2012 Democratic platform, titled “Strengthening Alliances, Expanding Partnerships, and Reinvigorating International Institutions,” the very first sentences are these:

*The greatest dangers we face – terrorism, nuclear proliferation, cyber and biological attacks, climate change, and transnational crime – cannot be solved by any one nation alone. Addressing these challenges requires broad and effective global cooperation. And President Obama and the Democratic Party understand that this **depends on close collaboration***

***with our traditional allies, cultivating partnerships with new centers of influence, and strong U.S. leadership within international institutions.”***

*(pg 25, emphasis added)*

When these two passages are read side by side, it becomes obvious that, while both platforms depict the US as an indispensable leader in solving the world's problems, the Republican platform is much less enthusiastic about international involvement. This difference is even more notable when considering that these passages mark the very first sentences of the sections they came from, thus setting the tone for the rest of the section detailing their preferences concerning international institutions. Language that is used in the rest of both platforms when talking about international involvement follows a very similar pattern. There is a consistent tone of caution in the Republican platform in discussions of international involvement that is far less noticeable or non-existent in the Democratic platform.

These passages are just a few of millions of examples in partisan literature that reflect a long-standing ideological disagreement over how much American autonomy of choice should be sacrificed for the sake of international involvement. This disagreement is also as apparent in historical events as it is in literature.

Over the beginning of the 20<sup>th</sup> century, Democratic president Woodrow Wilson pushed for his idea of a “League of Nations,” the first proposed institution aimed at a form of transcontinental governance and cooperation. However, a Republican-dominated US Congress rejected the idea and the League never gained the membership it needed to survive. The next big step in US foreign aid policy came after the Great Depression and



the horrors of WWII had passed when President Truman (D) gave his famous “Four Points” speech, in which he outlined foreign aid as a moral obligation of the United States. The next Democratic president, John F. Kennedy, changed US foreign aid policy forever by founding the United States Agency for International Development (USAID) in 1961. (USAID has become the primary agency, along with the State Department, for disbursing American foreign aid and the founding of USAID firmly established foreign aid as a permanent aspect of US foreign policy.) The intensification of the Cold War decreased the politicization of foreign aid in domestic American political discourse because party interests were aligned against a common enemy and aid was seen as a strategic tool with which to combat the Soviet Union (Skidmore, 2012). This alignment of interests culminated in an uncharacteristically strong aid agenda (specifically multilateral aid) under Republican president George H.W. Bush, who oversaw the fall of the USSR.

As the Cold War has faded into memory, the tendencies of each party have become more pronounced once again. As mentioned above, President Clinton entered office promising an era of “assertive multilateralism,” and data from the first four years of his presidency show a steep and consistent rise in the ratio of multilateral aid to bilateral aid. After Clinton, Bush Jr. took office and many scholars (Skidmore, 2012; Vuong, 2003; Howard, 2010; Smith 2008) have remarked that his foreign policy was remarkably “unilateralist and isolationist” at first (Vuong, 2003: pg 804). Although 9/11 may have pushed the Bush administration to shift its policies toward a more multilateral approach, as discussed above, there was also a 15% increase in the amount of foreign aid funneled through the Department of Defense from 2002 to 2005. Smith (2008) writes that

this was a clear indication of a “strong and growing link between U.S. aid programs and allocations and the administration's ‘global war on terror.’” This link grew even stronger in 2006 under a fully Republican controlled government when the United States provided \$6.4 billion in aid, which represented about 30% of all American aid commitments, to Afghanistan and Iraq to support its military engagements (Furuoka, Munir, 2011). These last two examples are evidence that Republicans prefer to use aid more as a strategic tool than a development tool. (The administration’s disregard of the UN’s disapproval of an Iraqi invasion is also notable.)

**Table 1 Continuum of US Unilateralism and Multilateralism**

1. Unilateralism	2. Moderate Unilateralism	3. Moderate Multilateralism	4. Multilateralism
US policymakers seek disengagement; foreign policy is characterized by isolationism. (John Bolton 1998; George W. Bush 2000)	US policymakers engage with the UN for the purpose of furthering US interests. (John Bolton 2002; George W. Bush 2001; William J. Clinton Mar. 1999)	Policymakers engage with the UN to further common interests, but mainly US interests. (Madeleine Albright; William J. Clinton Nov. 1993; George H. W. Bush; Susan Rice 2010; George W. Bush 2008; Barack Obama 2008)	Multilateralism—through UN interactions—is a central US interest. (Susan Rice 2006; Thomas Pickering; William J. Clinton 1992)

**Figure 4; taken from Howard (2010)**

These approaches represent different strategies that lie along a spectrum of American foreign policy practices. (Figure 4 describes these practices as they relate to US-UN relations.) Howard (2010) observes that US foreign policy is never purely bilateral or multilateral, but always a blend of the two. However, examining the relative importance given to these strategies can help elucidate the foreign policy preferences of government officials.

*Linking Party Ideology to Aid Policy Preferences*

Moving forward under the assumption that Democratic ideology favors an internationalist agenda and Republican ideology favors a nationalist agenda, we would expect to see very clear differences in the aid channels preferred by each party.

Multilateralism, which naturally promotes an atmosphere of international cooperation, should be the logical preference for Democrats; on the other hand, the strategic value of bilateralism should attract Republican ideology, given the ways it can strengthen alliances and reinforce the *symbolic domination* of the United States over recipients in a more direct manner than multilateralism.

Based on the concepts presented in this literature review, the fundamental question of this paper can thus be rephrased as follows:

*Given that both parties generally follow a donor-interest model of aid-giving behavior, is there empirical proof that party ideology leads elected officials to prefer different aid channels?*

This paper seeks to identify partisan dispositions toward international involvement as they have manifested themselves in American aid giving practices over time. This Literature Review, while establishing the appropriate groundwork for this project, also make its clear, as Bobrow & Boyer remarked in 1996, that “there have been relatively few analyses that have sought to uncover the actual use of the aid tool across types of motives and categories of aid” (pg 96). This project seeks to contribute in this area of research.

## Research Design

To recap, the following analysis has been designed to test two hypotheses:

1. Multilateral aid practices tend to increase under Democratic governments
2. The foreign aid budget tends to increase under Democratic governments

The dependent and independent variables implied by these hypotheses are American foreign aid policy and the influence of party ideology in US government, respectively. This project has conducted multiple comparative post-tests, where observations take place after the action and there is no control group, to see if changes in foreign aid policy can be explained by changes in the influence of party ideology. Using multiple measures for both the independent and dependent variable allows for any outcome to be verified by different methods. Relationships between these variables have been tested using a basket of measures for both, which requires gathering historical data on both American foreign aid commitments and the influence of party ideology in government.

### *Foreign Aid Policy Measures*

The relevant foreign aid data is available from the OECD's statistical database. To briefly elaborate, the OECD catalogs ODA commitments and disbursements for the 24 donor countries in the Development Assistance Committee (DAC) and differentiates aid flows between multilateral and bilateral channels. These data detail what amount of aid was put aside in donor budgets in a certain year (commitments), what donors actually

gave in a certain year (disbursements), how that aid was given (multilateral vs. bilateral) and where the money came from (public vs. private). For the purposes of this project, OECD *commitment data* that focuses on *public* aid giving is most useful. Commitment data is preferable over disbursement data for this project because commitment amounts only reflect the totals agreed upon in Congressional budget negotiations, whereas disbursement amounts are subject to conditions within the recipient country and a variety of other factors exogenous to the United States. The data detail yearly commitments from 1966 to 2011. Private aid giving data have been excluded because private donations occur outside the sphere of government.

Foreign aid policy can be analyzed using interval measures that gives the total aid budget amount (TotalAid), amounts of bilateral/multilateral aid commitments in a certain year (BiAid, MultiAid), as well as considering these numbers in the context of the entire budget (TotalBudget). Certain ratio measures can also lend relevant insight to foreign aid policy. The ratio of multilateral spending to bilateral spending (MultiBiRatio) can help illuminate the relative importance given to each strategy by governments. The ratio of the aid budget to the total budget (AidBudgRatio) is also useful for demonstrating the importance of aid as a whole, in the context of all government expenditures. Finally, analyzing the ratios of multilateral and bilateral commitments to the entire budget (MultPercBudg, BiPercBudg) can further illuminate policy preferences of the government in a specific year.

*Party Influence Measures*

Since the US government is a very complicated organization, this project has broken it down into the component branches, comprised of elected officials that formulate aid policy: the president, the Senate, and the House of Representatives. Historical data detailing the party affiliation of American presidents and the balance of party in both chambers of Congress is vital information when examining which party ideology has the most influence in a given year.

The variable used in this analysis to describe the party affiliation of the president in a certain year (PartyPresident) assigns a value of 0 for a Republican president and 1 for a Democratic president.

Conceiving an appropriate set of measures to describe the influence of party ideology in Congress requires a slightly more nuanced approach, and in this case it is best to use the ratio of seats held by Democrats to Republicans in each house (SenateRatio, HouseRatio). The plain number of seats held by each party in each chamber would be unhelpful because these measures would quickly become unwieldy when dealing with hundreds of legislators, and also because the number of legislators in Congress has changed since the 1960s. Instead, Congressional ratio measures are most useful in showing the balance of partisan influence because the ratio unit is Democratic legislator **per** Republican legislator, which solves both issues stated above. Also, since we know that these two chambers do not exist in vacuums separate from one another and certainly have effects on each other, another variable might be helpful in assigning a value to the

partisan ideology of Congress as a whole in a certain year, which is the average of the two ratios just described (AvgHouseSenateRatio).

The necessary data needed to create these measures is available on a variety of US government websites (whitehouse.gov, senate.gov, house.gov).

### *Controls*

These measures are not sufficient means for testing the proposed hypotheses without controlling for a variety of other factors. Certain economic and social indicators, international events, as well as temporal adjustments, must be taken into account in order to rule out major threats to the validity of any empirical findings.

As discussed above, the international environment during the Cold War significantly affected American foreign aid practices. A dummy variable (ColdWar), which gives a value of 1 for any year during the Cold War (1991 and before) and a value of 0 for any year after, is helpful in controlling for any policy adjustments caused by conflict with the USSR.

Recalling that “foreign aid is a *voluntary* practice of donor states, whereas welfare is a right of citizens” (Hattori, 2001, pg 636), we know that foreign aid is not a top priority of government leaders. Since economic health has massive affects on government expenditures, it is also prudent to control for economic conditions that may affect foreign aid commitments. This project compensates for these conditions by controlling for a variety of economic indicators. First, yearly GDP totals for the US (GDP) have been

integrated into the dataset and controlling for this indicator should minimize the effects that national economic wellbeing in a particular year may have on aid giving. In tandem with GDP, a slightly more nuanced economic control has been created that derives its numerical value from the difference in GDP from the previous year to the current budget year (DiffGDP). Controlling for this variable should help to minimize the effects on aid giving policy that result from legislators reacting to short-term economic trends.

Two other economic indicators included in the dataset are the United States' Consumer Price Index (CPI) and inflation rate (InflationRate) for every year since 1966. Given that aid is a low priority for legislators, it is logical that the fluctuating power of the dollar over time would affect aid allocations since legislators prioritize the welfare of citizens over aid policy; controlling for these indicators (CPI, InflationRate) minimizes whatever effects those conditions have on aid policy. The final economic indicator included in this analysis is the unemployment percentage (Unemployperc), under the logic that a high unemployment percentage will result in decreased foreign aid allocations no matter what ideology has the most influence over government policies.

As discussed in the Literature Review, the social environment within a country can also have a profound affect on government policy. For this project, a social indicator developed by the Manifestos Project is used to control for political polarization (Gabel, Huber, 2000). The Manifestos Project has developed a methodology for giving a score to party ideology on a scale from -100 (very liberal) to 100 (very conservative). Their database gives historical values for both parties at intervals of 2 to 4 years back to the 1940s. (Interim values have been calculated using linear extrapolation.) However, instead of using the actual scores for Democrats and Republicans, this project makes use of the



difference in the two scores (DiffMRG), as a way of assigning a value to the amount of partisan polarization in a given year. A high DiffMRG value implies a highly polarized year in US politics, which (as recent events have frustratingly proven) greatly hampers the productivity of government and can have deep affects on policy, especially in low priority spending areas such as aid; a low DiffMRG value, on the other hand, indicates a year with relatively low levels of polarization between the two parties.

### *Temporal Adjustments to Measures and Controls*

There were still more intricacies that had to be addressed before regression analysis could begin. In particular, a few temporal adjustments to the data were necessary so that the appropriate factors contributing to a foreign aid commitment in a given year lined up correctly. To explain the adjustments made to the PartyPresident variable, all Congressional variables and the economic controls, the foreign aid budget process must first be briefly outlined.

Foreign aid budget requests for a certain fiscal year are initiated almost two years before that fiscal year begins, and are formulated by the different agencies in charge of foreign aid disbursal. (OECD data on US foreign aid commitments reflect the budgets of the State Department and USAID.) The President appoints all heads of major government agencies that manage the formulation of these and all other budget requests. Once the requests (collectively known as the “President’s Mark”) are compiled, the agencies send them to the President, who then submits the overall budget request to Congress. From there, the budget proposal goes through the usual process of editing, deal making and

tweaking by legislators until each chamber of Congress eventually votes to implement a revised budget, a motion which can only be overridden by a presidential veto. Most importantly, the Congress in a particular fiscal year votes on the budget for the *next* fiscal year.

With this process in mind, the party of the president variable (PartyPresident) variable and all Congressional variables (SenateRatio, HouseRatio, AvgHouseSenateRatio) have been adjusted forward by two years and one year, respectively. While the reason for adjusting the Congressional variables forward by one year is fairly obvious, the reason for adjusting the party of the president variable (PartyPresident) by two years is less apparent. Milner and Tingley (2011) argue that presidents are very unlikely to veto a foreign aid bill passed by the legislature. Since aid is a matter of charity, they write, the president would have a hard time justifying why he, one person, opposed the charitable opinion of the legislative majority, which represents tax-paying constituents who actually provide the funds for foreign aid. In other matters, such as domestic fiscal policy, the president would have more leverage and credibility with which to justify a veto to his political opponents. Because of this dynamic, the president's influence in determining the amount and type of aid seems to reside primarily in his appointment of agency heads in charge of foreign aid requests, not in Congressional negotiations. Since agencies begin the request process two years prior to a fiscal year, the president that appointed the heads of those agencies would have more influence over the foreign aid budget two years later than whoever is president when that budget was ratified or when it goes into effect.

Temporal adjustments were also necessary for the economic controls included in the dataset. Since the economy is such a massive and multifaceted animal, it takes a long time for the firms and agencies that monitor economic health to tabulate things like GDP, unemployment percentage, inflation rate and CPI, and then share that information with lawmakers. Generally, these numbers for a given year aren't available until the next year. This means that lawmakers' fiscal decisions are almost always based on the previous year's economic data, which is why all economic indicators used in the analysis have been adjusted forward by one year. For example, the GDP value listed for 1990 in the dataset would actually be the GDP of 1989 because the 1990 budget was passed, in part, as a reaction to the economic growth in 1989.

No temporal adjustments were made to the social indicator (DiffMRG), since party polarization affects government proceedings in real time, not ex post facto like economic health data.

### *What Relationships Are Expected?*

The hypotheses put forth in this paper are meant to identify a causal relationship between the influence of party ideology and the manner of aid giving practiced by the United States government. If the following relationships between the independent and dependent variable measures are found through regression analysis, then there is strong empirical evidence to support these hypotheses.

Positive relationships between the independent variable measures (PartyPresident, SenateRatio, HouseRatio and AvgHouseSenateRatio) and the multilateral variables

(MultiAid, MultiBiRatio, MultPercBudg) would support hypothesis #1 since they would suggest that multilateral practices increase as Democratic ideology has more influence on aid policy. Negative relationships between the independent variable measures and the bilateral variables (BiAid, BiPercBudg) would also provide secondary support for this hypothesis since they would suggest that Republican governments are linked to higher levels of bilateralism.

Positive relationships between the independent variable measures and the aid budget variables (TotalAid, AidBudgRatio) would lend support to hypothesis #2 because they would suggest that the aid budget grows as Democratic ideology has more influence on aid policy.

The absence of any significant relationships between any of these measures would support the null hypothesis, which states that party ideology has no effect on aid policy.

\* \* \*

### Data Presentation

These relationships have been tested using bivariate regression analysis, while controlling for the range of economic and social indicators previously described. The results are as follows:

*Hypothesis #1: Multilateral aid practices tend to increase under Democratic governments*

PartyPresident

The results indicate that the party of the president variable (PartyPresident) has a positive relationship with multilateral tendencies in foreign aid policy, though not exactly in the ways expected.

The most relevant relationship to hypothesis #1 that was identified with the party of the president variable (PartyPresident) is with the aid-type-ratio variable (MultiBiRatio). This positive relationship lends direct support to hypothesis #1, because it suggests that multilateral spending as a percentage of the aid budget tends to increase under Democratic presidents. This finding for the party of the president variable (PartyPresident) is buttressed by the relationships with the multilateral variables (MultiAid, MultiPercBudg). Although these two variables did not have a statistically significant ( $T\text{-value} > 2$ ) relationship with the party of the president variable (PartyPresident), they both had T-values greater than 1 and they both had positive coefficients. This repeated result gives credence to the idea that multilateral aid practices (as measured in real dollar amounts and as a percentage of the total budget) tend to be higher under Democratic presidents. Alone, these relationships could not be given much credence since they lack statistical significance, but with the support of a strong relationship between the party of the president variable (PartyPresident) and the aid-type-ratio variable (MultiBiRatio), they can be fairly considered pieces of supporting evidence to hypothesis #1.

The most statistically significant relationship (as judged by T-values) is a negative relationship with the total bilateral variable (BiAid), with a T-value of -4.19. The next most significant relationship was another negative relationship with the bilateral ratio variable (BiPercBudg) with a T-value of -2.95. These relationships indicate that the importance of bilateral aid practices (as measured in terms of real dollar amounts and as a percentage of the total budget) tends to be less under Democratic presidents. These relationships only lend secondary support to hypothesis #1 since they suggest *lower levels of bilateralism* under Democratic presidents, instead of *higher levels of multilateralism*.

Overall, the results for the party of the president variable (PartyPresident) lend moderate to strong support for hypothesis #1.

### *SenateRatio*

The different relationships found between the Senate variable (SenateRatio) and the basket of foreign aid policy measures were both expected and surprising. As predicted by hypothesis #1, significant and positive relationships exist between the Senate variable (SenateRatio) and the multilateral variables (MultiAid, MultiPercBudg) with T-values of 2.02 and 2.03, respectively. These relationships suggest that multilateral aid practices (as measured in real dollar amounts and as a percentage of the total budget) tend to increase as the ratio of Democrats to Republicans in the Senate increases, which is strong support for hypothesis #1. The Senate variable (SenateRatio) also demonstrated a positive relationship with the aid-type-ratio (MultiBiRatio) and, although the T-value for this

relationship was not significant, this lends weak support (by virtue of a repeated result in the House) to hypothesis #1 since it implies that multilateral spending, as compared to bilateral spending, tends to increase as Democratic ideology has more influence in the Senate.

As well as demonstrating positive relationships with multilateral tendencies, the Senate variable (SenateRatio) also had statistically significant, positive relationships with the bilateral variables (BiAid and BiPercBudg) with T-values of 2.77 and 2.05, respectively. These relationships suggest that bilateral aid practices (as measured in real dollar amounts and as a percentage of the budget) *also* tend to increase as the Senate becomes more influenced by Democratic ideology. These relationships do not necessarily conflict with hypothesis #1, but they lend no direct support to its contention. Overall, the results for the Senate variable (SenateRatio) lend strong support to hypothesis #1.

### *HouseRatio*

The relationships identified between the House variable (HouseRatio) and the basket of foreign aid policy measures were very similar to those found for the Senate variable (SenateRatio). The House variable (HouseRatio) also demonstrated significant relationships with the multilateral variables (MultiAid, MultiPercBudg), indicating that multilateral tendencies (as measured in real dollar amounts and as a percentage of the budget) tend to increase as Democratic ideology has a larger influence in the House of Representatives, much like in the Senate. The House variable (HouseRatio) also showed

a positive, but insignificant relationship with the aid-type-ratio variable (MultiBiRatio), just like the Senate variable (SenateRatio).

The only other significant relationship found with the House variable (HouseRatio) is with the bilateral ratio variable (BiPercBudg), and it is buttressed by an almost significant relationship with the total bilateral variable (BiAid). These relationships continue to mirror the relationships found for the variable, SenateRatio. Overall, these results lend strong support to hypothesis #1.

#### *AvgHouseSenateRatio*

As is to be expected, the relationships found for the average ideology variable, (AvgHouseSenateRatio) are extremely similar to the relationships for each of the variables (HouseRatio, SenateRatio) used to compute its value. This variable demonstrated significant positive, relationships with the multilateral aid, multilateral ratio and bilateral ratio variables (MultiAid, MultiPercBudg, BiPercBudg), as well as insignificant, but positive relationships with the total bilateral aid variable and the aid-type-ratio variable (BiAid, MultiBiRatio). The consistency of these relationships lends credibility to their implications and gives strong support for hypothesis #1.



*Hypothesis #2: The foreign aid budget tends to increase under Democratic governments.*

*PartyPresident*

Regression analysis produced some interesting and unexpected results for this variable. The relationships between the party of the president variable (PartyPresident) and the aid budget variables (TotalAid, AidBudgRatio) were both *negative and significant*. The relationship between the party of the president variable (PartyPresident) and the total aid variable (TotalAid) had a very strong T-value of -3.72, which suggests that aid commitments in real dollar amounts tend to be lower on average under Democratic presidents. The other significant relationship, which had a T-value of -2.27, was with the aid ratio variable (AidBudgRatio) and it suggests that the foreign aid budget as a percentage of the total budget tends to decrease under Democratic presidents. These two relationships imply that, at least in terms of the presidency, Democratic ideology is linked to a smaller aid budget, which directly disagrees with hypothesis #2.

*SenateRatio*

The Senate variable (SenateRatio) demonstrates a significant and positive relationship with the total aid variable (TotalAid). This relationship suggests that the aid budget, as measured in dollar amounts, tends to increase as Democratic ideology has more influence in the Senate and it lends strong support to hypothesis #2.

There was also a significant and positive relationship with the aid ratio variable (AidBudgRatio). This finding reinforces the idea that foreign aid expenditures increase under Democratic Senates and supports hypothesis #2.

### *HouseRatio*

As with hypothesis #1, the relationships demonstrated by the House variable, (HouseRatio) closely mirror those found for the Senate variable (SenateRatio). Significant relationships with the aid budget variables (TotalAid, AidBudgRatio) suggest that the same dynamic exists in the House of Representatives as in the Senate. These relationships indicate that the aid budget (as measured in dollar amounts and as a percentage of the total budget) increases as Democrats control more seats in the House and they give strong support to hypothesis #2.

### *AvgHouseSenateRatio*

Not surprisingly, relationships with the average-ideology variable (AvgHouseSenateRatio) once again mirrored the relationships found for the Congressional variables (HouseRatio, SenateRatio). Regression analysis identified positive and significant relationships between the average-ideology variable, (AvgHouseSenateRatio) and the aid budget variables (TotalAid, AidBudgRatio).

*Threats to Validity*

There exist some minor, but legitimate threats to the validity of the findings presented in this section that are not addressed by the various controls integrated into the analysis. The main threat concerns the relationships that describe presidential aid behavior. Since the party makeup of Congress changes every two years and the president only changes every four (at least) there exists the danger that data used on presidential aid giving behavior is insufficient because it only describes the influence of 8 presidents in full, plus one year of President Obama's influence (1966 – 2011). Without a larger pool of observations, it is possible that the relationships found with the party of the president variable (PartyPresident) are simply coincidence or stem from a third source. However, since aid behavior is measured in this project by year instead of presidency, there are 18 observations for Democratic presidents and 28 observations for Republican presidents, which gives more credibility to the results.

Other threats to validity are the numerous instances of American military involvement around the world. While this project does control for the Cold War, which had long-term and easily observable effects on aid policy even though it never developed into armed conflict, it does not control for other conflicts such as the Vietnam War, the Gulf War, or the wars in Iraq and Afghanistan. Only by closely studying the political environment in the United States and abroad during those periods would someone be able to fully understand how the differing natures of those conflicts may have incentivized certain aid policies. It is possible that instances of one party's ideology having more influence in government coincidentally line up with certain situations that naturally call for bilateralism or multilateralism, which could skew the results into suggesting false

significance. While this is a legitimate threat to validity, the sheer number of military conflicts involving the US somewhat normalizes the problem across time and different ideologies.

\* \* \*

### Discussion

Now that these relationships have been identified using statistical analysis, the next step is identifying what real world mechanisms they describe. The best way to achieve this is to break down the term “government,” which is used in both hypotheses, into smaller units of Congress and the president, and then seeing how well the hypotheses of this paper stand up in each branch. This section will discuss how the statistical relationships identified in the previous section manifest themselves in the real world and also if those relationships lend credence to hypothesis #1 (Multilateral aid practices tend to increase under Democratic governments), hypothesis #2 (The total aid budget will increase under Democratic governments), or both.

#### *Congressional Aid Giving Behavior*

The data strongly suggests that commitments of both types of aid, multilateral and bilateral, increase as Democrats control more seats in the Senate. There is also a strong positive relationship between Democrats in the House of Representatives and higher

levels of multilateral aid, as well as a very-close-to significant relationship with Democrats in the House and higher levels of bilateral aid. This finding certainly supports hypothesis #1, but it is rather unsatisfying support by itself, since it was expected that bilateral practices would decrease as multilateral practices increase when Congress was more influenced by Democratic ideology. However, this Democratic preference for multilateralism does seem to exist, according to the data, although in a subtle manner. While both types of aid-giving practices increase under Democratic Congresses, relationships between the Congressional variables (SenateRatio, HouseRatio) and the aid-type-ratio variable (MultiBiRatio) suggest that multilateral commitments tend to increase at a faster rate than bilateral commitments as Democrats control more of Congress. Although neither of these two relationships had a significant T-value, they both had a positive T-value over 1. This repeated result in both the House and Senate, while not significant individually, makes a fairly strong suggestion that Congressional Democrats do indeed prefer multilateral aid giving, and gives credence that hypothesis #1 accurately describes aid-giving behavior in Congress.

This finding, that Democrats increase all forms of aid, contributes to the impression widely held by Americans that Democrats are more likely to engage the international community, whereas Republicans usually prefer a more nationalist approach. While the relationships just described concerning the aid-type-ratio variable (MultiBiRatio) do show a preference between bilateralism and multilateralism for each party, the fact that both types of aid increase under Democrats and decrease under Republicans perhaps suggests that aid-giving policy preferences in Congress are secondary to each party's general disposition concerning foreign aid. Congressional

Democrats can be said to generally “like” aid more than Republicans, based on these relationships. The primary issue concerning foreign aid for Congress appears not to be what method of giving is best for strengthening American *symbolic domination*, but whether or not foreign aid is a good thing to begin with. If one party tends to increase all types of aid and the other party decreases all types of aid, then there is clearly a disagreement over the value of foreign aid policy in the larger context of US politics.

One explanation for why this might be is that partisan policy preferences are simplified in Congress because members of a party must aggregate their efforts to achieve their goals, unlike the president, for instance, who operates far more autonomously than any one Congressman. While there does seem to be some disagreement among the two parties in Congress over the best method of aid giving, the fact that numerous members of each party have to work together to achieve partisan goals may cause the debate over foreign aid to shift to a more fundamental question of “yes or no,” instead of debating the more complicated question: “What is the best way to give aid?” By simplifying the argument, each party has an easier time conveying a consistent message to other legislators and the general public. Justifying a preference for bilateralism or multilateralism is more difficult because each strategy is best suited for many specific situations and neither strategy can be said to *always* be the best aid giving strategy, as discussed in the Literature Review.

While data on Congressional behavior does lend support to hypothesis #1, it also gives very intriguing insight into how the mechanics of Congress may affect policy debates and preferences.

Data on Congressional behavior also lends very strong support for hypothesis #2. The total aid budget, as well as the ratio of the aid budget to the total budget, has a very strong positive relationship with the number of Democrats in Congress and, given the simplification of the debate over foreign aid in Congress just described, this result is not surprising. Moreover, it is consistent with the empirical relationships relating to hypothesis #1. If Democrats increase all types of aid, then the total aid budget should certainly increase as well. In the sphere of Congress, it appears that both hypotheses are observed in the real world and they should be given greater credence given the way in which the results for each individual hypothesis complement the other.

### *Presidential Aid Giving Behavior*

The president, as was briefly mentioned above, occupies a very different position in the sphere of American politics than any Congressman. There are many pressures and influences that affect the president, but not Congress, because he is considered the head of the United States government; the position receives more attention from the world, the American public, the media and other government officials than any other public figure. Given that these conditions specific to the presidency exist, it is therefore not surprising that the foreign aid behavior of the president suggested by this analysis is much different than that of Congress.

The data suggests that preferences between multilateralism and bilateralism play a much bigger role in presidential aid policy than Congressional aid policy. While there were no significant relationships between the party of the president and the amount of

multilateral giving, there was an extremely strong relationship with the amount of bilateral giving. According to the data, average bilateral aid spending is lower under Democratic presidents and higher under Republican presidents; this finding is also buttressed by a strong, negative relationship with Democratic presidents and the ratio of bilateral spending to the total budget. These findings are certainly in line with what is to be expected if hypothesis #1 were true, but they do not support that contention by themselves. However, there is also a significant relationship between Democratic presidents and a higher ratio of multilateral aid to bilateral aid, which is direct support for hypothesis #1 and also is mathematically consistent with the relationship to bilateral aid. To summarize, Democratic presidents are associated with lower levels of bilateralism (resulting in a higher ratio of multilateral commitments to bilateral commitments) and lower levels of aid as a whole; there is also no significant association between the party affiliation of the president and multilateral commitment amounts.

Moving forward on the assumption that Democrats do prefer multilateralism (since there is no direct disagreement in the results as they relate to the president but there is support in Congressional behavior), Democratic presidents, it seems, choose to show their preference for multilateralism by decreasing the status quo amount of bilateralism. If hypothesis #1 is accurate, it is possible that Democratic presidents attempt to reduce bilateral aid commitments to make room in the budget for Democratic Congressmen to push for higher multilateral commitments, as a way for Democratic Party members to collectively achieve a multilateral agenda.

However, the data only weakly suggests, by virtue of a repeated result, that Democratic presidents are associated with higher levels of multilateral aid. This



suggestion springs from two non-significant, but consistently positive relationships between the party of the president variable (PartyPresident) and the multilateral variables (MultiAid, MultPercBudg). Even though these weak relationships may give some support to hypothesis #1, they also make it clear that presidents either don't have much influence over multilateral practices or they actively avoid multilateral aid policy. Since the former is very unlikely to be true given the power of the president (especially in international affairs), the latter statement should be explored.

The question then becomes, what would cause presidents (but not Congressmen) of both parties to largely avoid meddling with multilateral aid practices? There is clearly a relationship between the party affiliation of the president and the amount of bilateral spending, so why not multilateral spending? Skidmore (2012) offers a very compelling answer to this question. He argues that Congress and the public perceive that multilateral aid practices give more power to the president because the purview of Congress is almost completely domestic, whereas a huge part of the president's duties involve international diplomacy. Since multilateralism is facilitated through international organizations, the process is seen to expand the duty of the president. Skidmore writes that this dynamic is one reason why multilateral practices increased during the Cold War when domestic interests were aligned against a common enemy and then dropped off after the fall of the USSR because there was less need for strong presidential leadership.

Accepting this explanation, it is therefore not surprising that presidents tend to avoid multilateral aid policy altogether since they might be seen as trying to change the quality of power they hold. The weak, but consistently positive relationships between Democratic presidents and multilateral aid practices suggest that there is still some room

for the commander-in-chief to exercise influence over multilateral aid policy without backlash, but the results make it clear that the main action takes place over bilateral aid policy. The unexpected social condition identified by Skidmore (2012) helps to make sense of these results as they relate to hypothesis #1: Republican presidents directly show their preference for bilateralism by increasing bilateral commitments; Democratic presidents indirectly show their preference for multilateralism by decreasing bilateral commitments, since advancing a strong multilateral aid policy may carry too large of a political risk.

This interpretation of presidential foreign aid behavior using the concepts outlined by Skidmore (2012) lends strong support to hypothesis #1, albeit in a somewhat “backdoor” manner.

According to the data, hypothesis #2 fails to describe presidential behavior concerning the total aid budget, and it seems that the opposite dynamic (*lower* average aid budgets under Democratic presidents) is observed in the real world. This result reaffirms the findings of Goldstein & Moss (2005). This conclusion marks a departure in aid behavior between Democratic presidents and Democratic Congressmen, since the foreign aid budget tends to increase when Democrats have more control over Congress. However, given the concept provided by Skidmore (2012) just discussed, this finding is not surprising. If presidents more or less leave multilateral aid policy to Congress and only attempt to affect bilateral policy, then a Democratic president who seeks to reduce bilateral aid will logically also reduce the entire foreign aid budget, *ceteris paribus*.

The extremely strong support for hypothesis #2 in Congressional aid policy behavior demands that the contention be given some credence, but in this instance it seems that hypothesis #2 fails to describe presidential behavior due to an unexpected social condition. Also, the strong tendency of presidents to affect bilateral commitments clearly suggests the presence of an ideological disagreement over aid policy. In future research, a tendency among Democratic presidents to favor multilateral aid giving might be flushed out by doing a similar regression analysis, but controlling for factors such as the presidential approval rating – factors that could influence a president’s willingness to take political risks. The controls used for this project were designed to account for conditions that affect the policy decisions of *all* government officials, such as economic health or partisan polarization. While these controls may correct for some irregularities in presidential aid policy behavior, they fail to take into account all of the pressures particular to the presidency. This realization makes it clear that the term “government” was a rather clumsy unit of analysis in identifying the effects of partisan ideology on aid policy; a research design that accounts for how Congress and the president are differently situated in the American political system might reveal support for hypothesis #2 that this project has missed.

\* \* \*

## Conclusion

This project has identified important differences in policy behavior between the president and Congress in the arena of foreign aid – differences that should be understood by any American voter who prioritizes foreign aid policy when evaluating political candidates. The results make it clear that party ideology, as it affects foreign aid policy, does play a role in determining the nature of aid commitments, but can be warped by influences specific to certain positions in government. The dynamic identified in this analysis implies that voters whose only goal is to promote foreign aid by electing pro-aid officials should always vote for Democratic Congressmen, but only for Democratic presidents if they really care about increasing the ratio of multilateral commitments to bilateral commitments, *ceteris paribus*. Otherwise, pro-aid voters should choose Republican presidents, who are linked to larger aid budgets. Armed with this knowledge, the American voter can better choose based on empirical knowledge, not just political instincts, officials whose foreign aid preferences most closely mirror their own.

The hypotheses of this project initially sprang from political instincts and the subsequent analysis has shown that they only partially describe real world events, which indicates that party ideology can be greatly affected by unexpected and very subtle conditions. The differences in Congressional and presidential aid behavior suggest that there may be room for research into how party ideology manifests differently depending on the amount of power held by a position in government. Perhaps the specificity of policy preferences is positively related to power (the more powerful your position is, the more you can afford to promote a specific policy), which might account for why the foreign aid debate seems to be simplified in Congress and pointed in the Oval Office. At

any rate, the results make it clear that foreign aid is an extremely nuanced policy area in American government. Nothing in politics is black and white, but foreign aid strategy seems to be about as gray as you can get. This project has identified some key dynamics at play in foreign aid policy decisions and future endeavors in aid research can benefit from its successes and failures.

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