UNRAVELING RED TAPE: FOREIGN AID ALLOCATION
AND THE DOMESTIC BUREAUCRACY

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DISSERTATION
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Abstract

Researchers from Hans Morgenthau and Bruce Bueno de Mesquita have suggested that donor countries view foreign aid as a strategic tool in their economic arsenal. In contrast, however, donor countries actually describe their foreign aid as purely altruistic, as a way to alleviate poverty in the countries that receive aid. I argue this discrepancy exists due to the different motivations of donor governments and aid bureaucracies. Strategic and political interests often motivate governments, while foreign aid bureaucrats tend to have personal altruistic motivations. This divergence creates conflicting goals with governments seeking economic and political advantages from foreign aid and aid bureaucracies, the implementers of policy, seeking to increase economic and social development in recipient countries. Due to these conflicting goals and motivations, the level of autonomy of aid agencies shapes their aid allocation decisions. The variation in the institutional designs of these bureaucracies then explains the variations we see in the foreign aid policies across donor countries.

This dissertation demonstrates the importance of bureaucratic autonomy for aid outcomes (donor selectivity, policy coherence, and involvement in the aid community) across three empirical chapters. Donor selectivity refers to how aid recipients and projects are chosen (for example, least developed countries vs. middle income countries, health sectors vs. budget support). An aid agency’s policy may be altered when a new government is elected; however, an agency with greater autonomy is more likely to retain a consistent agenda over time. Bureaucrats with greater autonomy are also more likely to take advantage
of that autonomy to increase their role in policy development. Through the creation of a novel dataset of aid agency autonomy, I conduct a cross-sectional analysis of twenty agencies. I further provide an in-depth comparison of three of these agencies. Finally, I conduct a temporal case study of the United States’ Agency for International Development, comparing it to the United Kingdom’s Department for International Development.

The analysis presented provides support for my hypothesis that more autonomous aid institutions are more likely to allocate aid based on the development needs of recipient countries, have policy coherence across governments, and greater involvement in the international community. Bureaucracies are known to be important policymakers in their own right in other fields of political science; however, international relations often ignores bureaucracies. This work seeks to amend this by illustrating the importance of bureaucrats in international political outcomes. The institutional design of these agencies must be taken into account given the role it has in determining policy outcomes. Moreover, this dissertation expands our knowledge of the aid allocation process specifically. With greater knowledge of how aid allocation decisions are made, scholars and practitioners can improve their assessment of aid outcomes and encourage more effective aid through changes on the institutional level.
Dedicated to
My mother, for being my role model
And
My father, for being my champion
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Chapter 1

Determinants of Foreign Aid Allocation

From Hans Morgenthau (1962) to Bruce Bueno de Mesquita (2009), researchers continue to demonstrate that foreign aid is a strategic tool for donor countries. However, in practice, donor countries continue to describe foreign aid as a means of poverty alleviation for recipient countries. Why does this discrepancy exist between political science research and real world discussion of foreign aid? Are donors merely using cheap talk? Alternatively, is current research missing an aspect of donor motivations? I argue the latter, finding this discrepancy exists due to the different motivations of donor governments and aid bureaucracies. While strategic interests often motivate governments, foreign aid bureaucrats customarily have personal interests and altruistic desires in giving development assistance. This tension creates conflicting goals with governments seeking economic and political advantages from foreign aid and aid bureaucracies, the implementers of policy, seek to increase economic and social development in recipient countries. Given these conflicting goals and motivations, aid allocation decisions are shaped by the level of autonomy of aid bureaucrats. The variation in the institutional designs of these bureaucracies then explains the variations we see in the foreign aid policies across donor countries.

Since bureaucracies are driven primarily by a desire to keep their positions, they tend to follow the preferences of the government. This is conditional, however, on the level of autonomy given to the aid bureaucracy as bureaucrats have their own personal inclinations
about aid. These motivations tend to drive aid bureaucrats towards need-based aid. Therefore, with a high level of autonomy, regardless of the government’s preferences, the bureaucracy will tend to have an aid policy based on recipient needs. With a low level of autonomy, the bureaucracy will follow the government’s presences, which tend to focus more on the strategic interests of the donor country. An agency’s aid policy is thus conditional on the level of autonomy it has from the government. Using this overall theory, I identify a range of specific claims regarding aid policies and the role autonomy has in shaping them.

Foreign aid, as well as the number of actors involved, continues to expand at an ever-increasing rate. Countries have transitioned from recipients to donors, non-governmental organizations have become major players in implementation of and recommendations for projects and international organizations are seen as an ordinary vehicle for encouraging development. Foreign aid, once seen as a temporary means of geopolitics during the Cold War, is an enduring aspect of international relations. Why foreign aid remains a significant undertaking resulted in a large scholarship examining donor motivations and whether they are based on stated altruistic motivations or rather for strategic interests of the country. While this work has taught us a great deal about the foreign aid regime and has now turned to a discussion of effective aid, we still know very little about the institutions within donor countries that administer foreign aid policy. Given the variation in aid flows from different countries as well as variation in aid agencies within these countries, this dissertation asks how the institutional design of aid bureaucracies affects aid allocation.

A clear example of variation across donors is the amount of foreign aid they allocate
each year. Since 1970, bilateral donors have agreed to give 0.7% of their GDP in aid each year\(^1\); however, the amount actually given ranges from 1% of GDP (Luxembourg) to 0.09% of GDP (Poland and Slovak Republic)\(^2\). Why do developed nations vary so greatly in the amount of aid they allocate, given they have all similarly agreed on the "correct" amount? Donors also vary in the countries to which they allocate aid. Portugal focuses their aid spending almost entirely on former colonies, while the United Kingdom—having many former colonies as well—favors giving aid to recipients with a national income of $1,190 per person or less.\(^3\) Why do the targets of aid vary across donors when there is a known list of recipients who need it the most? Another way allocations vary is the type of aid given to a recipient (tied aid, technical assistance, etc.).\(^4\) Greece gives more than half of its aid each year through technical assistance, while Italy continues to rely heavily on tied aid. Why do donors vary the types of aid given, especially when there has been some agreement over what is more effective?

The aid agencies within donor countries vary widely in their institutional design. Donor countries often have multiple agencies with different institutional designs that are responsible for some form of development aid. The United States, for example, has five main agencies in charge of some aspect of foreign aid (Agency for International Development [USAID], State Department, Defense Department, Treasury Department, and the Millennium Challenge Corporation [MCC]). Each of these agencies varies widely in the

\(^1\) United Nations General Assembly. 1970
\(^2\) OECD 2014
\(^3\) OECD 2014
\(^4\) Tied aid is aid that must be spent in the donor country. Humanitarian aid is given in response to a disaster, natural or man-made. Technical assistance is support in the form of donor country expertise. (OECD 2012)
structure of their institutions, with State, Defense, and Treasury Departments being executive agencies, USAID once being an independent agency and now existing within the State Department, and the MCC being a government corporation. Within the US alone, there are three distinct agencies structures with different focuses and purposes for aid allocation.

Furthermore, the main official development assistance institutions also vary in the structure of these aid institutions. In Denmark, the Ministry of Foreign Affairs administers foreign aid. In Ireland, there is a separate directorate (the Development Cooperation Directorate) within the Department of Foreign Affairs that manages most foreign aid. In Australia and Canada, there were an administratively autonomous agency, the Australian Agency for International Development and the Canadian International Development Agency, responsible for foreign aid. Today, however, the government has changed these institutions giving them less autonomy by merging them with broader foreign policy departments. This reorganization demonstrates that governments’ realize that agencies with more autonomy give aid in a different way than their own preferences. Along with the placement of the institution within the government, structure varies by the amount of political appointments, whether there is an advisory committee, requirements for reporting to the government, evaluations of the agency, and much more. These differences in structure shape the way these agencies allocate aid as they determine their role within the country.

The importance of institutional design for domestic aid institutions has never been clearer than in the recent reorganizations of the aid agencies in Canada and Australia. In 2013, both the Canadian International Development Agency (CIDA) and Australian Aid
(AusAID) were closed and the duties of these organizations were moved into the Canadian Department of Foreign Affairs, Trade, and Development and the Australian Department of Foreign Affairs and Trade. The conservative governments, newly in power in these countries, claimed there was a need to make aid more efficient and to lessen the costs of the bureaucracy. However, by restructuring foreign aid to be part of the country’s general foreign affairs and trade, it ties aid to national interests. Officials in these countries have touted this as a motivating factor for this change.

Prior to these reorganizations, CIDA and AusAID were well-respected agencies with a high level of autonomy as they were structurally independent from the government. With the strength of these bureaucracies, foreign aid was a highly supported sector in these countries. These bureaucracies were able to shape the foreign aid policies of these countries, promoting untied aid and increasing the budget overall. With these changes, it is clear that poverty alleviation is taking a more subordinate role and will no longer have the backing of an independent agency.

Merging these independent aid agencies into their country’s foreign affairs ministries represents a clear shift of policy by the governments of these countries. However, it also reveals the belief of these governments that these independent aid agencies were and would continue to allocate aid based on more altruistic motivations rather than tied to the national interests of these countries. The government felt the need to completely dismantle these agencies in order to achieve policy adherence with the bureaucracy. Clearly, the aid bureaucracies themselves have power to shape policies and have preferences that are different from the government. Given these recent organizations and the apparent differing
motivations between governments and bureaucrats, it is necessary to look at how institutional design matters.

In this dissertation, I examine the wide variation that exists in how donors allocate foreign aid and the variation in the institutional designs of agencies within donor countries. While most scholars look at this variation of allocation at the level of states, I argue that one must look at the institutions within these states. These bureaucracies are responsible for aid allocation through project planning, budget requests, aid management, implementation, and evaluation of policy. In order to understand the variation across donors, we must look at the institutions within these countries that are responsible for that aid. This dissertation argues the institutional design of an aid agency, specifically the level of autonomy, affects the aid policy that agency generates. This is due to the differing preferences of the government and bureaucracy, which lead them to pursue different types of foreign aid.

Today there is a large push for donors to provide aid that is effective for development; however, one cannot prescribe aid allocation solutions without an understanding of aid decision-makers. Recommendations of how to reform aid are not practical if one does not first take into account the incentives of carry out those reforms. This dissertation examines the decision-making process of foreign aid allocation within donors and across countries, informing our understanding of what influence this process. With knowledge of the process, scholars and aid practitioners will be able to better assess aid outcomes. Then, by taking into account the influence of institutional design, aid policies can be made to create aid that is more “effective.”

I then argue, opposing most principal-agent literature, less control by the principal
can lead to more “optimal” results with respect to foreign aid. In this case, more “optimal” results are in respect to recipient countries and their development. With the vast amount of time and resources donor countries use to research and evaluate aid, there should be an incentive to achieve the “effectiveness” that is so often referenced. Perhaps by allowing for more discretion, these stated goals could be reached.  

**Donor Motivations**

Donors spend billions of dollars each year on development assistance. The rhetoric and stated motivation for foreign aid is similar across all donors – the alleviation of poverty and the development of the world. Aid began as emergency funding to help alleviate the struggles of countries after World War II. Today, it is a huge international industry with multiple actors cooperating (or not cooperating) to raise the level of economic growth of developing countries across the globe. However, this motivation has been found by multiple studies to not be the true driving force of aid giving (Alesina and Dollar 2000; Bueno de Mesquita and Smith 2007, 2009; Maizels and Nissanke 1984; McKinlay and Little 1977, 1978; Schraeder, Hook, and Taylor 1998).

Rather than altruistic goals, scholars have found donors to be motivated by strategic interests when allocating foreign aid (Alesina and Dollar 2000; Schraeder, Hook, and Taylor 1998). These interests may be economic, political, or historical. If donors are motivated by recipients’ needs, we would see aid going to least developed countries, aid focused on long-term growth, and aid that follows the recommended best practices. Instead, we often find

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5 These are merely the stated goals of donors as demonstrated through their mission statements and international agreements. However, past scholarship shows that these statements should not be taken at face value. Governments certainly face other motivations for giving aid than making sure it is effective.
that donors allocate aid to allies and former colonies, and send tied aid and other types of aid agreed as ineffective by the aid community. The rhetoric and stated purpose of foreign aid does not match up with actual allocations, leading to ineffective aid and a lack of development results.

Given this finding by scholars and aid practitioners, there have been many recommendations put in place to try to improve aid. Some suggestions are for improved transparency, greater specialization, and less fragmentation among donors, and more selectivity when choosing recipients (Easterly and Pfitze 2008; Easterly and Williamson 2011). Donors have actually agreed to many of these recommendations through multiple pledges (“Paris Declaration on Aid Effectiveness” 2005; United Nations 2000, 2002). Yet, scholars continue to find that donors overall do not follow these recommendations or have only shown small improvements.

While past scholarship has provided a great deal of information on donors’ motivations, it has, by in large, focused solely on donors as an anthropomorphized actor without looking at the decision-makers within the country. This simplification leads to a lack of knowledge of the allocation process within a donor country. It is necessary to understand the within-country dynamics of foreign aid to truly understand why variation exists across donors. Allocation decisions are made by institutions within these countries and are based on the relationship between these institutions, not by a country a single entity.

**Bureaucracy and Foreign Aid**

The bureaucracy is a key actor in determining policy outcomes for a country. The government delegates authority to a bureaucracy over a given area, such as foreign aid, and
gives it the task of overseeing the development and implementation of that area. While the bureaucracy is often viewed as having a minor role in policy, scholarship has demonstrated the important role bureaucracies have in shaping the policies of a country. Due to delegation, a bureaucracy receives some control and influence beyond the government’s authority and therefore has means to administer policy as they see fit.

The foreign aid bureaucracy administers the allocation of foreign aid from a donor country. While they may not determine aid policies or the budget itself, they are responsible for the operation and management of aid programs (Gibson et al. 2005). This can entail decisions on creation of assistance programs, the sector funds are allocated, the channel of delivery, the type of project, and the future of aid allocations. According to the USAID job description, foreign aid officers “assess country needs, prepare strategic plans, design and evaluate programs, oversee budgets and contracts, and report on results” (USAID 2012b). Most positions also require an advanced degree, representative of the knowledge that bureaucrats have over their government in this issue area. An average aid bureaucrat across OECD DAC countries conducts 4.3 projects a year with an average project size of $1.1 million in 2003 (Ovaska 2006, 19).

As bureaucracies are ultimately responsible for aid allocations from a country, it is necessary to examine how these institutions make those decisions. Foreign aid scholars and practitioners, in their examination of aid effectiveness, have highlighted this need recently (Arel-Bundock, Atkinson, and Potter 2015; Honig n.d.). In particular, scholars have found that aid bureaucrats face perverse incentives due to the structure of these institutions (Easterly 2002; Martens 2005). The design of these agencies often leads to a disbursement
culture, where is it more important to get the money out the door than it is to create effective and beneficial projects for recipients. Given these findings, the institutional causes of these problematic motives must be understood in order to promote the “best practices” suggested by these works—transparency, selectivity, overhead cost, ineffective aid channels, and specialization (Easterly and Pfitze 2008; Easterly and Williamson 2011).

**Bureaucratic Autonomy**

The institutional design of these aid agencies matters due to the incongruent preferences of governments and bureaucrats. A key consequence in the delegation of power from principal to agent is the agent’s ability to shirk, or follow their own preferences rather than the principal’s (Coleman and Coleman 1994; Moe 1984; Weingast 1984). The government tries to combat an agency’s ability to shirk through control mechanisms, such as audits, political appointments, or control of the agency’s budget. So while shirking is always a risk given delegation, the risk is greater when agencies have a greater level of autonomy (i.e. less government control mechanisms) and the preferences between the government and bureaucracy diverge significantly.

The study of delegation to institutions usually focuses on variation of design in terms of different issue areas. Asking questions such as why does the central bank have more autonomy than the ministry of foreign affairs? This scholarship attempts to explain these differences due to the variation in issue area, usually in terms of a specific country as well. My work takes a different focus by holding the issue area constant—foreign aid. The focus then becomes the role of the bureaucracy instead of the choice a government makes in delegation. Work on the autonomy of aid agencies in the United States demonstrated the
importance of this agency variation within a single country (Arel-Bundock, Atkinson, and Potter 2015). I expand this work through an examination of the cross-national and inter-temporal variation in agency design.

In the case of foreign aid, past scholarship has shown us that governments allocate aid mostly for strategic interests rather than altruistic concerns for recipient countries (Alesina and Dollar 2000; Bueno de Mesquita and Smith 2007). The preferences of the government are then to use aid as a tool for foreign policy, perhaps to strengthen an alliance or buy compliance or improve a donor’s image in that country or internationally. Career motivations are the primary motivations for bureaucracies, so they will tend to give aid based on the government’s preferences. However, since the bureaucracy’s own preference is for need-based aid, with high autonomy the aid bureaucracy will go against the government’s desire for political aid.

Aid bureaucrats, contrary to the government, have a much different perspective on the purpose of foreign aid leading them to have a greater focus on the needs of recipient countries. These civil service employees are experts in the field of foreign aid, often with advanced degrees, whose sole focus is foreign aid rather than other foreign policy issues (Butterfield 2004; Gibson et al. 2005). As they have dedicated their work to this topic, they often strive to create meaningful improvements in the lives of those receiving aid. Bureaucrats and governments are therefore at opposite ends of the spectrum in their preferences leading to different foreign aid policies for each group.

Since the aid bureaucracy, if left to its own devices, would create a foreign aid policy based on the needs of recipients, and the government would create foreign aid policy based
on national interests without delegation, the level of autonomy of the aid bureaucracy is key in shaping the actual foreign aid policy of that institution. Autonomy is defined as the degree of discretion and freedom of action available to an agent (Hawkins et al. 2006; Pollack 1997, 2003). Autonomy is therefore the amount of control the government has over the bureaucracy with less control mechanisms meaning greater autonomy. With a low degree of autonomy, bureaucrats are incentivized to follow the government’s preferences in order to maintain their positions. However, with a high degree of autonomy, bureaucrats have the freedom to follow their own preferences and motivations in creating foreign aid policy.

I therefore argue that domestic aid agencies with a high level of autonomy are more likely to have a foreign aid policy based on recipients, while agencies with a low level of autonomy are more likely to base their policies on the strategic interests of the donor country. Following from this primary assertion, I posit specific claims regarding three areas of foreign aid policy—selectivity, policy coherence, and involvement in the aid community. Donor selectivity refers to how aid recipients and projects are chosen (for example, least developed countries vs. middle income countries, health sectors vs. budget support). An aid agency’s policy may be altered when a new government is elected; however, an agency with greater autonomy is more likely to retain a consistent agenda over time. Bureaucrats with greater autonomy are also more likely to take advantage of that autonomy to increase their role in policy development.

**Motivation/Importance**

Foreign aid is an important policy tool for donor countries and despite being thought of as a product of the cold war, it has remained and grown greatly over time. At the same
time, the messages we have regarding foreign aid are persistently mixed. On the one hand, donors espouse the need for development across the globe and their desire to improve the lives of the world’s poorest. This is also what bureaucrats and aid practitioners often assert themselves. However, scholarly work continually finds that donors are not actually motivated by their stated altruistic goals, but rather have their own political and strategic goals in mind for allocating aid. Despite continual scholarship on foreign aid, we do not have a clear way to understand these two competing explanations.

This topic is important for a number of reasons. It addresses the decision-making process of foreign aid allocation within donor countries, which has not been examined before on such a large scale. Prior foreign aid literature often focuses on the donor as a single entity without consideration of actors within a donor country. This leads to a lack of understanding of how allocation decisions are made across domestic actors. Looking at the role of aid agencies is an important step in understanding how aid decisions come about and has been a topic of recent interest within the field (Arel-Bundock, Atkinson, and Potter 2015; Easterly 2002; Honig n.d.; Martens 2005). These works have demonstrated the importance of the aid bureaucracy as well as the necessity of understanding the aid decision-making process. I further this work by assessing the role of autonomy in shaping development policy. With knowledge of the process, scholars and aid practitioners will be able to better assess aid outcomes.

Furthermore, with this assessment ability, the results presented allow for better promotion of effective aid. The international community is pushing donors to provide aid that is effective for development. The international aid community has prescribed the “best
practices” for development policy and foreign aid allocations. These have been further established and committed to by donors in a number of international agreements ("Accra Agenda for Action" 2008; "Millennium Development Declaration" 2000; “Paris Declaration on Aid Effectiveness” 2005). Given the large amount of effort devoted by donors, the international community, and scholars on the topic of aid effectiveness, there does appear to be an impetus encouraging “successful” aid practices. However, one cannot advise aid allocation solutions without an understanding of aid decision-makers. Recommendations of how to reform aid cannot fully address their purpose if one does not first take into account the incentives of carry out those reforms.

This dissertation also sheds light on how the domestic bureaucracy affects international outcomes. While the bureaucracy is seen as an important actor in many fields, its influence has not been a major topic within international relations since the 1970s (Allison and Halperin 1972; Hopkins 1976; Snyder, Bruck, and Sapin 1954). By examining the aid bureaucracy of bilateral donors, I bring the bureaucracy back into the field by examining the aid decision-making process and provide a clearer path for policy recommendation. This gap has been noted by scholars and proposed as a necessary and important line of research (Fukuyama 2013). I answer this call by examining how the level of autonomy of an agency affects aid allocation outcomes, providing a greater understanding of the aid decision-making process as well as the nature of the government-bureaucracy relationship.

Dissertation Outline

The purpose of this dissertation is to determine the role of bureaucratic autonomy is
shaping aid policies of donor countries. In Chapter 2, I present my theory of why bureaucratic autonomy is the key determinant in policy outcomes, both generally and with regard to foreign aid. I begin from a principal-agent framework in order to explain the relationship between governments and bureaucracies. This leads to an important conclusion, that these actors have differing motivations over this policy. Due to these differing motivations, the level of autonomy given to a bureaucracy plays a key role as it determines whether the government or bureaucracy’s motivations are adhered to. With regard to foreign aid, the level of autonomy explains whether aid will focus on strategic interests of the donor country or the needs of the recipient country.

In Chapter 3, I examine how agency autonomy affects selection of recipients across bilateral donors. I present my newly created dataset of the bureaucratic autonomy of donor foreign aid institutions. This dataset set contains an index of the level of autonomy of the main aid agencies from the top twenty Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) donors. I base this on two types of autonomy – structural and political– and measured by the amount of control mechanisms put in place by the government in order to “check” the bureaucracy. Using this dataset, I present a cross-country analysis showing the importance of autonomy in shaping where and how aid is allocated.

In Chapters 4 and 5, I conduct an in-depth examination of the agencies themselves in order to understand and compare them more fully. In Chapter 4, I compare three aid agencies from Chapter 3 – Spain’s Ministry of Foreign Affairs and Cooperation (MAEC), Switzerland’s Agency for Development and Cooperation (SDC), and Sweden’s International
Development Cooperation Agency (Sida). By examining these cases comprehensively, I present a picture of how autonomy affects policy outcomes beyond aid allocation including agenda setting and involvement in the international community. These three aid agencies represent a spectrum of the types of agencies that exist. In Chapter 5, I present a temporal analysis of the United States’ Agency for International Development (USAID) in order to understand how changes in autonomy over time have affected aid allocations. I further compare USAID to the United Kingdom’s Department for International Development (DFID), as comparison across similar countries with as similarly important agency. These comparisons shed light on the role of autonomy historically as well as present a distinctive look at how different institutions transition over time. I conclude in Chapter 6 by discussing the importance of this work and the applications it has to future work as well as policy impactions.
Chapter 2

Autonomy and Foreign Aid Bureaucracy

Foreign aid policy decisions are not made by a single government entity. Rather there are multiple actors involved in shaping the development policies of a country. In particular, in terms of aid donor decision-making, the aid bureaucracy is ultimately responsible for the implementation of development policies. The government’s control over how this policy is carried out depends on the level of autonomy an aid agency is given. Due to the differing preferences of the government and bureaucracy, an agency’s level of autonomy moderates the actions of the bureaucracy either to be more in line with the government’s preferences or their own.

This conditionality is one of the reasons there exists a discrepancy between donors’ descriptions of their foreign aid motivations and the scholarly findings of donors’ true motivations. Aid bureaucrats often have personal interests and altruistic desires for allocating foreign aid. While governments tend to be motivated by the strategic interests that can be achieved through foreign aid. This tension creates conflicting goals with governments seeking economic and political advantages from foreign aid and aid bureaucracies, the implementers of policy, seek to increase economic and social development in recipient countries.

Bureaucratic autonomy is important for a number of different outcomes—selectivity, policy coherence, and involvement in the aid community. Donor selectivity refers to how aid recipients and projects are chosen (for example, least developed countries vs. middle income
countries, health sectors vs. budget support). An aid agency’s policy may be altered with the election of a new government; however, an agency with greater autonomy is more likely to retain a consistent agenda over time. Bureaucrats with greater autonomy are also more likely to take advantage of that autonomy to increase their role in policy development.

This topic is important for a number of reasons. It examines the decision-making process of foreign aid allocation in a more in-depth way than has been done before. It provides the potential to create policy solutions for more effective aid. It also brings the bureaucracy back into the field of international relations. Furthermore, it was only recently established as an important exploration within the foreign aid and bureaucracy literature. There have been a few scholars that have similarly explored how an aid agency’s institutional design affects aid policies (Arel-Bundock, Atkinson, and Potter 2015; Honig n.d.). These are important works that establish the key role autonomy has for foreign aid; however, I further develop this by address autonomy in terms of actual agency features and examine agencies outside the United States.

**Foreign Aid Bureaucracy**

The study of foreign aid largely focuses on donors as a single entity with uniform preferences within them. Donors are viewed solely as the governments within those countries making decisions on where foreign aid should go. This simplistic view has led to many important findings about donors and their relationships to recipients. In particular, it is clear that donors, as a whole, tend not to allocate aid for the benefit of recipients but rather for their own strategic interests. Foreign aid scholarship continually demonstrates this finding and it importantly demonstrates the difference between donors stated goals and their
actual motivations.

However, we know that this simplistic view is not an accurate representation of donors. Countries are not anthropomorphized beings run by a single entity with a clear and unchanging perspective on policies. Rather, there are multiple decision-makers within a single country responsible for shaping and determining policy outcomes. In the case of foreign aid policy, there are many decision-makers involved both within donor countries and outside of them. Outside of a donor country, one can think of the interests of recipient governments, recipient citizens, the institutions within recipient countries, the implementing NGOs, international organizations, and many more. There are also multiple decision-makers within a donor country including the government (which can have multiple branches), interest groups within the country, citizens of the donor country, and the bureaucratic institution delegated responsibility over this policy.

Clearly, there are many groups involved in shaping foreign aid with varying interests over how this aid should be allocated. There are many actors involved in this process from international organizations to recipient country citizens to non-governmental organizations. Each of these actors has an influence over foreign aid as a whole. However, it is necessary to pare these actors down to provide a clear overarching theory. As this dissertation is concerned with donors and how their policy outcomes are determined, that is where I will focus my attention. This is clearly another simplification regarding policymaking; however, I believe it is justified given the structure of foreign aid. Donors really have most, if not all the power in determining how their foreign aid is given. While this is changing with more recipients having a say in their projects, it is still ultimately the donors that make the final
decision. Therefore, it makes sense to look at donors themselves when trying to understand foreign aid policy. In future work, I do hope to examine the more complex chain of actors that have some influence over the shape of aid.

While the simplification of assuming uniformity within donors has added to our knowledge of aid, I believe we can learn more about differences across donors if we drop this assumption. Governments are ultimately responsible for determining their foreign aid policy, yet, governments’ delegate responsibility of aid allocation to the bureaucracy. This act of delegation empowers another actor, the bureaucracy, to shape foreign aid.

The foreign aid bureaucracy is responsible for the financial flows, projects, and policy implementation for a state (DFID 2012; USAID 2012a). There can be many different agencies responsible for aid allocations; the US has almost 40 different government organizations funding aid projects in 2006 (Lancaster 2007). The focus of this theory is on the primary aid agency.6 The government of a state sets the policy for foreign aid, while the bureaucracy handles the actual disbursement of foreign aid, including the operation and management of aid programs (Gibson et al. 2005). This can entail decisions on development of assistance programs, the sector funds are allocated, the channel of delivery, the type of project, and the future of aid allocations. The requires that bureaucrats “assess country needs, prepare strategic plans, design and evaluate programs, oversee budgets and contracts, and report on results” (USAID 2012b). Given the specialization needed to carryout these tasks, many aid bureaucrats have an advanced degree in an aspect of development. Depending on the discretion they have over aid, the role of the bureaucracy may be even

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6 Within the state, there is usually a single agency, which allocates almost all aid, with these other entities focusing on specialization allocations.
greater.

Clearly, aid agencies have a great deal of power in determining these policies. Their importance has been noted by scholars as well and has led to an important discussion on what the best practices of donor agencies are (Easterly and Pfutze 2008; Easterly and Williamson 2011; Easterly 2002). These works are motivated by the many findings that foreign aid is ineffective at creating development within recipients as well as the many international agreements practices to increase aid effectives (Paris Declaration 2005, Millennium Development Goals 2002, Monterrey Convention 2002, etc.). There is a focus on the perverse incentives within the aid bureaucracy that leads to a disbursement culture rather than being driven by results (Easterly 2003; Martens 2005). This scholarship also compares agencies across suggested best policy practices including transparency, selectivity, overhead cost, ineffective aid channels, and specialization (Easterly and Pfutze 2008; Easterly and Williamson 2011). The institutional designs of aid bureaucracies clearly shape their behavior and can shift their practices of allocating foreign aid. These best practices lead to information on how aid can be improved and how we can ensure better aid is given in the future.

However, I believe creating these best practices is premature. Before we can state how these agencies should change and act, we first must understand why these bureaucracies vary across donors. Only when it is clear why some agencies allocate aid following these practices and others do not can we make changes to these practices. Therefore, it is first necessary to look at the institutional design of these agencies and the relationship between the government and the bureaucracy. Clearly some of the practices discussed in the best
practices literature focus on the structure of these agencies and the incentives of bureaucrats within them, so let’s examines these structures and where these incentives come from.

**Principal-Agent Framework**

In order to understand the relationship between the government and the bureaucracy, I adopt the principal-agent framework. The general framework is that a principal (in this case, the government) delegates to the agent (in this case, the bureaucracy) a certain task (Holmstrom 1979; Shavell 1979; Stiglitz 1987). This basic framework is used across many fields to understand the relationship between principals and agents and has been particularly useful in studying the bureaucracy (Moe 1989; Wood and Waterman 1993). The delegation of control to a bureaucracy provides the government benefits such as specialization, division of labor, management of policy externalities, dispute resolution, credibility, and lock-in policy bias (D. Epstein and O’Halloran 1999; Hawkins et al. 2006; White, Kiewiet, and McCubbins 1992). Generally, the government delegates control over tasks that are too costly for it to undertake itself due to complexity, lack of knowledge, or time (Huber and Shipan 2002, 2006). Normally variation in delegation is examined in terms of different issue areas. From this perspective, scholars attempt to explain why delegation is different across these institutions (e.g. Why does a central bank have more autonomy than a ministry for foreign affairs?). My work instead holds the issue area constant in order to examine cross-national and inter-temporal variation in delegation. The focus of this examination, therefore, is on the role of the bureaucracy rather than the government’s choice in delegation.

The principal in this scenario is the elected government of a given donor country. As a principal, the government delegates the work of foreign aid policy to an agent, here an aid
bureaucracy. The government creates this institution to provide expertise about foreign aid and to implement its policy objectives. The bureaucracy then reduces the cost and time for the government of learning about foreign aid and carrying about actual aid policies. Delegation provides benefits for the government in order to decrease the burden over creating and implementing policies. Bureaucracies serve to alleviate this burden by taking over a certain policy area. It is then necessary for the bureaucracy to have knowledge of foreign aid and enough freedom to use this knowledge.

While there are many benefits from delegation, there are also problems and consequences created by the principal-agent relationship (Huber 2000; McCubbins, Noll, and Weingast 1989). The PA model has two basic assumptions – the government and bureaucracy have different preferences, and there is asymmetric information favoring agents (Huber and Shipan 2006). Further complicating this relationship is the fact that the government cannot see the bureaucrat’s effort, only the outputs from the agency (Sappington 1991). This creates incentives for both government and the bureaucracy to focus on easily monitorable outputs. Since the agent has greater knowledge than the principal, there is a danger the agent will use this advantage to shirk or diverge in actions from the principal’s preferences to its own interests (Coleman and Coleman 1994; Moe 1984; Weingast 1984). Shirking can be particularly problematic in a government-bureaucracy relationship since it can lead to changes in desired policy outcomes.

Given the possibility of the above problems, the government designs these institutions with mechanisms to enhance their control (D. Epstein and O’Halloran 1999; White, Kiewiet, and McCubbins 1992). These control mechanisms can include personnel
appointments, mandates, administrative procedures, budgets, and monitoring (Kiewiet and McCubbins 1991; Lewis 2008; Moe 2005). An often-used means of control is to have clear and observable outputs from which the government can measure the bureaucracy’s effort and adherence to its preferences (Heckman, Heinrich, and Smith 1997; Wilson 1989). The observable outputs, however, tend to reflect short-term goals and are often weak proxies for the actual policies and long-term goals of these agencies. While these control mechanisms help address shirking, they also increase costs for the government and decrease the efficiency of the bureaucracy – an important reason for delegation in the first place (McCubbins, Noll, and Weingast 1987, 1989; McCubbins and Page 1987). The government then must balance the costs of these mechanisms with the cost of agency shirking.

For foreign aid, there are a number of reasons to believe that this difference in preferences is quite large and quite important. The use of control mechanisms by the government then becomes a key influence in shaping policy outcomes. With the variation of amount and types of control mechanisms used by the government, one can examine these outcomes and the importance of this variation. This dissertation explores this variation in institutional design by focusing on these two actors—government and bureaucracy—and how their differing preferences and powers influence aid policy outcomes.

**Differing Preferences for Foreign Aid**

The principal-agent or government-bureaucracy relationship can clearly be complex with both benefits and costs of delegation. Governments must then balance the benefits they received from delegation with costs of potential shirking and having to monitor these agencies. One key issue to note here is that if the preferences of the government and the
bureaucracy were perfectly aligned, then there would be no need for the government to have control mechanisms in place. However, in the principal-agent relationship, it is next to impossible for the actor’s preferences to align perfectly, similar to the differing preferences over foreign aid policy.

Following the key focus of the foreign aid literature, I categorize aid interests in two categories – altruistic or strategic. Altruistic motivations lead an actor to allocate aid based on the needs of recipients in order to help that country develop, either economically or socially. Recipient need is typically defined as the country’s GDP per capita or a measure of the country’s overall development, such as human development index or health indicator (Alesina and Dollar 2000; Meernik, Krueger, and Poe 1998; Schraeder, Hook, and Taylor 1998). Strategic interests, on the other hand, lead an actor to allocate aid based on what the donor country can get out of the transaction. Strategic motivations are measured by the relationship between donor and recipient countries, including security alliances, trade level, status as a former colony, and amount of aid tied back to the donor country (Alesina and Dollar 2000). These two oft-cited and competing motivations for aid allocation represent the overall viewpoints actors have for their aid policy preferences and it is these motivations around which I structure my theory.

These interests are clearly on opposite ends of a spectrum and should be thought of as ideal types rather than the typical views of actors. Rather than having all strategic or all altruistic motivations, both governments and bureaucracies, and the individual actors within them, have a range of interests that shape their views on foreign aid policy. As a result, while I will classify each actor’s interests as more in line with one or the other of these ideal types,
I do not view these as absolute definitions. The government and the bureaucracy each have various views of how foreign aid should be allocated and these exist on a spectrum rather than as individual categories. That being said, I will argue that each can be grouped as having interests more towards one end of this spectrum.

I use these motivations (political vs. need) to encompass the two preferences each actor faces regarding foreign aid policy. This is obviously a simplistic view, as there are many different choices to regarding aid—country, sector, amount, implementing agency, etc. However, I view these two choices as the overall big policy picture that actors have for aid allocation. These two choices then encompass many subsequent choices within them regarding specific issues, but they diverge in meaningful ways that I will analyze in this dissertation.

Government Preferences

The primary concern for the political executive is power and reelection concerns (Persson, Roland, and Tabellini 1997). These drive politicians to follow policies approved by their constituents or winning coalition, including others within the political elite (Kiewiet and McCubbins 1985). Politicians may also have their own preferences regarding foreign aid policies (Fenno 1973). These two motivations – reelection and personal preferences – then combine to determine whether the government prefers to focus on political, strategic aid or aid based on recipient needs. This will depend on the preferences of citizens and political elite regarding aid, the salience of this issue compared to others, and a politicians own perspective on aid. Following these preferences, governments also favor less cost of having delegated (Huber and Shipan 2006). This means they will prefer to have fewer control
mechanisms in place, as long as their preferences are being met as stated.

Donors spend billions of dollars each year on development assistance. The rhetoric and stated motivation for foreign aid is similar across all donors – the alleviation of poverty and the development of the world. Aid began as emergency funding to help alleviate the struggles of countries after World War II. Today, it is a huge international industry with multiple actors cooperating, or not cooperating, to raise the level of economic growth of developing countries across the globe. However, this motivation has been found by multiple studies to not be the true driving force of aid giving (Alesina and Dollar 2000; Bueno de Mesquita and Smith 2007, 2009; Maizels and Nissanke 1984; McKinlay and Little 1977, 1978; Schraeder, Hook, and Taylor 1998).

Rather than altruistic goals, scholars have found donors to be motivated by strategic interests when allocating foreign aid (Alesina and Dollar 2000; Schraeder, Hook, and Taylor 1998). These interests may be economic, political, or historical. If donors are motivated by recipients’ needs, we would see aid going to least developed countries, aid focused on long-term growth, and aid that follows the recommended best practices. Instead, we often find that donors allocate aid to allies and former colonies, and send tied aid and other types of aid agreed as ineffective by the aid community. The rhetoric and stated purpose of foreign aid does not match up with actual allocations leading to ineffective aid and a lack of development results.

Given previous findings of donor motivations and the lack of salience of foreign aid in most countries (Milner and Tingley 2009), a typical government would tend to favor aid based on the political motivations of the state. These motivations will tend to drive aid
allocations toward recipients the donor has a strategic partnership with (either through the international community or trade) and based on national interest group preferences (focusing on tied aid back to these groups). These domestic motivations reflect those emphasized in the foreign aid literature (Schraeder, Hook, and Taylor 1998). However, though this may reflect the majority of states, there are states where aid is highly salient with a large degree of approval (Lumsdaine 1993b; Noël and Thérien 1995). In these states, or when the government has a strong personal preference for recipient’s needs, aid policy would tend to focus on more altruistic motivations and the needs of the recipient country (focusing on LDCs and better aid practices). However, governments with preferences towards need-based aid are the exception; the typical government is more concerned with strategic and political motivations. These preferences of the government—reelection, power, and cost—then shape the level of autonomy delegated to the aid agency.

To reiterate, the government and individual politicians within the government have a range of preferences regarding foreign aid. It is likely that some governments, and even more likely that some individual politicians, care a great deal about the needs of recipients. These governments and politicians would then seek to have aid allocated in a more altruistic way. Some scholars have found that the Scandinavian countries do behave more altruistically than other donors (Lumsdaine 1993a; Noël and Thérien 1995), though others refute this finding (Schraeder, Hook, and Taylor 1998). While it is possible for governments to be more altruistic in development, governments and politicians tend to be more strategic in their motivations as demonstrated through continued and consistent evidence. This is especially when compared to the bureaucracy, as I will discuss below. This tendency is due to the
importance of reelection and power that the government has, which are usually viewed as much more important than any personal preferences for recipient countries.

**Bureaucracy Preferences**

Bureaucrats are driven by a motivation to keep their job and advance within the bureaucracy. This preference drives the bureaucracy to prove itself to the government through budget maximization and monitorable outputs (Niskanen 1975; Robinson and Brumby 2005), leading to a culture of disbursements within aid agencies (Williamson 2009). Adding to these distorted incentives is the unique feature of the foreign aid system – those who benefit from allocations and can observe performance cannot provide direct feedback (Martens 2005). This broken feedback loop makes it difficult to know whether aid allocation are working or not, so disbursements are encouraged without a concern for results (Easterly 2003). While these perverse goals are often stressed in discussions of the bureaucracy, there are other personal motivations driving bureaucrats’ actions.

Bureaucrats are experts within their field and have an interest in performing their jobs to their best of their knowledge. Consequently, bureaucrats tend towards altruistic motivations for foreign aid reflecting their desire to allocate aid effectively and provide for recipients development. Studies and interviews with agency staff show aid officials care about their work and believe in the goals of their agencies (Butterfield 2004; Gibson et al. 2005). Even Easterly, who often admonishes the bureaucracy of aid, states that many aid bureaucrats are “smart, hardworking, dedicated professionals [who] toil away” at their jobs (2003, 3). A survey of the staff of the Swedish aid agency, Sida, showed that more than 70% of respondents were motivated by the goals and vision of Sida, enough to pursue and argue
for those goals outside of the organization (Gibson et al. 2005, 142). Similar motivations were found in bureaucrats within the Canadian International Development Agency, with experts arguing that problems facing CIDA were due to the political management system rather than the dedication of staff to development (Stewart 2009). Just as governments, not all bureaucrats have the same motivations and preferences.

Overall though, aid bureaucracies tend to prefer an aid policy based on aid effectiveness and recipient needs. As one former aid bureaucrat noted

Most of the aid workers could earn much more, and live more comfortable and less stressful lives, if they did something else. Aid workers don’t want to get rich: they want to help make the world a better a place. And though they are often teased for being self-righteous, it is a genuinely noble and admirable motive. (Barder 2010)

Development is what drives aid bureaucrats, by in large. They have chosen this profession in order to “make a difference” for those in recipient countries. While not perfectly altruistic individuals, the focus of the aid bureaucracy is less complicated and more altruistic than governments.

Role of Autonomy in Aid Policy

Bureaucrats face both an external stimulus based on the institutional structure of the agency and an internal motivation from their personal experience (Gibson et al. 2005). How these agents choose to give aid is then determined by the level of autonomy they have from the government. I define autonomy as the degree of discretion and freedom of action available to an agent (Hawkins et al. 2006; Pollack 1997, 2003). As with all bureaucracies, autonomy determines whether bureaucrats will follow their own motivations and expertise for the task they are given or follow the preferences of the government. Bureaucracies will
tend to give aid based on the preferences of the government, since they are primarily driven by a desire to keep their positions. However, the aid bureaucracy, given its own inclination towards need-based aid, will only follow the preferences of the government when the institution has low autonomy. Under high autonomy, regardless of the government’s preferences, the bureaucracy will tend to give aid based on needs of recipients. It is likely that there will still be some adherence to the government’s preferences if they are strategic though, given there is never complete autonomy. Based on this typology, I argue that the level of autonomy of the institution affects the bureaucracy and that this plays a key role in shaping foreign aid policy.

Therefore, my hypotheses are:

H₁: A domestic aid bureaucracy with a high degree of autonomy will tend to focus on recipient needs and effective practices in its aid policies and allocations.

H₂: A domestic aid bureaucracy with a low degree of autonomy will tend to focus on political and strategic goals in its aid policies and allocations.

I use these motivations (political vs. need) to encompass the two preferences each actor faces regarding foreign aid policy. This is obviously a simplistic view, as there are many different choices made regarding aid (country, sector, amount, implementing agency, etc.). However, I view these two choices as the overall big policy picture that actors have for aid allocation. These two choices then encompass many subsequent choices within them regarding specific issues, but they diverge in meaningful ways that I will analyze in this dissertation.

These differences in aid focuses and motivations are critical in determining the
effectiveness of aid allocation and increasing economic development as these agencies profess to. I focus on three aspects of aid policy—selectivity in donor selection of recipients and sectors, duration and consistency of agenda, and responsiveness and involvement in the aid community. Table 2.1 describes the agency outputs associated with each of these aspects of aid policy, how they are measured, and how they relate to hypotheses 1 and 2. These measures reflect previous scholarship, especially the best practices literature (Alesina and Dollar 2000; Easterly and Pフトze 2008; Easterly and Williamson 2011; Schraeder, Hook, and Taylor 1998).

<table>
<thead>
<tr>
<th>Variables of Interest</th>
<th>Definition</th>
<th>H1: High Autonomy</th>
<th>H2: Low Autonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Selection of Aid Recipients and Sectors</td>
<td>The choice of recipients and sectors, which is representative of the motivations for allocation.</td>
<td>Need-based: Aid given to LDCs, countries with low health indicators, untied aid</td>
<td>Strategic-based: Aid given to former colonies, allies, trading partners, tied aid</td>
</tr>
<tr>
<td>B: Consistency and Duration of Agenda</td>
<td>The stability of an agency’s policy agenda over time and whether the focus is long-term or short-term.</td>
<td>Consistent in agenda, recipients, sectors; focus on long-term planning</td>
<td>Agenda fluctuates over time with different goals, recipients, sectors; focus on short-term objectives</td>
</tr>
<tr>
<td>C: Aid Community</td>
<td>The agency's involvement in the aid community as well as its responsiveness to the community’s agreements and findings, especially transparency of information.</td>
<td>Signs international aid agreements with steps towards implementation; follows best practices</td>
<td>Does not participate in international agreements or work with other donors; lacks transparency</td>
</tr>
</tbody>
</table>

Aid selectivity most clearly reflects actors’ motivations for aid allocation. Donors who focus on recipient needs will allocate aid that is known to help those in need most. Often
stressed through many international agreements, aid to least developed countries (LDCs) or countries with low health indicators (such as life expectancy or daily caloric intake) target those who are most in need. Choosing recipients based on these categories reflects donor’s motivation to end poverty and help these states. Conversely, aid to allies, trading partners, and former colonies reflect strategic and political motivations as these do not take into account aid needs. A further type of aid that reflects strategic motivations is tied aid, which is aid with conditions that funds are spent on goods within the donor country. These aid flows are criticized throughout the aid community as actually being very ineffective (Easterly and Pfutze 2008; Easterly 2003). Based on these differing motivations for these aid selections, I argue that:

H^{1A}$: A domestic aid bureaucracy with a high degree of autonomy will tend to allocate aid to least developed countries (LDCs), countries with the lowest life expectancy, countries with the lowest caloric intake, and refrain from allocating tied aid.

H^{2A}$: A domestic aid bureaucracy with a low degree of autonomy will tend to allocate aid to former colonies, trading partners, allies (based on UN voting and international agreements), and aid that is tied back to the donor country.

It is important to note here that it is difficult, if not impossible, to clearly separate a given aid allocation into these two categories. Often recipients are both in need and have some strategic interests for donors. In order to circumvent this, I follow the standard in the literature of examining the percentage of total aid flows giving to these different recipient types. This is not a perfect solution, however, so I also investigate other areas of aid policy to present a comprehensive picture.
As discussed, there are perverse motives within the bureaucracy to focus on easily observable outputs and short-term goals in order to demonstrate effort for the government. However, these practices are largely ineffective in promoting development and there has been a push to focus on long-term and broader goals (United Nations 2000). Furthermore, countries with consistency of agenda will be able to realize this larger goals rather than shifting aid among recipients each year – leaving an atmosphere of uncertainty. It may be beneficial for donors who are not as driven by need to focus on these short-term, easy to measure loans as they are with less effort and still provide the opportunity to exhibit their “role” in aid. For donors’ agendas, I contend:

H^{1B}: A domestic aid bureaucracy with a high degree of autonomy will tend to have a consistent agenda over time that focuses on long-term planning and goals.

H^{2B}: A domestic aid bureaucracy with a low degree of autonomy will tend to have an inconsistent agenda, which fluctuates over time especially with government turnover, and focus on short-term goals and outputs.

Involvement in the international aid community reflects an eagerness to cooperate with other donors as well as develop a joint agenda for aid, such as the MDGs. Donors who are motivated by strategic preferences would not be interested in cooperating with others as it would divert them from their political goals. These donors may still participate in these conferences and agreements due to norms of the community, but they will not be responsive to the aid community. However, donors with need-based motivations would strive to incorporate the policies the aid community has found to be effective. In particular, given the large amount of international pressure within the aid community, transparency and
availability of allocation information should be emphasized by agencies with a focus on need. Concerning the international aid community, I assert:

\[ H^{1C} \]: A domestic aid bureaucracy with a high degree of autonomy will tend to have an active role in the aid community, often participating in meetings and signing international agreements, and is responsive to the findings of this community, by using agreed to best practices for aid allocation.

\[ H^{2C} \]: A domestic aid bureaucracy with a low degree of autonomy will tend to not participate or cooperation with the aid community, and if they do, it is empty promises without actual responsiveness or changes.

Each of these hypotheses encompasses the need-based and strategic-based frameworks respectively that I argue reflect the level of autonomy of aid bureaucracies. I, therefore, use these as measures of the overall framework of an aid institution. Through an examination of these measurable policies of an agency, I can then assess the effect that various levels of autonomy have on the focus of aid agencies. Given the previous determination that aid bureaucracies as a whole lean towards being more altruistic than governments, greater autonomy allows for more focus from bureaucrats on the needs of recipient countries and creating the most effective aid projects. Conversely, less autonomy puts pressure on bureaucrats to disburse aid quickly to countries and sectors that with known approval and that are valued by the government.

I then argue, opposing most principal-agent literature, less control by the principal can lead to more “optimal” results with respect to foreign aid. In this case, more “optimal” results are in respect to recipient countries and their development. With the vast amount of
time and resources donor countries use to research and evaluate aid, there should be an incentive to achieve the “effectiveness” that is so often referenced. Perhaps by allowing for more discretion, these stated goals could be reached. The flipside of this, obviously, is that for governments focused on their own interests which do not care about recipient needs, this would lead to less optimal results from their perspectives.

**Autonomy**

Given the focus on an institution’s level of autonomy, it is important to define autonomy and how it is measured and compared across these agencies. Autonomy is defined here as the degree of discretion and freedom of action available to an agent (Hawkins et al. 2006; Pollack 1997, 2003). Autonomy is what the bureaucracy can do and determines how it does the job it has been delegated. Some level of autonomy is necessary given delegation, but there can be great variation in the amount of autonomy across different bureaucracies and countries. Though autonomy represents the freedom an agency has from the government, it is often measured in terms of the control mechanisms put in place. Autonomy is then measured by the lack of control mechanisms. Governments determine the level of autonomy to allocate to a bureaucracy and must balance the costs associated with these control mechanism against the benefits of having prefect alignment of their preferences.

*Types of Autonomy*

Autonomy can be and has been viewed in a number of different ways. Some scholars have focused on *formal autonomy*, or de jure autonomy, and the stated control mechanisms the

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7 These are merely the stated goals of donors as demonstrated through their mission statements and international agreements. However, past scholarship shows that these statements should not be taken at face value. Governments certainly face other motivations for giving aid than making sure it is effective.
government has in an agency’s statute. Formal autonomy often refers to the stated legal autonomy of an agency, the explicit power, or lack thereof, given to an agency in its bill of creation. Christensen (2001, 115) defines formal autonomy as “the formal exemption of an agency head from full political supervision by the departmental minister.” On the opposite side of this is the de facto autonomy an agency has or the lack of control mechanisms in place in the culture of an agency. Olsen (2009, 442) defines de facto autonomy as “both the absence of external interference and the capability of an agency or institution to exploit available spaces to manoeuvre.” Formal autonomy is, therefore, the specific rules that regulate an institution, while de facto autonomy is the culture and norms in which an institution operates. These are very similar measures, but not the same. Both formal and informal autonomy can represent different categories of autonomy, which I will discuss in more detail below.

Another way to view autonomy is to look at *ex ante* control versus *ex post* control. Ex ante control mechanisms are the control the government has over the agency prior to any actions by the agency. These might be general guidelines given to agency over how to conduct policy or a formal a priori approval procedure before decisions are finalized (Verhoest et al. 2004). Ex post control mechanisms, on the other hand, are the control the government has in changing the agency or the policies it makes after the agency’s actions. These might include reporting procedures or formal audits as well as formal sanctioning abilities available to the government (Verhoest et al. 2004). Using ex ante versus ex post to understand autonomy results in a focus on where in the decision-making process the government can and does intervene.
A final way to group autonomy, and the categorization used in this dissertation, is to look at the subject of these control mechanisms. There are a number of possible categories that scholars have used including policy autonomy, managerial autonomy, structural autonomy, interventional autonomy, financial autonomy, and more. These categories look at what aspects of agency function these control mechanisms oversee. For example, *interventional autonomy* is defined as the degree of punishment an institution may face from the government through the government’s ability to monitor the agency’s actions. These are measured by the requirements of an agency to produce reports and evaluations for the government as well as government audits (McCubbins, Noll, and Weingast 1987). The threat of punishment affects the decision-making calculus of these bureaucrats since they are being judged by the government and not by their performance towards the agency’s goals.

While all of these aspects of autonomy are important and worth studying, I focus on two aspects that I believe to be key for understanding foreign aid bureaucracies – policy autonomy and structural autonomy. These two aspects of autonomy, I believe, are among the most important variations for bilateral foreign aid institutions. These categories capture a large aspect of the government’s ex ante (political) and ex post (structural) control mechanisms. They also look at closely at the decision-making within a bureaucracy from policy creation freedom (policy) and freedom from government inputs (structural). Furthermore, other categories of autonomy have little to no variation across agencies. For instance, all of the agencies studied here receive all their funding from the government, so there is no variation for financial autonomy. It is my goal to extend autonomy, and my dataset, to include other categories in the future, as I do believe that other aspects of
autonomy could play a role in shaping foreign aid outcomes.

Policy Autonomy

I define the policy autonomy of the institution as its freedom and range of possible decisions. Policy autonomy represents the role the bureaucracy has in determining policy. For example, a foreign aid bureaucracy might receive a list of aid priorities from the government or it could receive a list of recipients and target amounts. Clearly, the former bureaucracy is provided with greater autonomy as they are given the freedom to decide how to implement the government’s priorities, while the government tells the latter bureaucracy where and how much aid to give.

Policy autonomy is shaped by ex ante government control mechanisms, as it is the freedom given to an agency before its actual actions. In determining the level of policy autonomy to give to an agency, the government often considers the technical complexity of the policy and preference alignment it has with the bureaucracy (Huber and Shipan 2002). A government then would choose to give a greater level of autonomy to an agency overseeing a task requiring a great deal of expertise as well as to an agency that it believes to have similar goals to itself. Foreign aid is a fairly complex topic given the vast amount of actors involved and various ways aid can be allocated. This complexity exists whether aid is given for altruistic or strategic reasons as altruistic aid strives to make real developed differences and strategic aid strives to push forth a country’s power while also being covert about this goal. As discussed above, the bureaucracy tends to have differing preferences from the government over aid policy leading the government to give the bureaucracy less policy autonomy. Again though, the government must weigh the costs of control mechanisms
Policy autonomy is measured by the restrictiveness of the agency’s law of creation as well as any political directives concerning discretion of process, objectives, and instruments. However, this is a very difficult aspect to measure, as most agencies and government do not list outright what they are restricted from doing. Ideally, policy autonomy will be measured using survey data from bureaucrats within these agencies, which will be the plan of my future work. One can measure some aspects of policy autonomy from what is available about these agencies. For instance, an agency that describes how it determines which recipient countries it allocates with is likely to have more policy autonomy than one that does not. This presumes that countries that describe this decision-making process have a say in that process while those without this description do not. While not ideal, this measure does provide a viable proxy for policy autonomy for the time being.

Structural Autonomy

I define structural autonomy as the extent of freedom an institution has from government influence within the institution. This is conceived as government control of appointments within the institution and is measured by the percentage of politically appointed staff within an aid institution, including the members of the supervisory board, if in place (Lewis 2008; Moe 1985). By appointing loyal members of the government to the institution, especially in leadership positions, the government influences the policies of that institution.

This aspect of autonomy reflects how involved the government is in overseeing from within agency. It is an ex post control mechanism from the government as it is how the
government can influence current actions of the bureaucracy rather than the choices it gives it at the beginning. Structural autonomy can be thought of in terms of who is a bureaucrats’ boss. Ultimately, the government is the “boss” of all bureaucracy as it is the principal and creator of the institution. However, when there is a low amount of structural autonomy, the bureaucracy has actual members of the government within the institution itself as their actual “boss.” More distance from the government leads to greater autonomy and less threat of losing one’s job.

The measurement of structural autonomy is more straightforward and available than policy autonomy. In order to determine the structural autonomy of an agency, I examine the amount of political appointments within the institution and the location of the agency within the government. For instance, an agency that is administratively autonomous from the government clearly has more autonomy than an agency that is within a ministerial institution and has a politically appointed director.

**Autonomy Index**

While governments have the power to place controls on the bureaucracy and limit its ability to shirk, given the fact of delegation, the government must give up some control and autonomy to the bureaucracy. Without some level of autonomy, there are no benefits of delegation. Autonomy is defined as the degree of discretion and freedom of action available to an agent (Hawkins et al. 2006; Pollack 2003). I operationalize an aid institution’s autonomy as the amount of control mechanisms the government has in place to constrain the actions of that institution (Verhoest et al. 2004). The greater the number of control mechanisms a government puts in place, the less autonomy a bureaucracy has. I further disaggregate
autonomy into types as described above based on which mechanisms the government uses that are described in

Table 2.2. By disaggregating autonomy, I am able to understand how different types of control mechanisms affect international outcomes. These types will then be assessed individually and through an index of autonomy.

<table>
<thead>
<tr>
<th>Types of Autonomy</th>
<th>Definition</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Autonomy</td>
<td>The extent of freedom and range of decisions an institution has regarding objectives, instruments, target groups, and procedures.</td>
<td>Rules, Norms, and Standards Set by the Government; e.g. detail and complexity of bill of agency creation</td>
</tr>
<tr>
<td>Structural Autonomy</td>
<td>The extent of freedom an institution has from government influence within the institution.</td>
<td>Political Appointments to Bureaucracy or Supervisory Board; e.g. the Secretary of State</td>
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</tbody>
</table>

Since governments and bureaucracies have different incentives and preferences, the level of autonomy, across all types, given to a bureaucracy plays a key role in determining political outcomes. An institution’s level of autonomy is an essential factor in determining, and understanding, international policy outcomes. The importance of autonomy may be especially pronounced in the case of foreign aid due to an even larger divergence of preferences between the government and the bureaucracy as I discuss below.

While it is the interplay between government preferences and the institution’s level of autonomy that determines aid policy, I focus on the bureaucracy and its level of autonomy in my analysis for three main reasons. First, the bureaucracy is currently understudied in international relations. Most scholarship still views the state as a unitary actor and if not, focuses on the political government as the essential decision-maker. It is then necessary to
focus on the bureaucracy to present novel information about their role in determining international decisions. Second, most governments in fact tend to have more political and strategic motivations for aid giving (Alesina and Dollar 2000; Schraeder, Hook, and Taylor 1998). There is certainly variation across states; however, it is not unrealistic to assume that most states tend to have these more strategic motivations and preferences. Third, even if some states do have more altruistic motivations, autonomy would still shape aid policies across states. This is due to the mix of motivations among states as well as within governments. Meaning, with low autonomy and altruistic motivations, I would still expect to see different types of aid allocations than with high autonomy due to government turnover and pressure on the government from constituents and interest groups.

Testing the Role of Autonomy

As outlined in this chapter, I argue that the level of autonomy given to an aid agency determines the foreign aid policy of that donor. Agencies with a higher amount of autonomy will tend to have aid policies based on the needs of recipient countries, while agencies with a lower amount of autonomy will tend to have aid policies based on the politically strategic motivations of their governments. This institutional design is essential for understanding the variations we see across donor countries and important for making future recommendations for best practices.

In this dissertation, I test this theory through three different research designs in order to assess its generalizability and causality. I find that the institutional design, specifically the level of autonomy, of domestic aid agencies has an effect on that institution’s aid policies. This contradicts the previously view of foreign aid as allocated by a unified donor country or
by an unchallenged Executive. Aid bureaucracies have the power to shape aid policies, whether they go along with the government’s preferences or not.
Chapter 3

Aid Bureaucracy Across Countries

Donor countries vary greatly in how they allocate foreign aid, despite each donor having the same stated purpose for these allocations. The donor motivation literature has shown that donors’ strategic interests play the largest role in determining these allocations while altruism seems to be just for show. Even with this understanding of donors’ interests, donors still vary greatly in how they allocate foreign aid – which recipients they give, the channels they use, the amount they allocate, etc. Some donors, such as Portugal tend to allocate aid almost entirely to their former colonies\(^8\), while Ireland allocates most of its aid to least developed countries\(^9\) (OECD 2013a). What explains these differences among donors?

I argue that this variation is due to a missing element in much of the foreign aid literature – the aid bureaucracy within donor countries. Donor countries should not be thought of as individual actors, but rather the black box should be opened to examine who the actors are within donor countries that determine foreign aid policy. The two prominent decision-makers of these policies are the elected government and the aid agency within donor countries. The relationship between these actors shapes the aid policy of a donor country, as it is these agencies that implement and compose the programs delegated to them by the government.

The key aspect of this relationship for aid policy outcomes is the level of autonomy

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\(^8\) Four of Portugal’s top five recipient countries (using 2012-13 averages), receiving 82% of all Portuguese aid, were former colonies.

\(^9\) Using 2012-13 averages, Iceland allocated 80.6% of its ODA to LDCs (not included unallocated aid).
given to the bureaucracy from the government. Autonomy is so central due to the varying preferences of the government and bureaucracy over what should motivate aid policy. The government tends to have more strategic interests for allocating foreign aid due to their desire for international influence and reelection. The aid bureaucracy, on the other hand, tends to have more altruistic motivations for allocating foreign aid due to their expertise and personal reasons for choosing this career. Given these differing motivations, it is through an agency’s autonomy that aid policy outcomes are determined.

In order to examine the role autonomy plays for the average aid agency, it is necessary to compare agencies across multiple countries. Through a comparison of twenty agencies within the top twenty OECD DAC donor countries, I assess the generalizability that autonomy shapes aid policy. This design demonstrates whether the role of autonomy holds across multiple donor and agencies. However, currently, this design and measurement is not yet ideal for determining the accuracy of my theory.

The measure of autonomy presented in this chapter is still a first stage collection of indicators of autonomy. In order to fully develop this measure, greater detail is necessary about donors as it in its current form it takes into account four indicators. The case studies in Chapters 4 and 5 reveal a great deal of variation that exists beyond the simplistic measures used here. In the future, it will be necessary to fine-tune the coding scheme in order to create a more precise measure that accounts for further variation. For example, the influence of the Ministry of Foreign Affairs on a subordinate agency can vary greatly, but my current coding scheme would not identify this. Another step would be to create a survey for aid bureaucrats to answer regarding their relationship with the government in their day-to-day activities. This
survey would allow for greater information of the de facto autonomy of an agency and the culture within it.

While this cross-country comparison is an important test of my theory, there are other ways to test my hypothesis. One way to look test my theory is through case studies of these agencies, which I provide in Chapters 4 and 5. These allow for clear understanding of the causality between autonomy and aid policy through both a comparisons of agencies at a single point in time as well as comparing an agency over time. Rather than examining whether an agency is within the Ministry of Foreign Affairs (MFA), a case study can look at the actual relationship between the agency and the MFA. These may provide a better estimation of autonomy as it allows more to be taken into account than my operationalize measure. It may also prove to be more appropriate to compare an agency’s autonomy to itself over time rather than comparing across donor agencies.

While in the early stages, this chapter does present further information on how best to move forward in future work. By taking this first measure of autonomy and comparing across these top twenty donor agencies, I am able to examine whether this measure looks appropriate at face value based on past research of these agencies. It further allows for testing of models and whether they present a clear understanding of aid policies and their relation to autonomy. Future work will expand upon this initial work in order to provide a more accurate and fully developed analysis.

Aid Agency Autonomy

Governments delegate control over various policy sectors to bureaucracy in order to lessen the time and costs of doing the job themselves. Through this delegation, a certain
amount of autonomy is giving up by the government and given over to the bureaucracy. As previously mentioned, this delegation can be problematic, as the government cannot fully control what the bureaucracy does leading to possibly shirking. This shirking is possible due to the government’s and bureaucracy’s interests and motivations not fully aligning.

In the case of foreign aid, the government tends to have strategic interests and motivations for allocating aid to recipient countries. The government desires to increase the country’s position international and so may seek to “buy” influence in developing countries. Those within the government also seek reelection, which may lead them to allocate tied aid that benefits their constituents by requiring the aid be spent in the donor country. The government’s interests are not purely strategic and governments can clearly differ on their motivations for allocating foreign aid. Rather, governments have multiple interests that can vary from strategic to altruistic. However, what is important for this study is that governments tend to have more strategic motivations when compared to bureaucracies.

The foreign aid bureaucracy tends to have more altruistic desires due to its expertise and personal motivations. Bureaucrats are experts in their field with many having advanced degrees relating to development. This expertise is one of the key reasons for government’s delegation in the first place. Bureaucrats’ experience with development and developing countries motivates them to allocate aid that will be successful and follows the guidelines put forth in the field. Furthermore, bureaucrats come to this field due to some personal interest or desire. While personal desires will clearly play a role in any bureaucrats’ work, this motivation may be especially prominent for foreign aid bureaucrats due to the life changing and significant goals of aid.
As with governments, bureaucrats are not purely altruistic, but rather can differ across countries and bureaucrats. Beyond their personal backgrounds, bureaucrats are also driven by job-related motivations leading them to follow the guidelines of their boss and, ultimately, the government. This motivation is most likely a stronger desire than any personal motivations, as it is immediate and permanent to keep one’s position. However, the desire to keep one’s job would only shift a bureaucracy from more altruistic motivations when a threat from the government exists. It is therefore the institutional design of a bureaucracy, specifically the level of autonomy it has from the government, that shapes aid policy outcomes from that bureaucracy. Therefore, I argue that a domestic aid bureaucracy with a high degree of autonomy will tend to focus on recipient needs and effective practices in its aid policies and allocations due to the bureaucracy’s preferences and their freedom to express those preferences given that autonomy.

Autonomy is defined as the degree of discretion and freedom of action available to an agent (Hawkins et al. 2006; Pollack 2003). Autonomy is what the bureaucracy can do and determines how it does the job it has been delegated. Some level of autonomy is necessary given delegation, but there can be great variation in the level of autonomy across different bureaucracies and countries. Though autonomy represents the freedom an agency has from the government, it is often measured in terms of the control mechanisms put in place. Autonomy is then measured by the lack of control mechanisms. Governments determine the level of autonomy to allocate to a bureaucracy and must balance the costs associated with these control mechanisms against the benefits of having prefect alignment of their preferences.
My hypothesis regarding how autonomy shapes aid policy outcomes lead me to three sub-hypotheses on specific aspects of aid policy - the selection of recipients and sectors, the constituency and duration of agenda, and the involvement in the aid community. Each of these aspects reflects an important aid policy outcome and address different aspects of agency’s involvement. For this chapter, I will focus solely on the aid selectivity of aid agency due to methodological limitations of quantifying agendas and involvements.10

Aid Selectivity

The selectivity of a donor refers to how and to whom an aid agency allocates foreign aid. This has been the most the studied aspect of aid policy as it is the most visible and main output of these agencies. Donors are consider selective when choosing recipients that have the most need or have strong institutions as well as when choosing appropriate means for allocating aid. Selectivity is important in the best practices literature, as selective aid has been shown to be more effective and successful. Given the stated goals of foreign aid, it should be important for donors to allocate aid that can actually achieve those goals. While both agenda and community involvement are important aspects of an agency’s aid policy, these areas are really how agencies shape their selectivity and their actual aid outputs.

As with each of the aid policy outcomes studied, I group them into need-based and strategic-based categories, following the donor motivations literature. For aid selectivity, I argue that agencies with a high level of autonomy will focus on the needs of recipients and therefore allocate aid to least developed countries (LDCs), countries with low health

10 While one can examine the amount of aid allocation to different countries, it is more different to quantify the amount of changes to an agencies agenda or the amount of involvement in the international community. I hope to further develop these measures in the future, but for now I examine these hypotheses in the case studies presented in the following chapters.
indicators, and without ties back to the donor country. On the other hand, agencies with a low level of autonomy will focus on the strategic motivations of their government and therefore allocate aid to former colonies, countries they are partnered with, and with ties back to the donor country.

H\textsuperscript{1A}: A domestic aid bureaucracy with a high degree of autonomy will tend to allocate aid to least developed countries (LDCs), countries with the highest child mortality rates, and refrain from allocating tied aid.

H\textsuperscript{2A}: A domestic aid bureaucracy with a low degree of autonomy will tend to allocate aid to former colonies, trading partners, allies, and aid that is tied back to the donor country.

Aid selectivity considers the outputs of a donor agency, which are often of the most interest to the government and scholars. In Chapters 4 and 5, I explore further aspects of aid policy, but aid selectivity is of key importance as it is focusing on the actual product of these agencies.

Data

I use data from a variety of sources related to donor, recipient, and agency characteristics. The dependent variable I examine is the aid allocation of each donor agency in 2012. Allocations are assessed in a variety of different ways based on the characteristics of recipient countries. The main independent variable is the agency’s level of autonomy. I create a novel dataset set of aid agency autonomy from the top twenty OECD donor countries. Below I describe my method of collection for this variable. I also use a number of recipient level variables to test whether an agency focuses on recipient need or strategic
interests. Finally, I use a number of recipient and donor controls.

Aid Allocation

The dependent variable under examination is the aid allocations of these twenty donor agencies. These data are available from the OECD Credit Reporting System\textsuperscript{11} and AidData\textsuperscript{12}. I use the CRS dataset as it has been updated with allocations from 2012. Using the CRS dataset, I created a dataset of each agency’s allocations to recipients in 2012 as well as a dataset with total aid across recipients for each agency.

I examine a number of different aspects of allocation in order to assess selectivity. The first involves an agency’s total aid allocation. This result assesses the importance of aid to that country’s institution and compares across donors who have all agree to the United Nations agreement to allocated 0.7\% of their GDP as aid. I then examine aid allocated to least developed countries (LDCs) and countries with a high child mortality rate.\textsuperscript{13} These variables assess the needs of a recipient country for aid. Figures 3.1 and 3.2 present the percentage of aid given to LDCs and countries with a high child mortality rate from the agencies examined. This gives some perspective of the variation across these donors in how they allocate aid.

\textsuperscript{11} OECD 2013
\textsuperscript{12} Tierney et al. 2011
\textsuperscript{13} Teorell et al. 2013
Figure 3.1 Percentage of Total ODA to Least Developed Countries

Figure 3.2 Percentage of Total ODA to High Mortality Countries
When considering strategic interests of donor countries, I also assess two aspects of recipient countries. I first examine the amount of aid given to former colonies. This is an aspect of a recipient country that continually shown to be a large factor in shaping aid. Donors with a colonial past already have a relationship with those countries and often continue it in order to keep their influence within that recipient. This can only capture information for donors with this colonial past though, so I also look at partnerships donor countries have with recipients. I examine aid given to trading partners as well as military allies. These factors again demonstrate the donors’ desires to have influence within a country rather than focus on recipient need.

I further examine the amount of aid allocated that is tied back to the donor country. Tied aid is money given by a donor to a recipient with stipulations that the money be spent in the donor country. For example, a country may allocate aid to recipient for vaccinations, but then require that these funds be used to buy vaccinations from a medical research lab within the donor country. Therefore, while this aid does presumably help the recipient country, it also serves to benefit the donor government by helping their constituents’ businesses. It also does not take into account that the recipient may be able to purchase the items for less expense from another source nor does it allow for the recipient to choose which should be purchased with those funds. Because of this, tied aid is argued to be ineffective. I therefore examine the amount of aid these agencies allocate that it is tied back to the donor country. Agencies that allocate a high amount of tied aid, I argue, focus more on the strategic interests of the government rather than the needs of recipients. Figure 3.3

14 International Monetary Fund 2014; Teorell et al. 2013
presents the percentage of aid given as untied aid from the agencies examined. This provides some perspective of the variation across these donors in how they allocate aid.

Figure 3.3 Percentage of Total ODA that is Untied

Clearly, aid given to a least developed country that is a former colony of a donor would qualify as both need-based and strategic aid. It is then impossible to tell the motivations behind the aid itself. While this is clearly an issue when assessing aid allocations of aid agencies, by looking at the percentage of aid allocating in each category discussed above, I hope to be able to present a picture of the motivations behind this aid. For example, though we cannot tell the difference in a single aid project to an LDC that is a former colony, it is highly likely that an agency that allocates a high percentage of aid to LDCs and a low percentage of aid to former colonies has a need-based focus. Inspecting the overall figures of allocations from these agencies will present a picture of their overall focus.

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Furthermore, by examining the interaction between autonomy and these motivating interests provides information on which factors seem to be driving these agencies and whether the level of autonomy affects the role of these interests.

Autonomy

The main independent variable used through this dissertation is the level of autonomy of an aid agency. Autonomy is the discretion or freedom an agency has over foreign aid policy, and is measured in terms of the control mechanisms a government has in place, with more control mechanisms meaning less autonomy. As discussed in Chapter 2, I focus on two aspects of autonomy – policy and structural. I gathered information of these twenty aid agencies in the first half of 2012, largely by investigating at these agencies’ websites. This dataset is the first attempt at collecting an accurate and valid measure of aid agency autonomy. It remains unrefined with a need to further develop this measure, after observing how it performed in the analyses below, as well as through the case studies in Chapters 4 and 5.

During the first half of 2012, data were collected from the top twenty bilateral aid donors of Organisation for Economic Co-operation and Development (OECD). These countries, in alphabetical order, are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, and United States. For the purposes of this dataset, the aid agencies selected from these countries were the ones with the most project counts in the AidData dataset.\footnote{Tierney et al. 2011 Please see Appendix A from PLAID 1.9.1 Codebook and User's Guide for the list of included donors and donor agencies.} These agencies were selected as they were observed to be the largest
aid giving agencies within that country, at least in terms of the amount of aid projects given. Therefore, it understandable that these agencies were the most focused on development aid. Exceptions to this selection choice are Austria\textsuperscript{16}, France, Norway, and Spain. In these countries, the largest aid agency was bypassed in favor of examining the second largest agency due to it having a clear development focus.\textsuperscript{17} These choices were made to focus on a country’s aid agency, if possible, in order to present an examination of the top aid agencies within each of these top donors. Ideally, autonomy measures would be collected for all agencies that allocate aid. For the purposes of this dissertation, however, I focus on these core agencies with the greatest focus on foreign aid.

I focus my attention on two aspects of policy autonomy that I believe play the largest role in determining aid policy and where the greatest variation across agencies existed. The first is whether the agency listed the national interest as one of the goals of foreign aid. The national interest is a broad term, but it can largely be associated with a greater focus on the strategic interests of the government. By listing this as one of its goals, the agency is signaling that the government is strongly involved in shaping its aid policies. The next focus is whether the agency has a staff dedicated to researching future development policy. If the agency has a staff involved in developing policy, it has a clear role in shaping policy for the future.

For structural autonomy, I again focus on two features that I believe play the largest

\textsuperscript{16} Austria’s agencies with the largest amount of aid projects were the Federal Ministry of Foreign Affairs (BMA) and Various Ministries (MIN).

\textsuperscript{17} For Spain, the largest donor in Spain was Autonomous Governments, which are attributed to the individual autonomous governments within the nation. Had each of these be divided for each autonomous government, there would no longer be a single largest donor among them. This was bypassed in order to look at the Ministry of Foreign Affairs (not an agency with a specific aid focus).
role in determining aid policy and where the greatest variation across agencies existed. The first is whether and what positions in the agency are politically appointed. Agencies with political appointments and ones that extend throughout the agency have a large amount of government involvement and oversight on their activities. I also examine the location of the agency within the government. Agencies that are subordinate within other institutions focused on other foreign policy areas lack the strength within the government to have control and freedom to do what they wish.

Table 3.1 Definitions of Types of Autonomy

<table>
<thead>
<tr>
<th>Type of Autonomy</th>
<th>Definition</th>
<th>Example</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

Each individual variable ranges from 0 to 1 with one meaning greater autonomy, except for Location. The location of the agency had five separate choices available, so the variable ranges from 1 to 5. In order to provide an even weight across all variables within the autonomy index, I transformed this variable to a 0 to 1 variable as the others. In addition, since national interest and the order that national interest is placed among the agency’s goals as well as whether there are appointments and the positions of those appointments are really two sides of the same variable, I combined those. I did this by adding each set of variables together and then dividing by two, so each variable is still a 0 to 1. In each of these cases, I then corrected this so that each of the new variables would be equal to 1 if either national
interest or appointments were equal to 1. Since if these variables were equal to 1, there would be no variable for the following question.

Table 3.2 Descriptive Statistics of Autonomy Dataset

<table>
<thead>
<tr>
<th>Variable</th>
<th>Observations</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>20</td>
<td>1.780</td>
<td>0.728</td>
<td>0.4</td>
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<td>0.696</td>
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<tr>
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<td>0.194</td>
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<tr>
<td>National Interest</td>
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<td>0.500</td>
<td>0.513</td>
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<tr>
<td>Order of Interest</td>
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<td>0.470</td>
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<td>0.000</td>
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<td>Positions</td>
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<tr>
<td>Location</td>
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<tr>
<td>Location 0-1</td>
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<td>0.580</td>
<td>0.194</td>
<td>0.2</td>
<td>1</td>
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<tr>
<td>National Interest plus Order</td>
<td>20</td>
<td>0.650</td>
<td>0.401</td>
<td>0</td>
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<tr>
<td>Appointments plus Position</td>
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<td>Autonomy 2</td>
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</tr>
<tr>
<td>Structural Autonomy 2</td>
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<td>0.805</td>
<td>0.335</td>
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<td>1.5</td>
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</table>

Table 3.2 presents some descriptive statistics of the autonomy dataset for each of the twenty agencies studied. I indexed Autonomy—as a 0 to 1 variable—in two different ways, with the first using national interest, research, appointments, and location. In the second, Autonomy 2, I use national interest plus order, research, appointments plus position, and location. I further index policy and structural autonomy in the same way. As the table shows, Autonomy ranges from 0.4 to 2.8 with Autonomy 2 ranging from 0.6 to 3.3 with each of the means being about 1 point below the maximum. Regarding the individual variables, most have a mean between 0.5 or 0.7; this shows that some variables, such as research, tend to be
more autonomous for agencies across the dataset. One important note is that all agencies in this dataset make political appointments to at least some positions in the bureaucracy. This further means that appointments plus position ranges from 0 to 0.5 rather than 1. Given this uniformity of appointments, using the Autonomy 2 index provides more information and a more effective comparison across agencies.

Table 3.3 Agency's Autonomy Values

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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<th></th>
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<td>1.4</td>
<td>1</td>
<td>0.4</td>
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<tr>
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<td>1</td>
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<td>1</td>
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<tr>
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<td>1.6</td>
<td>1</td>
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<tr>
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<td>1.1</td>
<td>1.6</td>
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<tr>
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<td>1</td>
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<tr>
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<td>2.6</td>
<td>2</td>
<td>0.6</td>
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<tr>
<td>Korea</td>
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<td>2</td>
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<td>2.8</td>
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</tr>
<tr>
<td>Average</td>
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<td>1.37</td>
<td>0.87</td>
<td>1.82</td>
<td>1.2</td>
<td>0.62</td>
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</tbody>
</table>

This dataset represents a first step toward operationalizing aid agency autonomy
across donors. The measure is still rudimentary and needs more specificity in order to provide greater validity. One issue with the measure in its current form is the difficulty in knowing the relationship between agencies. Currently, the measure accounts for an agency’s location within the government. However, there can be vast differences among agencies, even if both are located within the Ministry of Foreign Affairs. Therefore, more specificity is needed to distinguish between agencies following the examination in the case studies presented in Chapters 4 and 5. Furthermore, it can be difficult to tell agencies apart and who has control over each area. For example, Danida is merely the term used to describe Denmark’s development cooperation, but throughout the website and other scholarship, Danida is stated to have responsibility over aid decisions and has its own staff. This can be confusing when trying to look at a single agency.

Figure 3.4 Aid Agencies Level of Autonomy
A further concern is that there are also some agency’s levels of autonomy that do not seem to make sense at face value, given previous discussions from researchers and practitioners. Two glaring examples would be Japan’s JICA and Korea’s KOICA, which are ranked one and three. However, both of these agencies are implementing organizations without much power over policy, as there is a mechanism for the government to establish policy before and veto policy after, before aid is allocated. It is clear that something is missing in this measurement; at the very least, a further indicator would be necessary to discuss veto powers and whether the agency is a policymaker (though is more difficult to account for). Another concern is that both Canada and Australia are noted as having a great deal of autonomy, but they rank in the middle of the group. This could mean something is missing the measure, perhaps that location within the government needs further refinement or that being an independent organization should be weighted more heavily than other indicators.

Finally, using what is published on an agency’s website leaves some aspects of autonomy out of the measure completely – de facto autonomy. It is difficult to get a sense of the culture within the agency or the day-to-day relationship with the government. A more accurate measure for autonomy might then include surveys of aid bureaucrats to get a sense of what they can and cannot do. I plan to conduct surveys in the future to account for the dynamics within an agency not apparent on bills or websites. I will also create indicators with greater specificity as well, as I think through my weighting of these individual measures more carefully in my future work.

Control Variables
I also use a number of control variables that have previously been shown to influence foreign aid allocations. Two variables on the donor side that have been shown to affect aid outputs are the welfare policies of the country and the amount the country spends on the military. Welfare policies for a country’s domestic population can indicate that the country has a general concern for the wellbeing of others and a sense that the government should help those who need it. Countries with a greater amount spent of public health expenditures as a percentage of the country’s GDP may then allocate more foreign aid. Military expenditure could also increase a country’s desire to allocate foreign aid as it may indicate an aspiration to have a stronger influence globally. Countries with a greater amount spent on the military as a percentage of GDP may then allocate more foreign aid. These two donor characteristics also focus on two overall trends of donor countries regarding their possible motivations for allocating foreign aid – either recipient need or strategic interest. These variables then can also help to account for the overall views of the government outside of the level of autonomy of an agency.

I further use two characteristics of recipient countries shown to affect the amount of aid they receive for the agency-recipient dyad analysis. The first is an indicator of the country’s economic standing – Gross Domestic Product per capita. As recipient countries are those without a significant economic development, those with less GDP per capita receive greater amounts of foreign aid. Another variable demonstrated to increase a recipient’s aid allocations is population size. Larger countries tend to receive a greater amount of foreign aid than smaller countries. For both of these variables, I take the logarithm of the original values due to the skewedness of their distributions.
One of the strongest predictors of the current year’s foreign aid allocation is the previous year’s foreign aid allocation. Agencies and donors tend to keep allocating aid to recipients with whom they already have a relationship. I use a lagged variable of aid from 2011 to control for this tendency in donors. However, the level of autonomy of the agency should also influence an agency’s aid from the previous year. This control variable is then added as a last control.

**Research Design**

I first examine the role of autonomy by reviewing the overall allocations of these twenty agencies in 2012. Using an Ordinary Least Squares regression, I look at the percentage of total aid allocation given to certain types of recipients and through certain types of channels. In these regressions, I use the donor level control variables to account for donors with strong welfare policies or high military spending allocating more foreign aid as well as the amount of aid given by an agency in the previous year.

Next, I examine how foreign aid flows dyadically from agency to recipient in 2012. For this analysis, I interact autonomy with different variables that are either recipient need or strategic interest focused. In this way, I can assess how these motivations moderate an agency’s level of autonomy in determining ODA allocation. Again, I use Ordinary Least Squares regression with robust standard errors.

As mentioned earlier, this is simply the first stage of testing and it remains rudimentary. Modification of both the autonomy measure and the model will be necessary in order to provide a more accurate test of my theory. However, the analyses presented below do provide information about my theory, expectation, indicators, model, and what next steps
are necessary in the future.

Within this work, I use an index with an equal weight to each four of the indicators as discussed above and present these results. However, I also examined my results using each individual autonomy measure as well as grouping by each type of autonomy—structural and policy. These robustness checks provide similar results for those I present and can be found in Appendix C.

**Empirical Findings**

The analyses presented here do not provide support for my theory. Rather, most results follow the opposite of my expectations – greater autonomy leads to less recipient focused aid and greater aid based on donor strategic interest. This is a puzzling result, which deserves further exploration in order to understand how autonomy is playing a role and whether the measures and models presented are accurate. Contradicting my theory as well as previous scholarship (Arel-Bundock, Atkinson, and Potter 2015; Honig n.d.), these results suggest further need for research in this area. At the end of this chapter, I suggest a number of possible reasons for this contradictory result that I plan to examine further in my future research.

I first present a few simple scatter plots comparing agency’s autonomy levels to the percentage of aid allocated for different recipients and through different approaches. Figure 3.5 compares autonomy to the percentage of aid agency’s allocate to least developed countries (LDCs). My theory predicts that agencies with a greater level of autonomy, and therefore more of a recipient need focus, will ten to allocate more aid to LDCs. The figure does not present a clear relationship between autonomy and LDC aid though. Japan’s
International Cooperation Agency received an autonomy score of three, yet allocates just 10% of its aid to LDCs. The Netherlands’s Ministry of Foreign Affairs received a score of 0.6 for autonomy, but it allocates around 70% of aid to LDCs. These agencies, and the overall view presented in Figure 3.5, seem to show a slightly negative relationship between autonomy and LDC aid. This finding is similar when disaggregating my index of autonomy.

Figure 3.5 Aid Agency Autonomy Compared to LDC Aid

A similar picture is presented in Figure 3.6, which compares aid agency autonomy to the percentage of aid allocated to countries with a high child mortality rate. There appears to a slight negative correlation between autonomy and aid to high mortality countries. Italy’s DGCS scored a 1.4 as their level of autonomy; however, they allocate about 50% of their aid to countries with high child mortality rates. On the opposite end, Japan’s JICA scored a 3 for its level of autonomy, but allocates less than 5% of its aid to countries with a high mortality rate.
rate. My theory would predict that countries with a high level of autonomy would allocate more aid to countries with low health indicators, such as child mortality rates. Figure 3.6, however, supports the opposite finding. This finding is similar when disaggregating my index of autonomy.

Figure 3.6 Aid Agency Autonomy Compared to High Mortality Aid

![Mortality and Autonomy 2012](image)

Figure 3.7 demonstrates how aid agency autonomy relates to the percentage of untied aid allocated by an agency. Again, autonomy does not have a clear role, but there does seem to a slightly negative correlation. My theory predicts that agencies with a higher level of autonomy will allocate aid based more on recipient-needs and untying aid is one way to do this. However, Figure 3.7 does not support this theory. Korea’s KOICA allocates less than 50% of its ODA as untied aid despite receiving the highest score on autonomy (3.3). The Netherlands’ MFA received the lowest score on autonomy (0.4), yet 100% of its aid is
untied. This finding is similar when disaggregating my index of autonomy.

Figure 3.7 Aid Agency Autonomy Compared to Untied Aid

These figures show a lack of relationship between my measure of autonomy and different aid indicators, even demonstrating slight support for the opposite of my predictions. As mentioned when discussing these measures of autonomy, some of these predictions may be due to a few outlining agencies with incorrect measures. However, even when dropping these outliers or suspected misclassified agencies, the results hold overall. There may be other issues with the autonomy measure, as well as other factors accounting for an agency’s allocation that need to be accounted for. In order to test this further, I use a regression analysis comparing agency’s total aid allocation across all recipients. Again, I look at the percentage donor agencies allocate to different types of recipients as well as the amount of aid that is untied. I start by regressing the percentage of aid by autonomy and
then add further control variables reflecting donor interests. In Table 3.4, I present the coefficients for autonomy in each of these models. The complete models can be found in Appendix B.

Table 3.4 OLS Regression of Agency Total Allocation

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Untied</td>
<td>% LDC</td>
<td>% Colony</td>
<td>% Mortality</td>
</tr>
<tr>
<td>Autonomy</td>
<td>-5.26</td>
<td>-12.16*</td>
<td>10.90</td>
<td>-8.28**</td>
</tr>
<tr>
<td></td>
<td>(5.03)</td>
<td>(5.99)</td>
<td>(9.91)</td>
<td>(3.92)</td>
</tr>
<tr>
<td>Autonomy with health spending</td>
<td>-3.88</td>
<td>-13.06*</td>
<td>10.78</td>
<td>-7.92*</td>
</tr>
<tr>
<td></td>
<td>(4.11)</td>
<td>(6.92)</td>
<td>(10.18)</td>
<td>(4.26)</td>
</tr>
<tr>
<td>Autonomy with military spending</td>
<td>-2.73</td>
<td>-14.36**</td>
<td>21.80</td>
<td>-9.81*</td>
</tr>
<tr>
<td></td>
<td>(4.85)</td>
<td>(6.31)</td>
<td>(12.63)</td>
<td>(4.79)</td>
</tr>
<tr>
<td>Autonomy with donor variables</td>
<td>-1.18</td>
<td>-15.39**</td>
<td>20.32</td>
<td>-9.43*</td>
</tr>
<tr>
<td></td>
<td>(5.02)</td>
<td>(7.12)</td>
<td>(14.97)</td>
<td>(5.26)</td>
</tr>
<tr>
<td>Autonomy with donor variables and lagged aid</td>
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<td>-9.82</td>
<td>46.56***</td>
<td>-5.99</td>
</tr>
<tr>
<td></td>
<td>(5.36)</td>
<td>(8.33)</td>
<td>(5.98)</td>
<td>(5.56)</td>
</tr>
</tbody>
</table>

Observations: 20 20 9 20

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

The results presented in Table 3.4 follow a similar pattern to the figures presented above; however, the significance of these findings is revealed. With a higher level of autonomy, agencies allocate less untied aid across all models and controls. However, this coefficient is diminishing with added controls and is never significant. In model 3, autonomy is positive, demonstrating a tendency for agencies with higher autonomy to allocate more aid to former colonies. However, this result is insignificant except when all controls are used. Furthermore, this model only contains nine observations, given the number of donors with former colonies. This small number of observations may affect the results.
With a higher level of autonomy, agencies allocate less aid to least developed countries. This result is significant except when the full controls are used. The coefficient for autonomy is also increasing with added donor interest controls. Model 2 then goes in the opposite direction of my theory suggesting that autonomy does play a role, but that more autonomous agencies allocate less to LDCs, therefore, less based on recipient needs. Model 4 does not also does not support my theory. Agencies with a higher level of autonomy allocate less aid to countries with high child mortality rates. This result is significant across all models, except for when lagged aid is included. These finding is similar when disaggregating my index of autonomy as shown in Appendix B.

In a number of robustness checks listed in Appendix C, I attempted to see if there is something grouping agencies that allocated less aid to LDCs, recipients with high mortality rates, or untied aid. However, I found the results held when dropping countries in the lowest 25% for each of these categories of aid. I also dropped the outlier agencies previously mentioned, but the results hold for these models as well. Again, there may be an issue with measure to consider. We might also consider a further way to assess aid allocations by looking at the donor recipient relationship rather than just at total donor allocations across recipients.

Following the above analyses examining total aid from each agency, I also examine the aid dyadically in order to explore the donor-recipient dynamic more fully and the role of autonomy in shaping where aid is allocated. The dependent variable is then donor-recipient aid logged. In order examine the role of autonomy compared to characteristics of recipient countries, I interact autonomy with each of these variables. In terms of recipient need, I
examine how autonomy interacts with a recipient country being a least developed country or having a high child mortality rate. My theory would predict that as both autonomy and these need-based characteristics increase, so would aid allocation. I also examine donor strategic interests using recipient characteristics – whether the recipient is a former colony, has a trade relationship with the donor, or is in a defense alliance with the donor. My theory would predict the opposite with recipient-need indicators, as autonomy and strategic interest indicators increase aid allocation should decrease. For these models, I again first present a basic version without control variables and then present the model with control variables below. In Table 3.5, I present the coefficient estimates for autonomy, recipient characteristic, and the interaction term.

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>(1) LDC</th>
<th>(2) Mortality</th>
<th>(3) Colony</th>
<th>(4) Trade</th>
<th>(5) Ally</th>
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<td>Autonomy</td>
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<td>0.73***</td>
<td>1.22</td>
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<td>Log(GDP pc)</td>
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<td>-0.61***</td>
<td>-0.58***</td>
<td>-0.72***</td>
<td>-0.60***</td>
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<td>(0.08)</td>
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<td>(0.03)</td>
<td>(0.03)</td>
<td>(0.06)</td>
<td>(0.03)</td>
</tr>
<tr>
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<td>0.61***</td>
<td>0.60***</td>
<td>0.58***</td>
<td>0.59***</td>
</tr>
<tr>
<td>(% of GDP)</td>
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<td>(0.04)</td>
<td>(0.04)</td>
<td>(0.05)</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Military expenditure (% of GDP)</td>
<td>0.14**</td>
<td>0.14**</td>
<td>0.12*</td>
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<tr>
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<td>(0.07)</td>
<td>(0.07)</td>
<td>(0.08)</td>
<td>(0.07)</td>
</tr>
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<td>Constant</td>
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<td>-9.04***</td>
<td>-3.26</td>
<td>-8.78***</td>
</tr>
<tr>
<td></td>
<td>(-1.16)</td>
<td>(-1.58)</td>
<td>(-0.94)</td>
<td>(-2.53)</td>
<td>(-0.95)</td>
</tr>
<tr>
<td>Observations</td>
<td>1,534</td>
<td>1,534</td>
<td>1,534</td>
<td>1,509</td>
<td>1,534</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.3</td>
<td>0.3</td>
<td>0.29</td>
<td>0.31</td>
<td>0.29</td>
</tr>
</tbody>
</table>
As autonomy of aid agency increases, aid allocation increases across the models, except for model 4. This does fit with my theory that greater autonomy would lead to a greater focus on recipient needs, thereby increasing the amount of aid available to an agency. By raising the importance of recipient’s needs and foreign aid in general, it is likely that agencies that are more autonomous would also allocate more aid.

Least developed countries (LDCs) receive a greater amount of aid across agencies without a high level of autonomy (1.96). However, this effect is diminished as autonomy of aid agency increases (1.14). So while autonomous agencies do allocate more aid to LDCs than other countries, this effect is lower than it is for less autonomous agencies. Countries with a higher level of child mortality receive a larger allocation of aid across agencies with less autonomy (0.73). Again though, this effect is lessened when autonomy is included (0.4). More control from the government then leads to greater focus on recipient need.

Regarding donor strategic interest, the findings are again opposite from my expectations. Countries that are trading partners receive less aid from agencies with a low level of autonomy (-0.13). However, when autonomy is included, trading partners receive a greater amount aid than from agencies with less autonomy (1.01). Agencies with a high degree of autonomy still allocate less aid to trading partners than to other recipients, but these agencies also allocate a greater amount of aid to former colonies than agencies with less autonomy. There are similar results for allies with increases in either leading to less aid across agencies without autonomy (-1.28). However, when autonomy is interacted with the
measure, aid to allies (-0.52) is greater then with less autonomy, though this is not significant. So agencies with a high level autonomy give less aid to allies than they do to other recipients, but they allocate more aid to recipients with this strategic interests for donors than do agencies with less autonomy. Recipients that are former colonies receive a greater amount of aid from agencies with lower levels of autonomy (1.22), though this coefficient is insignificant. This is also insignificant, but when agencies have a higher level of autonomy they allocate somewhat less aid to former colonies (1.01) though still more than to other recipients in comparison.

The control variables generally follow my expectations. Countries with a lower level of GDP per capita and a large population receive more aid. These recipient level characteristics follow in line with previous findings and understanding about aid. The donor level characteristics are more mixed. Agencies in donors with higher health expenditure allocate more aid. These countries tend to have a greater regard for welfare, which extends beyond domestic politics. Agencies in donors with a higher amount spent of the military allocate a greater amount of aid, though this is insignificant when accounting for recipients’ status as allies or trading partners. My expectation was that donors with greater funding to the military would be less willing to give aid. However, perhaps greater military spending demonstrates more concern international in general and therefore an interest in protecting the state in a number of ways including aid.

I have performed robustness checks with further iterations of these regressions as well in order to assess whether there is something about specific donors or perhaps something about a certain type of autonomy causing the results to be opposite from my
theory’s expectation. However, the results remain similar when donors are dropped and when assessing more specific measures of autonomy (policy and structural indicators). Further investigation of these models and autonomy measures is necessary.

Conclusion

The results present in this chapter are in the first stage of development and further work is necessary to create a more precise measure of autonomy as well as to find the appropriate model for assessing the role of autonomy across donors. However, the findings revealed here do not support my theoretical expectations. It is possible there are issues with the measures and model, but I must also be aware of the possibility that my theoretical implications are inaccurate, at least in terms of comparing across agencies. More work is necessary in order to understand whether the error lies in my theory or in the methods.

In the future, there is more to be done with this research design to ensure both the measure and the design are more accurate. As the case studies show (in Chapters 4 and 5), there is more detail that my operationalizing of autonomy is not picking up. A first step to refine this measure would be to include questions that are more precise in the coding scheme. With more detail, this measure will be better able to distinguish between agencies that have the same location in the government or both state the national interest as one of their goals. A further adjustment to the measure is to survey aid bureaucrats within these institutions. A survey would provide greater information on the de facto, or informal, autonomy that exists within the culture of the agency. It would also provide more information about the day-to-day relationship between the government and the bureaucracy, which is not published online. Another possible modification to my measure of autonomy would be to look over time at these agencies rather than taking a snap shot in time. As the case studies demonstrate, there can be both minor and
major changes in agencies that represent large and small shifts in their levels of autonomy. It may be necessary to take these changes into account for a more accurate and valid measure.

It is also possible that I am unable to separate the type of aid into the categories of need-based and strategic properly. As mentioned, it is not possible to be completely clear if funds are allocated for the purpose of development or political reasons as a country can be in need and also be a strategic ally for a donor. I attempt to get past this by examining the percentage of aid sent to each “type” of recipient. However, this may be inaccurate and could be a possible explanation for this finding. Perhaps there would be a way to look more carefully at these allocations and attempt to separate out these different motivations more fully.

It may also be the case that the influence of autonomy is not as straightforward as I have presented in my theory. It may be that autonomy functions in different ways for different types of donor countries. Perhaps the influence of autonomy is stronger when there is a division of government or public opinion. It may be the case that countries with a consistent and popular view of foreign aid—whether in favor of strategic goals or recipient need—would have an aid institution with a high degree of autonomy. It could also be the case that other donor country characteristics (such as voting rules) influence the role of autonomy. For example, many of the countries with a high level autonomy are majoritarian. These factors would then affect the results presented, as different agencies would then be influenced in different ways by autonomy.

There are also other ways to test my hypothesis beyond what was presented in this chapter. Perhaps autonomy, even with changes to the operationalization, is best understood
through a case study. As Chapter 4 and 5 demonstrate, there is much more detail and nuance that can be gathered through a case study. As recommended by Chapter 5 and the case study of United States Agency for International Development, it may be best to study autonomy as a longitudinal phenomenon. Perhaps it is necessary to compare an agency to itself overtime rather than across donors. A final possible research design would look more dynamically at autonomy and aid policies through a multilevel model. This would account for nesting within each donor agency so that the slopes could vary across agencies themselves.

While the results presented here are unexpected based on my theory, they demonstrate that there is a link between agency autonomy and aid allocation. Further work is necessary in order to fully understand the role and influence of autonomy across countries. In the future, I plan to investigate the possibilities presented above by looking at the different characteristics of donor countries and their relation to aid agency autonomy. As highlighted, my dataset of autonomy will be further expanded and refined with the influence of the findings of my case studies. This will provide greater insight into more specific indicators of autonomy. I will also examine different methods to understand the role of autonomy with two further cases presented in the following chapters.
Chapter 4

Most Different Comparison of Agenda and Community

Aid policy outcomes should be understood not as the result of a unitary actor’s preferences and motivations; rather, it is through the relationship and interplay of the elected government and aid bureaucracy that aid policies are determined. It is therefore necessary to open the black box of the donor country to explore the dynamics between these two important actors. As discussed in Chapter 2, the institutional design of these aid agencies play a major role in shaping aid policies due to the varying preferences of governments and bureaucracies.

While governments are often motivated to give foreign aid due to strategic interests, bureaucrats are often driven by a desire to help those in developing countries. Politicians are primarily interested in securing their power within their own country as well as building up their country’s power. This drives them to follow the path their constituents wish, to secure reelection for themselves or their party, and foreign aid is often not a key concern of constituents. The focus then becomes on securing domestic concerns. Foreign aid can then be used as a tool of foreign policy in order to create or sustain alliances, whether for trade, military, or international support. Foreign aid can also benefit constituents by being tied to domestic industries. All of these paths lead to aid allocated for strategic and political reasons, if the government’s preferences are followed.

On the other hand, bureaucrats are experts in their field, international development,
with many having advanced and specialized degrees. This leads to them to have knowledge of what works, and what does not, regarding development policy and foreign aid. Furthermore, it means that they were motivated to come to this field for quite some time, even prior to joining the foreign aid bureaucracy. Therefore, while bureaucrats inherently care most about keeping their jobs and their own mobility within their institution, they also have their own personal preferences that lead them to this job in the first place. This preference means they are often interested in creating development for these countries and ensuring aid is effective in this task.

While I have outlined the preferences of the government and the bureaucracy as opposite, this is merely an ideal framework. Rather than each actor having unique and separate motivations for foreign aid, all actors within the government and the bureaucracy have a range of interests that will naturally overlap for some. It is likely that there will be a politician with a strong personal preference for encouraging development or a bureaucrat with a drive to increase their country’s overall international power. While these cases are possible, these examples would not be the norm. It is more likely that the bureaucracy, as a whole, tends to prefer aid based on the needs of the recipient country, while it is more likely that the government, as a whole, tends to prefer aid based on strategic interests of the donor country.

Given these tendencies, the way an agency allocates aid is then determined by the level of autonomy given to an aid agency. With a greater amount of autonomy, a bureaucracy will be able to allocate aid more in line with their own preferences and therefore based on the needs of recipients. However, when a bureaucracy has a low level of autonomy, the
government has more power over the agency and aid is then more likely to be allocated based on the donor’s interests, following the motivation of the government. Autonomy then plays a key role in shaping the aid policy of an aid agency.

While the results from Chapter 3 do not demonstrate strong support for my theory, there are other areas of aid policy beyond selectivity of aid recipients. In this chapter, I extend the examination from the previous chapter to look at the agendas and community involvement of these agencies. These areas of aid policy focus less on outputs of the agency and more on the dynamics within the agency. Applying my overarching theory to agenda and community involvement, I argue that agencies with a higher level of autonomy will have a more consistent agenda focused on long-term goals and be more involved with the aid community as well as following through on their international commitments. Following this, agencies with a low level of autonomy will tend to have an agenda focused on short-term goals that is likely to change with government turnover and be less active in the development community with less implementation of international commitments.

In order to examine these hypotheses, I look at three aid agencies with varying degrees of autonomy. Quantifying measures for agenda and community involvement are more difficult, so I have chosen to use case studies in order to understand the influence of autonomy on these aspects of aid policy. The three chosen cases are Spain, Switzerland, and Sweden. These agencies were chosen as they represent the spectrum of possible autonomy with Spain have a low level autonomy, Switzerland having a medium amount of autonomy, and Sweden having a high level of autonomy. This represents a diverse case study comparison by looking at how these different levels of autonomy relate to these agencies’
agendas and community involvement.

Aid Policy Outcomes

As it is a donor’s foreign aid bureaucracy that is ultimately responsible for determining the aid output of a country, it is necessary to understand how these institutions make those decisions and what affects that decision-making process. I argue that the level of autonomy plays a key role in shaping these aid outputs and policies. This is due to an institution’s autonomy shaping the power of both actors involved in making these decisions – the government and the bureaucracy. When there is a high level of autonomy, the aid policy of an agency will have a greater focus on the needs of recipient countries as the bureaucracy itself has more influence on how aid is allocated and how policies are formed. When there is a low level of autonomy, the government has a greater degree of influence leading aid policy to focus more on the strategic interests of the donor country.

By taking into account the role of autonomy, researchers and practitioners can better understand why some agencies seem more apt to allocate “effective” aid. Without this understanding, any work done to determine what aid policies work will fall on deaf ears since the bureaucrats will be unable to implement these suggestions despite often wanting to.

In Chapter 3, I focused on the first of three hypotheses involving different aspects of an agency’s aid policy. Regarding aid selectivity, I argue:

H1A: A domestic aid bureaucracy with a high degree of autonomy will tend to allocate aid to least developed countries (LDCs), countries with the lowest life expectancy, countries with the lowest caloric intake, and refrain from allocating tied aid.

H2A: A domestic aid bureaucracy with a low degree of autonomy will tend to allocate
aid to former colonies, trading partners, allies (based on UN voting and international agreements), and aid that is tied back to the donor country.

Aid selectivity, specifically which countries receive aid and what type of aid, is one of the most examined aspects of donor aid policies. Aid allocations are the most visible output of these agencies and the easiest to quantify and examine making them an important and obvious choice of focus. While clearly a vital aspect of an agency’s aid policy, these outputs are not the only aspect one can study.

In this chapter, I examine two other aspects of aid policy – the policy agenda of an agency and the agency’s involvement in the aid community. Each of these features are also influenced by an agency’s level of autonomy and can further demonstrate the role that autonomy plays in shaping their aid policy. All facets of an agency’s aid policy are influenced by autonomy, but these aspects also influence each other. For example, a country that has a higher level of autonomy and is able to be more involved in the aid community may be more influenced by those findings of what aid practices work. This agency, given a high enough level of autonomy, may then be able to add these practices into the goals of their agenda and mission statement thereby changing the way they select recipients and sectors. It is therefore important to look at all aspects of an agency’s aid policy rather than just looking at aid allocation outputs.

Agency Agenda Setting

Aid bureaucracies are charged with control over foreign aid and given power to determine policies of this issue. When creating an agency, there is often some form of mission or purpose stated for the agency reflecting the government’s belief and desires for
what the agency will do. This purpose is then interpreting by the agency and often restated in
a mission statement that describes the agency’s agenda. This agenda can change based on
external or internal influences. For example, an agency may be influenced by an international
agreement or new research findings on what foreign aid priorities are. Alternatively, a new
government taking office with different political leanings on how aid should be given may
influence an agency.

These changes in an agency’s agenda then may be influenced the level of autonomy
an agency has. When an agency has a high level of autonomy, its agenda is likely to be more
consistent over time as it will not change due to a new administration taking office. Rather,
changes that do take place should not coincide with changes in political party. It is also likely
that aid agencies with greater autonomy will focus more on longer-term planning. This is due
to long-term planning being a more effective form of aid policy as well as the agency having
more time available to it to make these plans and changes. An agency with greater autonomy
can afford to plan long-term because there is less of a threat from the government changing
the institution and its way of allocating aid. I therefore argue:

H1B: A domestic aid bureaucracy with a high degree of autonomy will tend to have a
consistent agenda over time that focuses on long-term planning and goals.

H2B: A domestic aid bureaucracy with a low degree of autonomy will tend to have an
inconsistent agenda, which fluctuates over time especially with government turnover,
and focus on short-term goals and outputs.

As reflected in this hypothesis, agencies with less autonomy are more susceptible to
changes in the government and shifts in political parties. This will cause their agenda to be
inconsistent over time with changes in the agency’s goals, to whom they allocate aid, which areas they focus on, and more. These continual shifts from government involvement will also create a focus on more short-term objectives. This is due to governments’ desire for quick results as well as the agency’s need to please the government for fear of government punishment due to control mechanisms.

I therefore argue that autonomy can play a large role in shaping the agenda of these agencies due to the different motivations of the government and the bureaucracy. Bureaucracies have an interest in achieving development in recipient countries using the knowledge they have of effective aid policy and are looking to do so long-term. With high autonomy, this leads to a more consistent and long-term focused agenda. When aid agencies have a low level of autonomy, the government has more influence over their agenda. Since governments focus on strategic interests and quick, obvious results, this leads to an agenda that fluctuates with changes in political parties and a focus on short-term outputs.

*Involvement in the Aid Community*

There is a large international community focused on the issue of foreign aid. This community involves donor agencies, international organizations, non-governmental organizations, researchers, practitioners, and more. Members of this community share knowledge, discuss best practices, and make international agreements. For example, donors stated in a United Nations General Assembly Resolution in 1970 that they would allocate aid at the level of 0.7% of their gross national product (United Nations 1970). This commitment, as well as other goals, was reaffirmed multiple times, including the Monterrey Consensus and Doha Declaration. Making these commitments and being involved in
shaping of the goals of this community holds a donor and an agency accountable to others and influences them to follow agreed upon practices.

The influence of and involvement in the international aid community shaped by an agency’s level of autonomy. When an agency has a high level of autonomy, the bureaucracy can determine their own level of involvement and will often choose to be part of and perhaps a major player in the development community. An agency might choose this involvement because bureaucrats are interested in learning from others and knowing what has been successful. With a high level of autonomy, bureaucrats determine aid policies more fully and the development community may be a source of information for bureaucrats in making these policy decisions. Another possible reason for involvement in this community is due to a desire to enhance their agency’s power and sphere of influence in their own field. As stated in Chapter 2, bureaucrats are interested in keeping their jobs and gaining success for themselves and their agency. One avenue to gain success is through this international community. With a high level of autonomy, an agency will have more freedom to assert themselves within this community rather than having government control mechanisms hindering what they do. I therefore argue:

\( H^1 \): A domestic aid bureaucracy with a high degree of autonomy will tend to have an active role in the aid community, often participating in meetings and signing international agreements, and is responsive to the findings of this community, by using agreed to best practices for aid allocation.

\( H^2 \): A domestic aid bureaucracy with a low degree of autonomy will tend to not participate or cooperation with the aid community, and if they do, it is empty
promises without actual responsiveness or changes.

Aid agencies with a low degree of autonomy are more closely tied to the preferences of the government and therefore cannot as easily shift their policies to what is agreed on by the international aid community. This may lead agencies to not participate at all in these conferences or to not sign agreements as their government would be against them or limit what the agency can do. However, since it might give favorable media for the government to participate in conferences and sign onto these agreements, the agencies might seem active in the community but not actually implement these commitments into their policies.

**Research Design**

In order assess the role of autonomy in shaping an aid agency’s agenda and community involvement, it is necessary to conduct a case study analysis. These two aspects of aid policy are harder to quantify for a quantitative analysis; however, I can investigate these facets of policy by exploring individual agencies. In order to do so, I have chosen three aid agencies representing a spectrum of autonomy. In this way, I am choosing “ideal” cases at three levels – low autonomy (Spain), medium autonomy (Switzerland), and high autonomy (Sweden). By selecting these diverse cases, I can present two cases with extreme values of autonomy and one case with an average value of autonomy. These cases then represent the full the range of autonomy levels possible in donor aid agencies (Gerring 2007; Seawright and Gerring 2008).

Diverse case studies allow for comparison across the full range of variation in the variable of interest. The sample cases chosen should then be representative of the general population and this type of case selection is more representative than other small sample
techniques (Gerring 2007; Seawright and Gerring 2008). From using these three representative cases, I can then make a claim about the role of autonomy in the general population of bilateral aid agencies. Given my theory, by selecting these three diverse cases, I am predicting there will be contrasting results for predictable reasons allowing for me to assess and illustrate whether my theory works across agencies (Yin 2013).

In order to assess these agencies’ levels of autonomy, I use the same coding scheme as presented in Chapter 2 and again using data from the year 2012. As I am examining a limited number of cases, I am able to describe these findings and other interesting aspects of agencies’ autonomy more deeply. To determine their agendas and involvement in the development community, I reviewed their websites to examine mission statements, policy papers, strategic plans, and what other aspects are highlighted. Through this information, I am able to assess whether their agendas have a long-term or short-term focus, what practices they use, what international agreements they emphasize, etc. I also examine peer reviews conducted by the Organisation for Economic Co-operation and Development’s (OECD) Development Co-operation Directorate (DAC), which discuss each of these agencies in terms of how they are performing and whether they are following international commitments. These DAC peer reviews also provide a glimpse as to whether the agency implemented recommended changes within the previous five years.18

I then compare each agency’s aid policy to the others in order to examine whether my hypotheses hold. If my theory is accurate, I would expect Sweden’s Sida to have a long-term agenda and high involvement in the community and Spain’s MAEC to have a short-term

18 DAC OECD peer reviews are conducted on each agency in a rotating cycle, every four to five years.
agenda and less involvement in the community, while Switzerland’s SDC should be placed somewhere in the middle. Through this case study analysis, I can look further into the different types of autonomy to see whether one or more aspects seem to have a greater influence.

Case Study Comparisons

In order to examine the role autonomy plays in shaping the aid policies of these agencies, I will first present their level of autonomy in 2012 using the coding scheme presenting in Chapter 3, and adding more detail to these indicators. Using their varying levels of autonomy, I examine each agency’s aid policy across all categories—selectivity, agenda, and community involvement. By comparing these findings to my theoretical expectations, I can assess whether autonomy has an impact on and a role in shaping aid agency policy.

Autonomy

These agencies represent a spectrum of levels of autonomy with Spain’s Ministry of Foreign Affairs and Cooperation (MAEC) having a low level of autonomy (1.1 according to my coding), Switzerland’s Agency for Development of Cooperation (SDC) having a medium level of autonomy (2.4), and Sweden’s International Development Cooperation Agency (Sida) having a high level of autonomy (2.9). Table 4.1 below lists each agency’s level of autonomy and the coding measures used to create this index. While this measure does present a step in the right direction for operationalizing autonomy, further refinement is necessary.¹⁹ A possible means to create a better understanding of aid agency autonomy is through a qualitative approach, which can provide more nuance than a coding scheme. I

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¹⁹ I discuss this further in other chapters of my dissertation; so do not go into detail here about these refinements.
therefore further discuss the autonomy of these agencies in order to broaden our understanding.

Table 4.1 Levels of Autonomy in 2012

<table>
<thead>
<tr>
<th>Agency</th>
<th>Location</th>
<th>Political Appointments</th>
<th>National Interest</th>
<th>Research</th>
<th>Autonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain’s MAEC</td>
<td>Cabinet-Level Ministry (0.6)</td>
<td>Beyond the agency head (0.0)</td>
<td>Yes, but not in goals for development (0.5)</td>
<td>No (0.0)</td>
<td>1.1 (13th)</td>
</tr>
<tr>
<td>Switzerland’s SDC</td>
<td>Subordinate within Federal Department of Foreign Affairs (0.4)</td>
<td>Director General and Deputy Director General (0.0)</td>
<td>Not a focus (1.0)</td>
<td>Analysis and Policy Division (1.0)</td>
<td>2.4 (7th)</td>
</tr>
<tr>
<td>Sweden’s Sida</td>
<td>Subordinate within the Ministry for Foreign Affairs (0.4)</td>
<td>Only Director-General (0.5)</td>
<td>Not a focus (1.0)</td>
<td>Multiple departments (1.0)</td>
<td>2.9 (4th)</td>
</tr>
</tbody>
</table>

Spain’s MAEC has the second lowest level of autonomy of the twenty agencies examined in this dataset. Structurally, the MAEC is a cabinet-level ministry giving it some importance within the government. However, given its focus on foreign policy issues broadly, development and foreign aid are not top priorities. Furthermore, political appointments to MAEC go beyond the Minister of Foreign Affairs and Cooperation to a group of three Secretaries of State. These political appointments allow for further government control within the MAEC. Politically, the MAEC focuses on foreign policy goals meaning the national interest of Spain is at the forefront. However, when looking specifically at the MAEC’s goals and mission for development, Spain’s national interest is not present. The MAEC does not have a research department specifically for development.
and foreign aid, demonstrating a lack of ability to create its own policies.

The level of autonomy of Switzerland’s SDC seems to be a relatively high number – 2.4 – with 3.3 being the highest level an agency ranked for this dataset. However, it is in the middle of all agencies represented (ranking 7th out of 14 with ties across countries, receiving the same score as Norway and Denmark). The SDC is an agency subordinate within the Federal Department of Foreign Affairs; however, its focus is entirely on development without mention of the national interest. Its policy autonomy is further strengthened by its department for research and policy (Analysis and Policy Division). While policy autonomy is high, the SDC’s structural autonomy is low given its location in the government as well as political appointments to Director General and Deputy Director General.

Sweden’s Sida received 2.9 as its level of autonomy, with only one agency with a higher level of autonomy.20 Similar to the SDC, Sida is an agency subordinate within the Ministry for Foreign Affairs; however, its focus is entirely on development without mention of the national interest. Sida’s relationship with Sweden’s MFA is not stressed throughout the website suggesting that Sida has more de facto structural autonomy. Adding to its structural autonomy, the Director-General is the only position in Sida appointed by the government. Sida’s policy autonomy is also high with multiple departments overseeing some area of research or policy (Organisational Development, International Organisations and Policy Support, and Partnerships and Innovations) as well as the lack of national interest within its mission.

There are clear differences, as well as some similarities, in the levels of autonomy of

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20 The United Kingdom’s Department of International Development is examined in a later chapter in my dissertation, so it was not chosen for evaluation in this chapter.
these three aid agencies. Switzerland’s SDC and Sweden’s Sida have the same location within the government as well as the same focus on development. However, despite having the same location and coding, Sida’s relationship to the MFA seems less pronounced than the SDC’s relationship to the FDFA. Spain’s MAEC and the SDC both have a greater number of political appointments to the agency. Though these would both be coded as the same, the MAEC has four political appointments to the agency, while the SDC has two. These further nuances go beyond the operationalization of autonomy to demonstrate differences even among those categorized as the same. The small deviations that are missed by the operationalization of autonomy reveal the importance of case study research as well as highlight areas for future development.

Aid Selectivity

In order to examine the role of autonomy for the MAEC, SDC, and Sida, I examine their allocation patterns as a percentage of their overall official development assistance (ODA) in 2012. I analyzed three aid selectivity categories that demonstrate a focus on recipient needs as well as aid effectiveness. In Figure 4.1 below, I present a graph of these agencies’ aid to least developed countries (LDCs), countries with a high child mortality rate, and aid that is untied to any donor special interests. Both LDCs and countries with mortality rates represent countries with an overall low level of development or those with the most overt need for foreign aid. If recipient needs are considered important for foreign aid allocation, agencies should allocate more aid to these countries. Tied aid is aid with conditions that the funds are spent on goods within the donor country. These aid flows are criticized throughout the aid community as actually being very ineffective, so agencies with
an interest in recipient need should allocate more untied aid.

Figure 4.1 ODA as Percentage of Overall ODA Commitments in 2012

![Bar chart showing ODA as percentage of overall ODA commitments in 2012 for Spain_MFA, Switzerland_SDC, and Sweden_Sida. The chart indicates the percentage of aid allocated based on recipient needs, economic indicators, health indicators, and best practices (untied aid).]

The aid allocations of these agencies do appear to follow the expectations of my theory. Spain’s Ministry of Foreign Affairs and Cooperation allocates the least percentage of its aid in all categories. It then appears that recipient-needs (economic and health indicators) as well as best practices (untying aid) are not at the forefront of MAEC’s aid motivations. With a higher level of autonomy, both the Swiss Agency for Development and Cooperation and Swedish International Development Cooperation Agency also allocate more aid based on the needs of recipients. Sida is the leading agency of the three with respect to percentage of its total aid budget allocated to countries with high child mortality rates as well as the
percentage of untied aid. Given its lower autonomy, I would argue that Spain’s MAEC is being more influenced by the government’s strategic interests while Switzerland’s SDC and Sweden’s Sida have more freedom to follow their own preferences for aid allocations.

Table 4.2 T-Test Results for Agencies Aid Allocations

<table>
<thead>
<tr>
<th></th>
<th>MAEC</th>
<th>Sida</th>
<th>t-value</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>% LDCs</td>
<td>26.23 (9.14)</td>
<td>53.19 (5.80)</td>
<td>-7.79</td>
<td>20</td>
<td>0.00</td>
</tr>
<tr>
<td>% Mortality</td>
<td>24.41 (5.66)</td>
<td>53.94 (8.93)</td>
<td>-9.52</td>
<td>20</td>
<td>0.00</td>
</tr>
<tr>
<td>% United</td>
<td>56.91 (36.91)</td>
<td>94.35 (6.77)</td>
<td>-2.99</td>
<td>20</td>
<td>0.01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>MAEC</th>
<th>SDC</th>
<th>t-value</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>% LDCs</td>
<td>26.23 (9.14)</td>
<td>45.84 (3.19)</td>
<td>-6.14</td>
<td>20</td>
<td>0.00</td>
</tr>
<tr>
<td>% Mortality</td>
<td>24.41 (5.66)</td>
<td>45.04 (9.48)</td>
<td>-6.40</td>
<td>20</td>
<td>0.00</td>
</tr>
<tr>
<td>% United</td>
<td>56.91 (36.91)</td>
<td>92.99 (4.19)</td>
<td>-2.89</td>
<td>20</td>
<td>0.01</td>
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<table>
<thead>
<tr>
<th></th>
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<th>SDC</th>
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<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>% LDCs</td>
<td>53.19 (5.80)</td>
<td>47.84 (4.31)</td>
<td>2.49</td>
<td>20</td>
<td>0.02</td>
</tr>
<tr>
<td>% Mortality</td>
<td>53.94 (8.93)</td>
<td>42.03 (9.13)</td>
<td>3.03</td>
<td>20</td>
<td>0.01</td>
</tr>
<tr>
<td>% United</td>
<td>94.35 (6.77)</td>
<td>92.26 (4.00)</td>
<td>0.91</td>
<td>20</td>
<td>0.37</td>
</tr>
</tbody>
</table>

Standard Deviations are reported in parentheses.

In order to examine whether these differences between these agencies is meaningful, I conduct a number of difference in means tests. These results determine whether or not these agencies’ allocations are from statistically distinct populations. I present these results in Table 4.2 above using aid allocation data form 2008 to 2012 with the assumption that the autonomy of these aid agencies has remained fairly stable during those five years; in my research below, this does appear to be the case. I find that the differences across these donors are mostly significant, leading to the conclusion that these allocations are from
significantly different groups. I would argue that this difference is attributable to the level of autonomy of these agencies. That the difference between SDC and Sida is smaller, and mostly insignificant, supports this, given the 0.5 difference in autonomy between these organizations.

These results demonstrate real substantial changes in how different agencies allocate aid. For example, across this five year period, Sida allocates 24% more of its aid to least developed countries and 15% more aid to countries with low health indicators when compared to Spain’s MAEC. Consider that Sida gave an average of 1.3 billion dollars of aid across these five years, which translates to 320 million dollars to LDCs and 200 million dollars to low health indicator countries. This is a substantial amount of money for development, even when using the MAEC’s total budget (over 935 million dollars, which would correspond to an increase of 225 and 140 million dollars respectively). The difference between untied aid in these two agencies in not significant due to some fluctuation in Sida’s aid over this time period, but does lead to an average of Sida giving 16% more untied aid.

The differences between Spain’s MAEC and Switzerland’s SDC are similar to those discussed above, but not as large of increase from the SDC (average across this period of 17% more to LDCs, 11% more to low health countries, and 14% more united aid). Again, these increases represent a substantial increase in funds to developing countries. Comparing both Sida and SDC to the MAEC demonstrates support for my hypothesis that countries with greater autonomy are more likely to allocate aid based on the needs of recipient countries. The lack of difference between Sida and SDC reflects their close autonomy levels, but may also reflect that some aspects of autonomy are more important than others.
Development Agenda

The agenda of an aid agency sets out its goals and a plan to achieve them. The standard process is for an agency to create a mission statement or policy paper that is published on its website as a means to describe what they do and how they do it. The agenda then represents the policy orientation of the agency and should reflect the views of those within. However, this depends on how much autonomy an agency has in shaping its mission and goals.

Spain’s Ministry of Foreign Affairs and Cooperation (MAEC) focuses on Spain’s foreign policy broadly. However, there is a subordinate department within MAEC, the Spanish Agency for International Development Cooperation (AECID), with a focus on development headed by the Secretary of State for International Cooperation and Latin America, a junior minister position (AECID 2012). Aid allocated by AECID is listed as separate from MAEC and the Ministry remains the largest allocator in Spain. Given the broad focus of the MAEC, it is understandable that the agency’s agenda does not place development at the forefront, but it is rather one of five functions of the Ministry (MAEC 2012).

When looking at international cooperation specifically, the MAEC’s mission statement focuses on creating consensus among the many national and subnational actors that participate in foreign aid and following the Master Plan developed with the government and the institutions responsible for development issues in Spain, mostly the MAEC and AECID. Spain has a complex institutional structure of foreign aid, with 14 government ministries as well as sub-national actors allocating foreign aid (OECD 2013b). Given this
complexity, a large part of Spain’s and the MAEC’s focus has been on creating a unified plan with coordination across all these actors. This unification is a necessary part of Spain’s agenda and has been applauded by the DAC, though it was noted that more coordination was necessary.

Spain and the MAEC have two areas that they have recognized as specializing in by the international community, which have remained consistent through three Master Plans, for the years 2001 to 2016. The issue area of the greatest focus is gender equality, which has been placed as a general principle, a priority sector, a crosscutting issue, and an area of special focus in the Master Plan for 2009-2012 (MAEC/SECI 2009). That gender equality has remained important and tools are in place to back up this commitment demonstrates a consistency in the MAEC’s agenda as well as specialization. Another place where Spain and the MAEC have specialized is in their work with middle-income countries and triangular cooperation (bridging middle income countries with least developed countries) (MAEC/SECI 2009). Given Spain’s historical relationship with Latin America, most of MAEC’s aid is focused there, meaning a large part of its aid is given to middle-income countries. While not a stated focus in 2012, Spain has become a specialist in aid to middle-income countries and has taken on this role more prominently in the Master Plan for 2013-2016.

A final aspect of Spain’s MAEC agenda to examine is the length of planning of the agency, both for itself and with recipient, and the timeline for the goals the agency sets for itself. Master Plans are created every four years, leading to some broad and long-term planning for foreign aid and development goals. These set out objectives for Spanish foreign
aid and markers the country hopes to reach such as “As an intermediate goal, at least 25% of the geographically allocable ODA will be destined to LDCs before 2015” (MAEC/SECI 2009, 44). While these goals are admirable and do focus long-term, the MAEC does not always follow through with these goals and the evaluation system in place in 2012 still focused on outputs rather than policy impact (OECD 2013b). This leaves the MAEC without the ability to monitor or evaluate these long-term goals properly. The Master Plan does provide for a Country Partnership Framework that creates three to five year plans with recipients (MAEC/SECI 2009). This framework is subject to approval by the government in the annual budget, but does represent a focus on working with recipients to achieve long-term goals.

The overall agenda of MAEC has remained largely consistent over the last ten years. Even with a change in government in 2011 from the Spanish Socialist Workers' Party to the conservative People’s Party, the Master Plan for 2013 to 2016 largely reflected the previous agenda of MAEC, though there is slightly more focus on the national interest. This may be due to the State Pact against Poverty signed by most political groups in Spain, perhaps locking in the importance of development. MAEC’s agenda also has some focus on long-term goals, though the actual practices had not met those standards in 2012.

The focus of the Swiss Agency for Development and Cooperation (SDC) is development and it is responsible for the overall coordination of Switzerland’s development activities. As it is located within the Federal Department of Foreign Affairs, there is an underlying focus on foreign policy and the national interest. However, this is not strongly present in on SDC’s website. The agenda of SDC is focused on poverty reduction and
creating autonomy and self-reliance in recipients (SDC 2012).

The SDC has a long-term focus in its agenda and how it collaborates with other countries, both recipients and other donors. Strengthen the autonomy and capacity of recipients is a large goal for the SDC (SDC 2012). Budget reports are multi-year commitments to recipients in order to achieve long-lasting goals, however, this financial information is not always clearly communicated by the SDC to recipients (OECD 2014a). The SDC could also further specialized as aid allocations are spread across a large number of recipients and issue areas.

The Swiss government has remained stable for the last fifty years with a grand coalition overseeing the Federal Council. There has been some change in recent years with seats shifting parties in 2003 and again in 2008; however, there has not been a large shift in overall ideology represented. Without a shift in government, it is difficult to know whether such a change would affect the agenda of the SDC. The SDC’s agenda has remained fairly stable over the past ten years with some changes of key issue areas and greater involvement of aid effectiveness practices and following of international commitments over time.

Development is the focus Swedish International Development Cooperation Agency, which reflects Sweden’s dedication to aid. With the importance Sweden gives to development, it has taken leadership in implementing policy coherence for development (PCD) guidelines (OECD 2014a). Through these PCD building blocks, Sweden, with Sida leading the way, is attempting a coherent development policy across all departments.

The agenda of the Sida is ambitious and has a large amount of support from political parties (OECD 2014a). However, it may be a bit too ambitious, resulting in aid being spread
thinly across a large number of countries and issue areas (OECD 2014a). Without clear priorities, aid becomes fragmented and ineffective. While Sida can improve in this area, it is still specializing more than other agencies with their allocation to 33 countries (compared to Spain’s 50 and Switzerland’s 37) and focus on five fields of work (Sida 2012). However, these sectors do have a number of sub-issues and goals.

Sida’s agenda is consistently placing development at the forefront and following aid effectiveness guidelines. This agenda has remained fairly consistent over time despite government transitions, which occurred in 2006 and 2014. Its commitment to focusing on development and recipient needs remains across these changes, but there is a shift in the number of sectors from a large number to a smaller number in 2009 and again to a large amount in 2014 (Sida 2012). Beyond this though, the agenda of Sida has survived these political shifts, demonstrating insulation from the government as well as general support across political parties.

Table 4.3 Agencies Agendas in 2012

<table>
<thead>
<tr>
<th>Agency</th>
<th>National Interest</th>
<th>Effectiveness</th>
<th>Length of Goals</th>
<th>Consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain’s MAEC</td>
<td>Focus, but not a large priority in development area</td>
<td>Creation of policy coherence, some specialization</td>
<td>Country Partnership Framework (3 to 5 years), not always followed</td>
<td>Consistent through changes in government</td>
</tr>
<tr>
<td>Switzerland’s SDC</td>
<td>Not a priority, focus on poverty reduction</td>
<td>Focus on country ownership, but not always transparent</td>
<td>Long-term goals and partnership</td>
<td>Consistent, but no large shift in government</td>
</tr>
<tr>
<td>Sweden’s Sida</td>
<td>Not a priority, strong development focus</td>
<td>Too many issue areas, but more specialization than other agencies</td>
<td>Long-term and policy coherent goals</td>
<td>Consistent through changes in government</td>
</tr>
</tbody>
</table>

Comparing these agencies’ agendas lends support for my hypothesis that agencies
with greater autonomy will tend to have more of a long-term and recipient need focused agenda. This is the agenda that the Swedish International Development Cooperation Agency has. Sida’s agenda does not focus on the national interest, but rather puts development at the forefront with strong strides towards more effective policies—often leading the way. On the other spectrum, Spain’s Ministry of Foreign Affairs and Cooperation has begun to focus more long-term and add best practices into its agenda. However, these have not been fully implemented into the activities of the agency. The Swiss Agency for Development and Cooperation has an agenda more in line with Sida, with a strong focus on recipients and long-term planning, though its practices could be more effective. All agencies across this period (2000-2012) have a stable agenda, even with some have government turnover. Perhaps consistency of agenda is not as impacted by autonomy as other areas or the changes in government have not been significant enough to produce a noticeable difference.

*International Development Community*

The international development community has become a vast and growing group of actors with increasing commitments and plans. Donors, recipients, international organizations, non-governmental organizations, and researchers come together in order to share ideas about what works for development aid as well as to have a say and influence on others’ development policies. The community can then influence aid agencies, but also be influenced by aid agencies. The ability for either type of influence depends on the level of autonomy of an aid bureaucracy, as that determines the level of freedom it has to change its policies and to participate in other activities not prescribed by the government.

Spain’s Ministry of Foreign Affairs and Cooperation (MAEC) is clearly focused on...
Spain’s role internationally. It is the institution responsible for meeting with international actors, such as the European Union and the United Nations, as well as overseeing Spanish foreign policy over a wide range of global issues. Regarding foreign aid, the MAEC takes international agreements, the Millennium Declaration in particular, as the starting point for the creation of its agenda (MAEC 2012). As noted by the DAC’s Peer Review, “[n]ot only has it made the international aid effectiveness agenda a beacon of its development policy, but it has also thoroughly re-thought and re-designed its programming process to put these principles into practice” (OECD 2013b, 19–20). Placing the Millennium Development Goals in such a prominent position demonstrates the important and credence the MAEC views to the international aid community.

While Spain has made the commitments of the international community a large part of its agenda, it is still necessary for the MAEC to put some of the aid effectiveness findings into practice (OECD 2013b). The MAEC has taken the first step by creating a Master Plan that follows effective aid strategies. There is more work to be done in implementing these practices though, especially in field offices where a complete understanding of these new plans is not yet in place (OECD 2013b). In terms of transparency, the MAEC was ranked 45th among all donors in 2012 (Aufricht et al. 2012). Furthermore, the MAEC would benefit from being more selective in its agenda. There has been progress in the MAEC in implementing some of the aid effectiveness principles outlined in the Paris Declaration, particularly regarding harmonization with other donor countries (OECD 2013b). However, the DAC recommends more progress for most indicators.

The Swiss Agency for Development and Cooperation (SDC) sees cooperation and
debate within the international community as important in creating policy solutions. On the SDC website, the SDC discusses its relationship with the United Nations, World Bank, International Monetary Fund, and, in particular, the European Union. Rather than merely accepting what these organizations suggest, the SDC takes “an active part in the debate” about how development should be implemented (SDC 2012). The SDC has a large role in multilateral cooperation and is a leader in the community “in promoting mutual accountability and the concept of democratic ownership” (OECD 2014a).

While the SDC’s agenda and polices are in line with international agreements such as the MDGs and the Paris Declaration, there is room for improvement in implementing these practices. In particular, the SDC needs to work on recipient country ownership by using and building up local capacity in its aid projects (OECD 2014a). The SDC could be more selective in recipients and issue areas as well as creating more transparency for monitoring and evaluation purposes, following through on its commitments at Accra and Busan (OECD 2014a). In 2012, the Aid Transparency Index ranked SDC 55th among all donors (Aufricht et al. 2012). The SDC is receptive to guidelines and international commitments in many areas and does place them within its agenda, but could go farther in actually implementing these practices.

Rather than viewing aid as a part of its foreign policy, “aid is the heart of [Swedish] foreign policy” (OECD 2014a). The leading role that Sweden and Sida plays in the international development community reflects this importance. A key aspect of Sida is its partnerships with other donors and international organizations. In these partnerships, Sida often encourages other actors to follow through with international commitments. In
particular, Sida has been a leader in evaluations and often “provides support to build its partners’ capacity in this area” (OECD 2014a).

For the Swedish International Development Cooperation Agency (Sida), implementing the best practices and honoring commitments of the international aid community is very important. Sweden, with Sida leading foreign aid allocation, is one of the few countries to achieve its commitment of 0.7% of its gross national income to official development assistance, allocating around 1%. Sweden has also kept this commitment above 0.7% ODA/GNI since 1975 (OECD 2014a). Additionally, Sida has been a leader in transparency, ranking 5th among bilateral agencies in the 2012 Aid Transparency Index (Aufricht et al. 2012).

Table 4.4 Agencies Community Involvement in 2012

<table>
<thead>
<tr>
<th>Agency</th>
<th>Leadership</th>
<th>Effectiveness</th>
<th>Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain’s MAEC</td>
<td>Active in the community, but not as a leader</td>
<td>Brought into agenda, but not yet fully implemented in practice</td>
<td>International commitments are now key part of agenda and framework</td>
</tr>
<tr>
<td>Switzerland’s SDC</td>
<td>A strong leader, particularly for partnership and cooperation</td>
<td>Promotes mutual accountability, but could implement more effective practices</td>
<td>Upholds commitments, but not fully implemented</td>
</tr>
<tr>
<td>Sweden’s Sida</td>
<td>A strong leader, also leading through example</td>
<td>Effective in many areas (transparency, partnership, etc.)</td>
<td>Commitments are at forefront and has lead the way in implementation of many, but still room for improvement</td>
</tr>
</tbody>
</table>

The international aid community is an important guiding force for the MAEC and has a real influence on its policies and agendas. Looking to the community for guidance the MAEC to reassess its previous planning framework and as of 2012 has a clear and aid
effectiveness focused path forward. There is still more work to be done in order to put these policies into practice though. Overall, the SDC is a leader in the international aid community, often encouraging other donors to adhere more fully to commitments. The SDC clearly values this role, strives to assert its influence, and tries to implement best practices. However, there is still room for improvement for implementation. Sida has been and continues to be a leader in the international aid community, striving to encourage other actors while also still implementing best practices themselves.

All of these agencies have placed an emphasis on the international community and have used international commitments as guideposts for their own policies. However, the Swiss Agency for Development and Cooperation and the Swedish International Development Cooperation Agency have done more to actually implement these commitments and best practices within their agencies. Both SDC and Sida are also leaders within the community, not just following guidelines but also helping to set them and encouraging others to follow through. Sida takes on this leadership role a bit more. That these organizations, especially Sida, have this strong involvement with the international community supports my theory. With a high level of autonomy, agencies are more likely to be active in the aid community and follow through on international commitments. Spain’s Ministry of Foreign Affairs and Cooperation does look to the development for guidance and has brought some of these ideas into its agenda. However, these have yet to be implemented into MAEC’s practices. I would argue this is due to the lower level of autonomy of the MAEC, leading to greater government control and less ability for the bureaucracy to follow through on these commitments.
Conclusion

This diverse case study used aid agencies with different levels of autonomy to represent “ideal” types that could be generalized to the entire population. Overall, these comparisons supported my theory that greater autonomy leads to aid policies focused more on recipient need rather than strategic interests. This was especially true when comparing Spain’s Ministry of Foreign Affairs and Cooperation to Sweden’s International Development Cooperation Agency, the two extreme cases. Sida and the MAEC differed greatly on their levels of autonomy, situated at opposite ends of the twenty aid agencies I examined. They also had differing aid policies in all categories.

Spain’s MAEC allocated less aid to least developed countries, those with low health indicators, and gave less as united aid than Sweden’s Sida. This reflects a greater interest in the needs of recipients for Sida when compared to the MAEC. Regarding agency agenda, the differences are subtler, with both agencies incorporating best practices into their goals. However, Spain’s MAEC has yet to fully implement many of these goals. This lack of implementation is also true for international commitments for the MAEC. In contrast, Sida is a leader in the international aid community, both following guidelines and encouraging other donors.

The aid outputs from Swiss Agency for Development and Sida are not distinguishable from each other, while the differences between the SDC and MAEC are similar to those discussed above. In examining the autonomy differences across these agencies, there is clearly a large difference between MAEC (1.1) and the two other agencies (2.4 and 2.9). This may explain the only small differences seen between SDC and Sida. It
may also be that specific aspects of autonomy play a more important role than others. For example, the MAEC is a cabinet-level ministry and therefore scores higher on its structural autonomy than both the SDC and Sida. Perhaps then location is a less important aspect of autonomy than having the national interest as a goal (which both SDC and Sida do not) or having a research staff (which both SDC and Sida do). The national interest and a research staff are both aspects of policy autonomy rather than structural autonomy, so it is perhaps more important to have freedom from the government to make policy decisions on which countries to work with than the composition of the bureaucracy itself.

It is also significant to note that through case study analysis, greater distinctions between agency’s levels of autonomy were discovered. These nuances go beyond what is reported in the operationalization of autonomy and demonstrates there are differences even in measures categorized as the same. The findings in Chapter 3 may then be missing these subtle variations across autonomy, while the results presented in this chapter are able to consider and evaluate these nuances.

Given that policy autonomy appears to play an important role in shaping agency’s aid outcomes, it is important to further this examination of autonomy in order to provide a more accurate measure. Currently, this measure of policy autonomy is a proxy as agencies do not post on their websites everything the government does or does not allow them to do. It is then necessary to conduct further collection of these data through surveys of bureaucrats, which is a future step of this research. This chapter and the data collected on aid agency autonomy will allow for a greater understanding of the relationship between governments and aid bureaucracies as well as the decision-making process for aid allocation. Furthermore,
it will allow for greater accuracy in evaluation of agencies’ practices in order to provide aid that is more effective in the future.
Chapter 5

USAID and DFID Most Similar Comparison

As the previous two chapters have demonstrated, there is a link between the autonomy of an organization and its aid policy. Aid agencies with a greater degree of autonomy have more freedom over their decisions and tend to favor policies that focus on recipient needs, whereas aid agencies with a less autonomy must follow the government’s preferences and tend to have policies focused on political and strategic interests of the donor country. This is due to the differing preferences between the government and the bureaucracy. When an agency has a high degree of autonomy, it has the freedom to allocate aid based on bureaucrats’ personal motivations that tend to be more altruistic than the government.

While I have demonstrated this through a comparison of aid agencies at one point in time, these agencies have not remained stagnant over time. Rather, most have changed substantially across their existence or have taken the place of other agencies with different organizational designs. As governments create agencies and their institutional structures, they can also reorganize them and grant them different levels of autonomy. This shift requires a large amount of work in order to make new laws, but it requires less work than dismantling an entire agency. The level of these agencies’ autonomy has then fluctuated over time, which I explore in the first part of this chapter.

This chapter furthers our knowledge of the effects of autonomy through multiple
most-similar case comparisons (Mill 1872). First, I compare the United States’ Agency for International Development (USAID) to itself over time. In this temporal examination, I present a fuller picture of the changes that take place regarding USAID’s level of autonomy and how that affected its aid policy. By comparing USAID today to previous institutional design of the agency, I am able to hold many variables constant and focus on what effect a change in the level of autonomy has. USAID provides an excellent case to study given the length of time it has been in existence as well as the amount of aid allocated by the United States.

Given the strong case USAID represents, I have taken this example further for the second half of this chapter. Again, I seek to hold variables constant in a most similar design; however, I compare USAID to the United Kingdom’s Department for International Development (DFID). USAID and DFID are both large aid donors in wealthy countries with a long history of allocating foreign aid. Given the similarity of these countries and status of these aid agencies, this most-similar comparison reveals the role of autonomy in influencing the aid policies of the two of the most important bilateral donors. Rather than simply comparing them within a single year, I look at both USAID and DFID from 2000 until 2012 to see how their aid policies shifted or stayed the same over time.

The focus of this chapter is comparisons of agencies within similar environments – USAID to itself and USAID to DFID. These comparisons allow me to focus on the role of autonomy and how it shapes aid policies, while holding other contextual variables near constant. I can then study whether a domestic aid bureaucracy with a high degree of autonomy will tend to focus on recipient needs and effective practices in its aid policies and
allocations.

**Aid Agency Reorganization**

When a bureaucracy is created, the government allocates power to it over a certain subject matter, here foreign aid. In this creation, the bureaucracy is given a certain amount of autonomy to make decisions regarding foreign aid. As discussed previously, the government balances the benefits it receives from delegation with the cost of potential shirking and puts a number of control mechanisms in place in order to oversee the bureaucracy. One important control mechanism the government has over a bureaucracy is the ability to dismantle the institution. This is often a difficult task for a government to do, as it can require agreement across parties, branches, citizens, etc., as well as a clear plan for what organization (new or current) will take over the implementation of foreign aid policy.

Due to the difficult nature in changing an existing organization, many bureaucracies are not dismantled, but instead reorganized in some way. This can mean changing the structure of the organization, transferring it into a different department, adding more political appointments in the agency, or changing the tasks the agency has jurisdiction over. This again requires a government to have support and a clear plan of how a bureaucracy should be changed and is still a difficult task. It can also be difficult to change the culture of an organization, which may persist even with formal rule changes. Most bureaucracies are rather stagnant with some changes over time, but day-to-day staying rather similar.

Foreign aid bureaucracies have experienced changes that are more dramatic over time than many other types of institutions. This may be due to a general lack of interest from citizens in most countries in foreign aid and the long-reported failures of foreign aid efforts.
Whatever the reason, these agencies have changed and continue to change drastically over time through reorganizations and creations of new agencies. These changes often follow a clear shift from more autonomy to less autonomy and vice versa, many times changing with a transition to a new party in power as discussed previously in Canada and Australia recently. Given these changes, it is clear that governments view these bureaucracy as having some power and influence since they then feel the need to rein them in at times.

Other changes may take place due to political pressure or a new practice emerging or influence from other governments or aid agencies. Since these changes often result in a change of level of autonomy, I exploit that in order to examine what effect these shifts have on aid policy over time. I focus on the main aid agency in the United States, the Agency for International Development. As the U.S. is the largest donor and has one of the longest histories of aid allocation, this case study provides insight into how donors construct their bureaucracies today and in the past. I then compare USAID to the United Kingdom’s Department for International Development, in order to view similarities and differences with an equally focused and important agency in another large donor.

Research Design

Agencies in Similar Environments

While looking at United States Agency for International Development over time sheds light on the importance of autonomy and its influence on aid policy, this can be furthered through comparisons between USAID and other agencies. I examine how USAID compares to a similar agency in the United Kingdom, Department for International Development. In this comparison, both agencies have a similar role with the country and are
the main institutions responsible for aid allocation within these countries. These countries are large and historically prominent aid donors, giving them a shared starting place for development policy.

Using a case study analysis allows me to parse out subtle differences in the levels of autonomy of agencies as well as minor changes in aid policies. A large-N comparison of countries misses much of these nuances. However, in this comparison, I am able to present a more complete picture of both autonomy and aid policy of these agencies. As in Chapter 4, this chapter reveals the benefits of case study analysis for capturing subtle yet important discoveries.

Case Selection

The United States Agency for International Development provides an excellent case study for exploring the role of autonomy due to its long history and the changes that have occurred in its organization. USAID was first formed in 1961, but its role has shifted within the government. At times, USAID had a great deal of autonomy as an independent agency, while its autonomy was diminished in other instances. By comparing these different eras of USAID, I am able focus on how aid policies shifted with these changes in the agency’s level of autonomy. I explore these changes through an examination of USAID’s history using my coding of autonomy as a starting point. I look through the agency’s history as reported on its website, by OECD evaluations, through acts and laws, and in previous scholarship. I then compare the different eras of autonomy to USAID’s aid policies – selectivity, agenda, and community involvement.

After examining USAID over time, I compare USAID, from 2000 to 2014, to the
United Kingdom’s Department for International Development during this same time. A most-similar case study analysis relies on choosing cases that have similar background variables, but are different on the variable of interest (Gerring 2007; Seawright and Gerring 2008). This comparison again provides an opportunity to hold many things constant, but also allows for greater generalizability as I am comparing across agencies. Using my coding of autonomy, I examine agency websites and laws regarding agency structure to determine the level of autonomy of DFID and compare that to USAID’s autonomy. I then examine DFID’s aid policies – selectivity, agenda, and community involvement – compared to USAID.

**U.S. Agency for International Development**

The United States has been one of the largest bilateral foreign aid donors, in terms of amount allocated, since the beginnings of foreign aid after World War II. In fact, the United States’ European Recovery Act, often known as the Marshall Plan, was instrumental in providing the institutional basis for foreign aid today (Lancaster 2008, 64–65). As the world’s largest and oldest donor country, the system in place for allocating foreign aid has changed greatly over time, with various organizations having control over some aspect of foreign aid.

The one organization that has been the key agency in charge of foreign aid has been the United States’ Agency for International Development. USAID was founded with the passing of the Foreign Assistance Act of 1961 (US Congress 1961). Before this, many different organizations and programs dealt with foreign assistance. The creation of USAID merged these programs together, creating for the first time a single institution in charge of foreign economic development. As an agency within the State Department, USAID is
subject to the decisions made by the Secretary of State and is subordinate in the planning of those decisions. However, the focus of USAID has always been on working with recipient countries and providing for their basic needs (USAID 2014). There have always been strong ties to the State Department, however, so the emphasis on foreign policy concerns of the U.S. was always present.

There have been many changes within the framework of USAID over the years, most involving moving the agency from within the State Department to a separate independent agency. This first was attempted in 1978 with a cabinet-level position created for the International Development Cooperation Agency, which would supervise USAID instead of the State Department. However, in practice, the State Department retained control over USAID decisions. President Clinton lessened some of the powers of USAID in 1997 by abolishing the IDCA, but did not go so far as to abolish USAID (USAID 2005). This left the State Department with control over more foreign aid programs as well as leaving fewer decisions up to USAID.

Under the Bush administration, the State Department continued to gain more control over foreign assistance through the creation of the Office of the Director of U.S. Foreign Assistance and the dismantling of the USAID’s Development Policy office (USAID 2005). USAID was further cut with the creation of the Millennium Challenge Corporation. Under President Obama, USAID has slowly gained more power over U.S. foreign assistance. Programs within the State Department have moved, or will move, back under the USAID and a development planning office was again established (USAID 2014). While USAID technically is an independent agency from the State Department, it has always been
subordinate to the Secretary of State and therefore, the current administration.

USAID provides a good case to explore the role of autonomy for a number of reasons. First, it is a main domestic aid agency in the largest bilateral donor country. Therefore, USAID provides the most amount of bilateral aid allocation, making it the fundamental agency to test out my theory. Second, USAID has undergone many changes over the past fifty years, providing natural comparisons between different levels of autonomy. Furthermore, despite these many changes, the agency itself has remained intact rather than dissolving into a new institution. The United States’ Agency for International Development then provides an excellent case study for comparison over time and to other domestic aid institutions.

The Foreign Assistance Act (FAA) of 1961 outlined the structure of USAID as well as the goals of American foreign aid policy (US Congress 1961). It was established as an independent federal agency, but it was specified that the Secretary of State would oversee the programs from USAID. As USAID was an independent agency when it was created, it had a level of autonomy. However, structural autonomy was still limited as it was not a cabinet level position and it remained under the authority of the Secretary of State and President. Given its independence, the agency had freedom to choose policy goals and how to allocate aid, making policy autonomy high. As outlined in FAA 1961, USAID’s policies focused on long-term planning based on specific needs of the recipient countries. FAA 1961 stressed the importance of increasing development across the globe, but also sought to promote the “foreign policy, security, and general welfare of the United States” through foreign aid. At this time, containment of Communism was a key concern of the United States and foreign
aid policy reflected this. USAID was required to report allocation agreements to Congress, provide an annual report summarizing the previous year’s allocations, and provide a plan for the next year’s aid programs (US Congress 1961).

In 1978, Senator Hubert Humphrey drafted legislation to create the International Development Cooperation Agency (IDCA) as an attempt to consolidate and unify development policy across U.S. departments (USAID 2014). President Carter signed an Executive Order creating the IDCA as a cabinet-level position in 1979. The purpose of the IDCA was to create a clear U.S. policy on development and oversee all foreign assistance. In practice, however, little changed in how development policy was implemented and the IDCA had no real power (Butterfield 2004, 198). Two years after the creation of IDCA, President Reagan appointed the USAID administrator to be the director of the IDCA, essentially getting rid of the IDCA.

The formal structure of USAID has remained fairly stable over time, though its link to and influence from the State Department has been ever increasing. This link has become more present since the end of the Cold War when foreign assistance programs were slowly transferred from USAID to the Department of State (Atwood, McPherson, and Natsios 2008). These changes, along with the growing number of institutions within the U.S. allocating aid, left USAID with less funding, staff, and influence. The Clinton Administration officially abolished IDCA and created USAID as a statutory federal agency with the USAID Administrator required to “report to and be under the direct authority and foreign policy guide of” the Sectary of State (S. B. Epstein 1998, 7). The Foreign Affairs Reform and Restructuring Act of 1998 formalized this relationship with the State Department and
coordination between the two institutions increased.

The diminishment of the agency’s autonomy culminated in 2006 when an executive order from President George W. Bush effectively merged USAID into the State Department by placing the administrator of USAID within State (Atwood, McPherson, and Natsios 2008). The Office of U.S. Foreign Assistance was created with its Director also serving the role of USAID Administrator more formally tied USAID to the State Department. This transition also took focus away from recipient nations to the interests of the U.S. government, particularly concerning national security. With this change, USAID and the Department of State began to publish a joint strategic plan. The Bureau for Policy and Program Coordination of USAID was also phased out, officially being removed in 2008 (USAID 2014). This left USAID without a research and policy branch, instead relying on policy from the State Department.

The U.S. Agency for International Development went from being the key U.S. foreign assistance institution to one of many and with little control over its policies after 2006, despite technically remaining an independent agency. There has been some shift back under the Obama Administration, striving to give USAID greater autonomy and returning more foreign assistance programs to its control. In 2010, President Obama published the first-ever Presidential Policy Directive on Global Development. This report outlined the principles and guidelines for all U.S. foreign assistance efforts with one of the key approaches being “to make USAID the world’s premier agency and re-establish it as the leader on development within the Administration, through modernising and strengthening the agency” (OECD 2013c, 17).
The USAID Forward reform agenda sought to bring this about through reforms in seven areas. In terms of autonomy, a new policy bureau was established (Bureau of Policy, Planning and Learning) as well as a bureau for budget management (Office of Budget and Resource Management), giving USAID increase power over its policy and budget (USAID 2013). While taking some steps to increase USAID’s separation from the State Department, the Office of U.S. Foreign Assistance remained (though the Director no longer had the dual role as USAID Administrator) and strategic plans are still published jointly between the two agencies. USAID did regain more control over greater aid areas though.

The level of autonomy of USAID is of an intermediate level over time with less and less freedom available to the agency, both structurally and politically. Today, USAID has gained more prominence within the Obama Administration and its Administrator no longer serves in the State Department. While technically remaining an independent aid agency, USAID is still connected more closely with the State Department than it had been in previous years. This leaves the autonomy of USAID, especially in structural autonomy, lower than during its creation. It is possible that it will continue to strengthen in its independence as some argue that it should be made into a cabinet-level position. However, given the large number of agencies that allocate aid in the United States, some others suggest a complete dismantling of USAID.
<table>
<thead>
<tr>
<th>US Era</th>
<th>Location</th>
<th>Political Appointments</th>
<th>National Interest</th>
<th>Research</th>
<th>Autonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961 to 1978</td>
<td>Independent agency, but subordinate to the State Department, not cabinet level</td>
<td>Yes, administrator of USAID is appointed by the President and confirmed by the Senate</td>
<td>A key priority for the organization</td>
<td>Program Coordination Staff 1963-1964; Office of Program Coordination (1964-1967); Office of Program and Policy Coordination (1967-1970)</td>
<td>2.8</td>
</tr>
<tr>
<td>1979 to 1997</td>
<td>Independent agency, but subordinate to the State Department, cabinet-level position for IDCA</td>
<td>Yes, administrator of USAID is appointed by the President and confirmed by the Senate</td>
<td>A key priority for the organization</td>
<td>Bureau for Policy and Program Coordination (1970)</td>
<td>2.8</td>
</tr>
<tr>
<td>1998 to 2005</td>
<td>Independent agency, but subordinate to the State Department, not cabinet level (IDCA abolished)</td>
<td>Yes, administrator of USAID is appointed by the President and confirmed by the Senate</td>
<td>A key priority for the organization, focus on business</td>
<td>Bureau for Policy and Program Coordination</td>
<td>2.8</td>
</tr>
<tr>
<td>2006 to 2009</td>
<td>Retains independent status, but head of USAID is also Director of U.S. foreign assistance in State Department</td>
<td>Yes, administrator of USAID is appointed by the President and confirmed by the Senate</td>
<td>Development becomes a major part of national security and foreign policy (2003 and then more officially in 2006)</td>
<td>Policy department moved out of USAID (vacant since 2007 and officially removed in 2008)</td>
<td>1.4</td>
</tr>
<tr>
<td>2010 to now</td>
<td>Independent status, retain Office of U.S. foreign assistance in State Department, but gives USAID greater control over budget and some separation</td>
<td>Yes, administrator of USAID is appointed by the President and confirmed by the Senate</td>
<td>Development as pillar of national security, but less emphasized in mission statement</td>
<td>Creation of new Bureau of Policy, Planning and Learning</td>
<td>2.8</td>
</tr>
</tbody>
</table>
After examining USAID’s autonomy since its inception in 1961, I will now focus on the aid policies of USAID with an emphasis on the years 2000 to 2014. As noted in Table 5.1 some of the bigger shifts as far as the agency’s relationship to the State Department occur during this time and reflect the biggest change in my measure of autonomy. There is also a shift on the emphasis of the national interest and the role of research from within the organization. Looking at this period, I examine the selectivity of foreign aid, the agenda set by USAID, and the agency’s involvement within the international aid community.

**Aid Selectivity**

Given USAID’s mandate, there has always been a strong tie to national security interests, especially during the Cold War, as is the case with many countries at this time. At its inception, USAID's policy focused on long-term planning (five years) with recipient involvement, along with encouraging democracy and opening up their economic markets. Given the opposition to the Vietnam War, foreign aid was seen as too focused on the military and not producing results. Congress blocked the budget for USAID for 1972 and 1973 and ended up working with USAID to shift the focus to basic human needs. There was then less emphasis on technical assistance and budget support and more emphasis on specific social sectors such as agriculture (USAID 2014). In the 1980s, USAID followed the international trend of promoting market-based principals based on the Washington Consensus principles. With the end of the Cold War, levels of aid allocation dropped and there was a push to focus on democracies.

The past decade provided a large shift in policy to reconstruction as well as linking global economic development to U.S. national security more formally (USAID 2014). There
was a large increase in foreign aid allocation from the United States to support the massive efforts within Afghanistan and Iraq. With the merger into the State Department in 2006, there was an uptick in aid to business and security sectors. After the shift back to a more separate USAID in 2010 and 2011, there was an increase of aid to agriculture, basic health, and disaster prevention.

Figure 5.1 USAID ODA as Percentage of Overall ODA Commitments

The graph above shows USAID’s aid allocation to least developed countries, countries with high child mortality rates, the amount of untied aid, and aid to countries with defensive alliance with the United States from 2000 to 2012. There does not appear to be a clear indication of changes occurring as a result of changes in autonomy (after 2006 and
The amount of untied aid increases greatly across this period due to a change in legislation that had required aid to be tied to domestic interest (Shah 2012). However, USAID implemented this change prior to this official change in the law in 2005, during a time when the agency was about to have less autonomy. Aid to LDCs gradually increased over most of this period. There is a slight uptick in aid to countries with a high child mortality rate in 2010, but this coincides with an increase in aid to defensive allies as well. Unfortunately, for aid selectivity, there do not appear to be discernable changes occurring with changes in autonomy. A possible reason for the overall consistency in Figure 5.1 is a lasting historical culture of the agency and how it allocates aid. Given the quick changes in the level of autonomy, from high to low and back to high within five years, it may not have had the time to have a clear effect.

*Development Agenda*

Turning to the agenda of USAID, it is clear that the national interest of the United States has been emphasized quite a bit throughout the organization. Beginning in 2003 under President George W. Bush, the national security of the U.S. becomes of greater focus for development. However, prior to this, there was still an emphasis on what good foreign aid for the U.S., in particular for businesses and increasing America’s strength as world leader (USAID 2014). In 2000, USAID’s mission states that development “creates demand for U.S. goods and services and expands cooperative relationships between the United States and assisted countries” (USAID 1997, 1). It is clear that USAID’s agenda has long involved justification based on the interests of domestic constituents.

Part of the reason for this continuous emphasis on the national interest of the U.S.
may be due to the lack of domestic knowledge and interest in foreign aid (World Public Opinion 2010). Due to this low level of interest by constituents, it then becomes necessary for the government to justify the reasons for foreign aid. This need to conform to constituency wishes demonstrates, again, the influence of the government in the aid bureaucracy. While this also reveals that the preferences of a country’s population plays a role in shaping aid policies, it does not diminish from the role autonomy. In a society that has a strong preference for development, the bureaucracy will have an aid policy that focuses on recipient-need regardless of the level of autonomy. However, in a country without a strong preference from the constituency and the government for development, autonomy plays a key role in shaping development policy. Furthermore, we know it tends to be the case that constituents do not see aid as a top priority and governments tend to prefer to use it as a tool for their own strategic reasons.

As mentioned, in 2003, President Bush put a strong emphasis on development as a means to ensure U.S. national security. This was finalized in 2006 with the restructuring of USAID and the creation of Bush’s 2006 National Security Strategy. In this plan, development was clearly stated to be an instrument of U.S. foreign policy and was made one of the three pillars of national security (US White House 2006). This lead to two different things – foreign aid was given a more prominent place within the administration while at the same time devaluing the development objectives for their own merit. This shift coincided with the greater integration of USAID in the State Department with the dual role of the USAID Administrator and linking the strategic plan with the State Department.

During this period, there were a great deal of presidential initiatives introduced
focusing on many different topics and issues (USAID 2014). There was not a great deal of specificity in USAID’s agenda and it seemed to have spread itself thinly in many areas. Two emphasized issues areas were HIV/AIDS and democratic governance. HIV/AIDS has been an important issue area for USAID since 1986, but President Bush pushed this to the forefront by making a new office for this issue as well as launching President’s Emergency Plan for AIDS Relief. Democratic governance became an important issue area due to the new focus on development for national security as well as seen as a symbol of U.S identity (USAID 2014).

In 2010, President Obama signed the Presidential Policy Directive on Global Development, which stressed the importance of development and called for a new approach (US White House 2010). Part of this reform was through the creation of USAID Forward, which set aside guidelines of how to strengthen the agency and create sustainable development (USAID 2013). The United States’ foreign policy and national interest continued to be used as justification for the need for development; however, development was also elevated in importance on its own.

USAID continued to have a large number of issue areas, but within the Presidential Policy Directive on Global Development, three initiatives were highlighted – food security, health, and climate change (US White House 2010). Democracy and governance also remained a top priority for USAID (USAID 2014). The use of Country Development Cooperation Strategies (CDCS) represented a change in the length of planning with recipients. The CDCS began with USAID Forward as a new planning tool for the creation of country-specific strategies for a multi-year approach to their development (USAID 2013).
An issue that has halted USAID’s ability to focus on long-term goals, especially in planning with recipients, is the United States’ continual use of earmarks in order to provide funds to specific projects, usually for the benefit of constituents (OECD 2013c). This has been and continues to be an issue for USAID and U.S. foreign aid in general. Part of the reason for this is linked to the necessity to justify foreign aid for the American public. While understandable when looking from a politician’s perspective, these earmarks are detrimental to long-term planning as well as limit the ability to provide recipient ownership. Tied aid, as discussed above, has further limited recipient local capacity, though tied aid will hopefully be further limited over time.

<table>
<thead>
<tr>
<th>US Era</th>
<th>National Interest</th>
<th>Effectiveness</th>
<th>Length of Goals</th>
<th>Consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Strong emphasis, development as one of the pillars of U.S. security</td>
<td>Many issue areas, many countries</td>
<td>Focus on short-term goals</td>
<td>Consistent focus on HIV/AIDS, becomes more prominent and more on democratic governance, but addition of more issues</td>
</tr>
<tr>
<td>2006</td>
<td>National Security Strategy, aid as instrument of foreign policy</td>
<td>Many issue areas, many countries</td>
<td>Focus on short-term goals</td>
<td>Continuing focus on HIV/AIDS and democratic governance, but addition of more issues</td>
</tr>
<tr>
<td>2010</td>
<td>Foreign policy still justification, but more focus on development</td>
<td>Many issue areas, many countries, trying to link all development policy (PPDGD)</td>
<td>CDCS creating multi-year plans, but still at the whim of annual budget</td>
<td>Continuing focus on HIV/AIDS and democratic governance, but addition of more issues</td>
</tr>
</tbody>
</table>

Some changes take place in USAID’s agenda linked to changes in its level of autonomy. In 2010, while aid is still justified due to national security, this plays less of a role.
in USAID’s agenda than it had in the past. There is also a shift to include some best practices through an overarching development policy as well as longer term planning with recipients. There is also some consistency across this period as USAID has taken on a leadership role internationally over the issues of HIV/AIDS and democratic governance. However, new administrations also bring about further sectors and goals on which to focus. This changing, expanding, and shifting of focus for USAID demonstrates its lack of autonomy over its agenda; and can lead to a lack of ability to create effective aid.

*International Community*

USAID has always been involved in the international aid community and had a leadership role there given its status as the largest bilateral donor country. This status may have left the United States and USAID more willing to go on their own rather than following the community’s guidelines or commitments. Beginning in 2003, USAID demonstrates a greater interest in donor coordination and working with international organizations (USAID 2005). However, this area of the website was then not updated for seven years and there is not a clear commitment of how USAID would follow through on their international commitments such as the Monterrey Consensus. Despite having pushed for many of these international commitments, including the Paris Declaration, these practices were not implemented within USAID (OECD 2013c).

Under the Obama administration, USAID shifted focus towards implementing and following through on its international commitments. It also represented resurgence in the United States’ role as a leader in the international aid community and in making USAID the world’s premier development agency (US White House 2010). These goals demonstrate the
importance of being part of the community as well as the influence that these community has on the shaping USAID at this time. A further sign of this influence was “The United States’ Strategy for Meeting the Millennium Development Goals” published in 2010. This outlined a concrete plan for how the U.S. and USAID would meet the MDGs.

Table 5.3 USAID’s Community Involvement 2003 to 2012

<table>
<thead>
<tr>
<th>US Era</th>
<th>Leadership</th>
<th>Effectiveness</th>
<th>Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003 - 2009</td>
<td>Leader given size of aid budget</td>
<td>Not following through on best practices</td>
<td>Stated on website, but not update and not implemented</td>
</tr>
<tr>
<td>2010 - present</td>
<td>Role of USAID as world’s premier agency</td>
<td>Creating overarching agenda, lengthening recipient planning, some progress</td>
<td>Concrete plan to meet the MDGs, some progress</td>
</tr>
</tbody>
</table>

The role of USAID in the international aid community has always been a large one, simply by the nature of being the largest donor agency in the largest donor country. However, the level of involvement has shifted with a more recent interest in participating actively in this community and following through on the commitments and suggestions by that community. This shift coincides with a shift in the level of autonomy of USAID, however, it could also just be attributed to a shift in government. It will be necessary to see if and how USAID changes its involvement in the international community with a future government transition.

**USAID and the Role of Autonomy**

Examining the United States’ Agency for International Development over time demonstrates some evidence of the role that autonomy plays in shaping the aid policy of this institution. This is truer for agenda and community involvement than in aid selectivity. However, these shifts also occur with changes in the government of the United States.
Given that the main relationship between autonomy and aid policy are in areas that are more talk than action may have more to do with changes in the government’s interests than in the role of autonomy. Furthermore, the fact that USAID has seen shifts in its placement within the government and over the areas it oversees suggests that its autonomy is rather lacking, despite receiving a high score within my coding scheme.

There were periods when the autonomy of USAID was high which corresponds with a high degree of focus on the needs of recipients and vice versa when the autonomy of USAID was low. This analysis further demonstrates the importance governments place on shifting the level of autonomy of an aid agency when they feel it is going against, or would go against, their interests. It is clear that the autonomy of an aid agency is viewed as an important factor influencing a country’s aid policy.

In the development policy of the United States, there is a clear norm for attempting to change the structure, autonomy, and policies of USAID. However, it is important to note that these attempts at restructuring have not always been successful, especially when trying to pass a new law through Congress. This failed with Senator Humphrey and with President Clinton’s attempt to rewrite the Foreign Assistance Act in 1994 (USAID 2005). Therefore, while there are clearly some shifts that have taken place due to government turnover, it is a difficult task to reorganize a bureaucracy and often these changes have been minor with regard to formal autonomy. Perhaps it is the case that USAID’s culture and de facto autonomy have remained rather stagnant over time, which may suggest a reason for the lack of a clear change in aid selectivity after 2006 and 2010. Further research can be done to assess this as well as consideration of what happens over the next few administrations.
USAID and DFID Comparison

While this case study sheds light on the importance of autonomy and its influence on aid policy, a comparison between USAID and other agencies can expand this understanding. I examine how USAID compares to a similar agency in the United Kingdom, Department for International Development. In this comparison, both agencies have a similar role with the country and are the “main” institutions responsible for aid allocation within these countries. By choosing cases with similar national contexts, but are different on the variable of interest I am able to conduct a most-similar case comparison (Gerring 2007; Seawright and Gerring 2008). This affords an opportunity to keep these contextual variables “constant,” while also allowing for generalizability across cases.

DFID Autonomy

The United Kingdom’s aid has gone through many changes and reconfigurations over the past fifty years since its inception (DFID 2014a). These changes have sometimes resulted in an agency with a high degree of autonomy and at other times, an agency with a low degree of autonomy. It is clear from the history of aid agencies within the United Kingdom that the designs of these institutions have differed greatly. The UK has given some form of aid, particularly to former colonies, for over a hundred years. However, it was not until the 1960s that development aid was delegated to a separate institution with the creation of the Ministry of Overseas Development (ODM) in 1964. The ODM brought together several different smaller departments from many ministries forming a single, independent agency with a Cabinet level minister. However, the ODM’s status changed over the years with changes in UK party leadership. In 1970, it was renamed the Overseas Development
Administration and formally made a part of the Foreign and Commonwealth Office (FCO) without its own Cabinet minister (Barder 2005). The ODA again became a separate ministry with a Cabinet-level minister in 1974, but was again made part of the FCO from 1979 to 1997. In 1997, the ODA was renamed the Department of International Development (DFID) and reverted to an independent agency as the Labour party came to power. DFID was also given greater responsibilities over international economic issues beyond aid allocation.

Today, DFID has the greatest level of autonomy of all past agencies with the agencies under the FCO having the least amount of autonomy. DFID is a very independent aid agency with a large amount of structural autonomy. It is its own institution, rather than housed within the Foreign and Commonwealth Office, as past UK agencies had been. The first head of DFID, Clare Short, actually insisted on having a cabinet position in order to have this influence (Barder 2005). DFID’s political appointments are a control mechanism of the government, thereby reducing DFID’s structural autonomy. However, only the head of the agency, the Secretary of State for International Development, and four others on the Department Board are politically appointed, with the rest of the agency being career bureaucrats – including the Permanent Secretary (DFID 2014b). DFID then has a large amount of structural autonomy, though still does have some influence from the government through the Secretary of State and the Department Board, though the Permanent Sectary and three Director Generals from the bureaucracy are also part of the Board.

The policy autonomy of an agency is the most difficult aspect of autonomy to measure, as discussions of aid policy between the government and the bureaucracy are likely
to happen behind closed doors. Some evidence revealing the level of policy autonomy was that Clare Short increased the scope of DFID from only aid to overall development, therefore increasing the scope of the agency (Barder 2005). What are available to measure are legislative bills and directives from the government. The International Development Act 2002 replaced Overseas Development and Co-operation Act 1980, locking in the policies of DFID as law (UK Parliament 2002). This act gave the Secretary of State a great deal of power over aid allocations by granting permission outright for the Secretary to allocate where and how as deemed in line with the aid policies objectives. While this does grant the bureaucracy a large degree of freedom within the state, the Secretary of State is still appointed by, and therefore within, the government so this does not necessarily reflect bureaucratic autonomy.

Further adding to DFID’s policy autonomy is the lack of mention of the national interest in its agenda or mission. This demonstrates that the government’s strategic priorities are not an influencing factor on the agency. DFID also has a research and policy department (Policy & Global Programmes), which has a high place within the organization (DFID 2014a). Conducting its own research and planning its own policy shows DFID’s autonomy. The Director General of Policy & Global Programmes place within the Executive Management Committee further demonstrates the policy autonomy allocated to DFID.

<table>
<thead>
<tr>
<th>Location</th>
<th>Political Appointments</th>
<th>National Interest</th>
<th>Research</th>
<th>Total Autonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFID Independent Cabinet Level agency</td>
<td>Secretary of State for International Development appointed</td>
<td>Not a priority</td>
<td>Policy &amp; Global Programmes</td>
<td>3.1</td>
</tr>
</tbody>
</table>
It is clear that structurally, DFID’s autonomy is higher than that of its predecessors. There is also evidence that DFID has greater policy autonomy. This level of autonomy ranks DFID as one of the highest of my autonomy index. However, the preferences of the government clearly shifted and coincided with some of these changes in autonomy. Depending on which party was in control of the government, the aid agency was given more or less power. However, that the Labour party did want to use aid for political reasons, but was unable to do so, reflects the autonomy and influence of DFID. Given the high level of autonomy today, I would expect DFID’s aid policies to focus need-based aid, a more consistent and long-term policy agenda, and more involvement and responsiveness to the international aid community.

*DFID and USAID Autonomy*

For structural autonomy, USAID and DFID are similar in some respects, but different in others. Both agencies are independent from the foreign affairs ministries in their countries—State Department for the U.S. and Foreign and Commonwealth Office for the U.K. Despite having formal independence from these institutions, they also both must answer to the government in some way with DFID having ministers and secretaries appointed to it and USAID responsible to the Secretary of State. DFID differs from USAID in that it is a cabinet-level position with a cabinet-level minister within the government. This gives DFID more influence over policy within the United Kingdom than USAID has within the United States. Having a cabinet-level secretary provides more autonomy for DFID as the secretary can push for policy, produced within DFID’s bureaucracy.

Where USAID and DFID differ most is in their policy autonomy. Part of this is due
to DFID’s recent creation and that it follows best practices. This means that national security interest is not set as a priority in DFID’s mandate as it is in USAID. There is also a lack of policy autonomy at USAID due to the restructuring of the agency within the State Department, the takeover of more of its assistance programs, and the many other institutions within the U.S. allocating aid. These factors lead to less freedom for the agency to make its own policy decision of where and how to allocate aid. Further inhibiting USAID’s policy autonomy are the many number-specific policy initiatives requiring allocations be spent in certain sectors and countries. DFID, on the other hand, has the freedom to allocate aid as long as it is for the purpose of poverty reduction (DFID 2014c). Though both agencies have research departments, DFID’s takes a more prominent role.

Table 5.5 DFID and USAID Autonomy in 2012

<table>
<thead>
<tr>
<th></th>
<th>Location</th>
<th>Political Appointments</th>
<th>National Interest</th>
<th>Research</th>
<th>Total Autonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>USAID</td>
<td>Independent status, but within State Department</td>
<td>Administrator of USAID is appointed</td>
<td>Not as emphasized as prior, but still central goal</td>
<td>Bureau of Policy, Planning and Learning</td>
<td>2.8</td>
</tr>
<tr>
<td>DFID</td>
<td>Independent Cabinet Level agency</td>
<td>Secretary of State for International Development appointed</td>
<td>Not a priority</td>
<td>Policy &amp; Global Programmes</td>
<td>3.1</td>
</tr>
</tbody>
</table>

The overall level of autonomy between DFID and USAID is a minor shift according to my coding scheme – 0.3 more for USAID. The formal autonomy across these institutions then seems rather similar. However, these case studies provide a more nuanced understanding of these indicators. The discussion of each agency’s autonomy reveals a greater deal of autonomy available to DFID, both structurally and politically. This is due to
USAID having an independent status but in practice being greatly linked to the State Department, as well as DFID’s research and policy division having a greater prominence within the agency. In turning to a comparison of aid policies, it will be interesting to note whether the differences across these institutions will seem more in line with their operationalized level of autonomy or the more nuanced view presented.

**DFID’s Aid Policy**

The UK’s aid agenda, level of transparency, and response to the aid community all changed together with DFID’s creation. These three aspects of aid policy are then explored together focusing on DFID’s 1997 White Paper, which laid out the new policy goals and focus of the agency. With the creation of DFID, aid policy shifted to a focus on evidence, outcomes rather than inputs, and increased transparency (Barder 2005, 26). This lead to a building up of capacity in order to collect and analyze information on developing countries with consultation of experts outside the government for the best recommendations. Along with this, DFID shifted its measurement of performance output-based measures—aid flows—to meeting the Millennium Development Goals. There was still a struggle, as with all bureaucracies, of how to measure this given their specific contribution, so measures of total aid or number of projects are still used along with evaluation of the recipient’s development and growth.

The Department for International Development’s first White Paper spelled out the changes to DFID’s policy as described. The focus of the DFID’s aid policy was poverty reduction with a long-term focus on the International Development Targets (later to become the Millennium Development Goals). However, rather than focusing on spending targets,
they still emphasized reaching an ODA level of 0.7% of GNI, broader and more development-focused policies including economic growth, good governance, environment, etc. (DFID 1997). There was also a strong shift away from tied—officially abolished by the International Development Act of 2002—and commercial aid toward social aid spending. The White Paper also presented the single purpose of aid spending – sustainable development and welfare – that would become law with the International Development Act of 2002. This poverty focus clearly addresses the needs of recipients and discouraged any type of strategic aid giving, especially tied aid. The new DFID policy also encouraged partnerships with other UK agencies, other donors, the private sector, NGOs, and particularly with recipient countries reflecting many practices encouraged by the aid community (DFID 1997, 22). The relationship with recipient countries would allow for longer planning and encouragement of better practices within the recipient. Finally, the White Paper emphasized the decentralization of DFID management, giving field offices greater authority in order to promote the recipient-donor relationship.
The 1997 White Paper developed a new agenda for UK aid policy, which had previously focused on inputs as measures, commercial and national interest, and separation of aid and development within state agendas (DFID 1997). These previously held policies reflect a focus on political and strategic motivations for aid. With the creation of DFID, these policies changed by shifting focus to recipient needs and effectiveness. These resulted in an agenda focused on long-term poverty reduction and policy consistency over time, as well throughout the state. It also led to greater transparency of allocations and policies in general. This transparency was a result of DFID’s evidence-driven approach as well as its drive to increase awareness of aid throughout the UK. Another result of this new policy agenda was a greater focus on partnerships and cooperation throughout the aid community.
Not only did DFID participate in the creation of international aid agreements, including the MDGs, it incorporated these goals into its measures of success. There was then a clear shift over time in the UK’s aid policy with DFID today reflecting a much greater focus on recipient need.

Easterly’s work on aid practices consistently ranked DFID as the one of the best aid agencies and the best bilateral donor in terms of best practices (Easterly and Pfutze 2008; Easterly 2006). DFID excels on its amount of transparency representing DFID’s emphasis on the international aid community and responding to its standards. DFID’s overhead costs are also low – granting $4.4 million dollars in aid per each employee (Easterly and Williamson 2011, 1945). These scholars further note that DFID tends to not used ineffective channels, especially tied aid and food aid. Some scholars are more hesitant to state that DFID is completely the right track. Fitzsimons, Rogger, and Stoye argue DFID is still emphasizing disbursement flows rather than outcome targets (2012). Further, they point to evidence from the Public Account Committee that DFID did not have accurate accounting for bilateral flows. Thus, while DFID appears to exemplify many best practices, there is still room for improvement. However, the strides DFID has taken would not have been possible without its high level of autonomy form the government.
Table 5.6 DFID’s Agenda Setting and Community Involvement in 2012

<table>
<thead>
<tr>
<th>DFID Agenda</th>
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</thead>
<tbody>
<tr>
<td>National Interest</td>
<td>Effectiveness</td>
<td>Length of Goals</td>
<td>Consistency</td>
</tr>
<tr>
<td>Not focus, poverty and recipient need are focus</td>
<td>Working with countries, though ambitious goals</td>
<td>Long-term focus, development focus</td>
<td>Consistent across change in government</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DFID Community Involvement</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Effectiveness</td>
<td>Commitments</td>
</tr>
<tr>
<td>Leader given size of aid budget</td>
<td>Following through on best practices, particularly transparency</td>
<td>Part of its agenda</td>
</tr>
</tbody>
</table>

This evidence suggests that DFID’s aid policies, along with its high level of autonomy, lend support for my theory. DFID now focuses on the needs of recipient countries with a focus on giving to LDCs and is more selective in aid giving, especially with its elimination of tied aid, which demonstrates support for Hypothesis 1a. DFID’s agenda focuses on long-term goals and seeks to develop plans with recipient countries in order to create a partnership between the countries, demonstrating support for Hypothesis 1b. DFID is very involved in the international aid community and has strived to adopt best practices, including transparency, demonstrating support for hypothesis 1c.

**DFID and USAID Aid Policies**

The aid policies of USAID and DFID differ with regard to their selection of recipients, length of agendas, and implementation of international agreements. While DFID emphasizes working with recipient countries to determine the best aid projects, USAID does not provide a great deal of recipient country ownership of aid. There has been an increase of funds to recipient country organizations in order to increase recipient implementation of aid projects; however, evaluation of this progress and what it means is unclear (US Government Accountability Office 2014). DFID and USAID also differ on the selection of how to give
aid with DFID completely outlawing tied aid and USAID still allocating about 25% of aid as tied aid.

Figure 5.3 Comparing DFID and USAID ODA as Percentage of Overall ODA Commitments

Year – 2000

Year – 2006

Year – 2012

The figure above presents the official development assistance of DFID and USAID at 2000, 2006, and 2012. By looking at these cut points, I can examine aid allocations against each agency as well as compare to the agency over time. DFID always has a greater level of united aid than USAID, but that is not the case for the other categories examined. Similarly, USAID always has a higher amount of aid to allies. However, this is likely due to the United Kingdom only having one strategic defense alliance with Turkey during this period.
Interestingly, both countries allocated less of their aid to countries with high child mortality rates across this period. USAID also increased its aid to least developed countries, while DFID’s aid jumps up and down over this period.

Focusing on autonomy, DFID has more focus on recipient needs using these categories across the period. USAID, which had increase in autonomy from 2006 to 2012, demonstrates more of a focus on recipient need between these two periods. Something else to note is that the United Kingdom had a change from a Labour to a Conservative government in 2010. While one could argue that this may have affected aid to countries with poor health, it also coincides with a shift of more aid to countries with low economic indicators. It then appears that DFID’s autonomy is holding, despite a change in government.

The agenda of DFID focuses on long-term goals and emphasizes creating multiyear plans with recipients. While USAID has emphasized long-term sustainable development in its rhetoric, however, USAID still focuses on short-term observable outputs as measures of success (Natsios 2010). While DFID’s agenda stayed remarkably similar through government transition in 2010, the agenda of USAID has fluctuated with the change in government. Most recently, with the Obama Administration, there was shift in policy focus with the new USAID Forward campaign in 2010.

While both DFID and USAID are important actors in the international aid community, DFID has done much more to follow through on international agreements. The United Kingdom allocated 0.7% of GNI as aid in 2014, while the United States allocated 0.2% of GNI as aid. The UK has strived to meet the agreed upon goal of 0.7% GNI and
was able to do so, due in large part to the level of autonomy given to DFID and its push for increased foreign aid. DFID has also pushed for the implementation of “best practices” agreed upon by many aid practitioners and scholars.

The UK’s Department for International Development’s maintains a foreign aid policy focused on recipient needs while the US’s Agency for International Development still focuses more on strategic interests of the US. This difference in aid policy is across recipient selectivity, agenda consistency, and involvement in the aid community. Given the higher level of autonomy of DFID compared to USAID, especially structural and policy, this comparison lends support to my theory that greater autonomy lead to a greater focus on recipient need over national strategic interests.

**Conclusion**

These case studies reveal the influence of autonomy holding a number of other factors close to constant, given the similarities across these cases. The fluctuation of the United States’ Agency for International Development's level of autonomy correlated to changes in its aid policy with a greater focus on the needs of recipient countries. Today, USAID has again shifted toward having greater autonomy, though it is still lower than the United Kingdom’s Department for International Development. DFID is a more recent organization created with, and maintaining today, a high level of autonomy. This autonomy has led to a focus on the long-term improvement of recipient development with notable accomplishments of tied aid becoming illegal and the UK reaching the goal of allocating 0.7% of GNI as aid. Compared to DFID, USAID lacks a consistent agenda and implementation of signed international agreements.
The United States is known to be a highly strategic and political donor. USAID has followed this, for the most part, in allocating aid in political ways—tied aid and aid to allies—rather than based on recipient needs—aid to least developed countries and countries with high mortality rates. However, this has improved after 2004, beginning with the Bush Administration. There is then not a clear link to autonomy regarding allocation overtime, though USAID’s allocation compared to DFID is slightly less focused on recipient aid today, with DFID not allocating tied aid and focusing on LDCs.

USAID’s aid policy has shifted over the years along with its level of autonomy. Though there has been a large focus on the national interest since its inception, this was a greater stress in the Bush administration when the State Department was given more control over USAID. DFID, on the other hand, is and has always focused on recipient needs and long-term goals in its agenda. Both agencies have been involved in the international development community. However, DFID has been more involved in following through on its commitments and leading the way for others.

Given this chapter’s results that autonomy plays a role in shaping aid policy overtime and across similar donor country, future work should consider institutional designs. Greater examinations of agencies over time is necessary, especially agencies that had a large shift in their levels of autonomy. Two particularly good cases to explore this research design would be in Australia and Canada where the agencies were completely reorganized. As the change in AusAid and CIDA happened just two years ago, there is still some distance needed to appreciate the full extent that this shift played. Another avenue for future work is to explore differences across aid agencies within a single donor country. This chapter used a similar
case study design, but this could be further implemented by holding the donor country constant.
Chapter 6

Bureaucratic Red Tape Unraveled?

Total official development assistance (ODA) in 2014 was 135 billion US dollars, with over half given bilaterally. With the vast amount of money being transferred each year, there is an understandable demand within the international community to ensure that these funds are being used effectively. There have been many recent international conferences and agreements between both donor and recipient countries on how to improve aid practices – Millennium Development Goals 2000, Monterrey Consensus 2002, Paris Declaration 2005, to name a few. International relations scholars have researched the domestic determinants of foreign aid in order to understand donor’s aid decisions. The drive to make aid more effective and determine how aid is allocated is vital; however, both policymakers and scholars have missed an important part of foreign aid. The role of decision-makers must be taken into account before policy changes are made and in order to attain a complete view of the aid allocation process. This work seeks to fill this gap and answer – how do states determine aid allocation?

These international agreements and studies have assumed that aid allocation is a centralized decision-making process within a country. While the executive and/or legislature within a country make some foreign aid decisions, in actuality, the decision-makers are the bureaucrats within domestic aid institutions. These bureaucrats make budget requests, determine which countries should receive what amounts of aid, decide on projects and sectors, select the channel or organization to give the aid through, and many other important
aid allocation decisions. An average foreign aid bureaucrat deals with projects worth over $1 million and makes important decisions on their implementation within a recipient country. In order to understand the process of allocating foreign aid, it is essential to identify what determines how these bureaucrats make these critical decisions. This is a crucial first step before policy recommendations can be made and before a complete understanding of donor’s reasons for giving aid is developed.

I argue that foreign aid allocation must be understood as the interplay between the government and the domestic aid bureaucracy. Both of these actors play an essential role in aid allocation outcomes. The government (principal) delegates authority over aid allocation to the country’s aid agency (agent). As previous work has demonstrated, the government receives some costs (agency may not align with preferences) and benefits (specialization, expertise, etc.) from delegating to the institution. The government will, therefore, grant a degree of autonomy to the institution. This degree of autonomy affects how bureaucrats within this institution make decisions about aid allocation, as it determines the options available to the bureaucracy.

The reason autonomy matters is due to the differing preferences of the government and bureaucracy. While the government tends to have strategic and political motivations for allocating foreign aid, bureaucracies focus on foreign aid tend to be motivated by recipient needs. This is not a blanket statement that is true of all government officials or bureaucrats, but rather reflects the general predispositions of those in each position. Those in the government are most concerned with elections incentivizing them to focus on areas that are popular with their electorate. Most often, these are domestic issues and then general
international power concerns. The government is then motivated to allocate foreign aid that will benefit domestic constituents and increase international security. Bureaucrats, on the other hand, are experts in development who have chosen this career path above others where they could have earned more. They tend to be driven to actually make a difference in the lives of those in recipient countries. Aid bureaucrats do face the outside pressure of needing to maintain, and possibly advance, their career.

Given these opposing preferences, it is the institution’s level of autonomy that determines an aid agency’s aid policies. Agencies with a high level of autonomy, I argue, will focus more on recipient needs since bureaucracies have the freedom and discretion to implement aid as they see fit. However, with a low level of autonomy, bureaucracies are under the control of the government and therefore, as they want to keep their jobs, these agencies will have an aid policy that focuses on the political interests of the government.

This dissertation examined the role that autonomy plays in shaping aid policies of bilateral donor aid agencies. I look at three aspects of aid policy—selectivity, policy coherence, and involvement in the aid community. Selectivity refers to the aid allocations, or the outputs, of agencies. This is the most discussed and examined aspect of aid policy as it demonstrates the actual funds dispersed by donors. Aid policy, however, goes beyond this and I further examine agencies’ agendas and their involvement within the international aid community. Agendas of aid agencies can differ greatly in the aspects that they stress and highlight as important for the purpose of the agency. Involvement with the aid community also differs across agencies, with some very involved and demonstrating leadership, while others prefer to tackle aid on their own.
In each of these aspects, I argue that an agency with a higher degree of autonomy will focus more on recipients’ needs rather than the political and strategic interests of donor governments. For selectivity, this means a greater amount of aid allocated to least developed countries, countries with low health indicators, and untied aid. An agenda that is focused more on long-term goals and country ownership would be greater focused on recipient needs. Agencies that implement international commitments and are leads in agreed-upon practices would demonstrate a focus on recipient needs.

Summary of Results

The empirical chapters revealed mixed results regarding my theoretical expectations. The cross-country comparison in Chapter 3 revealed the direct opposite of my theory. Agencies with a lower level of autonomy tended to focus more on recipient needs—allocating to least developed countries, countries with high child mortality rates, and untied aid, while agencies with a high level of autonomy allocated a comparatively greater amount based on donor strategic interests—former colonies, trading partners, and allies. These results go against my predictions and require further examination in order to understand whether the error is due to my theory or issues with the measure or methods. Given the results that follow my theory in Chapters 4 and 5, I believe that my measure of autonomy needs further development and the differences across donors deserve further exploration. However, this result does demonstrate that autonomy does have a role in shaping aid allocations, albeit in the opposite direction.

The diverse case study presented in Chapter 4 examined three agencies with different levels of autonomy to represent “ideal” types that are generalizable to the entire population.
Overall, these comparisons supported my theory that greater autonomy leads to aid policies focused more on recipient need rather than strategic interests. This was especially true when look at Spain’s Ministry of Foreign Affairs and Cooperation in contrast to Sweden’s International Development Cooperation Agency, the two extreme cases. Sida and the MAEC differed greatly on their levels of autonomy being at opposite ends of the twenty aid agencies I examined. They also had differing aid policies in all categories.

Further in-depth comparison in Chapter 5, both temporally and across two similar agencies revealed more support to my theory. By using a most similar research case design, country-level factors were held constant, or near to constant, to allow for the role of autonomy to become more apparent. The fluctuation of United States’ Agency for International Development level of autonomy correlated to changes in its aid policy with a greater focus on the needs of recipient countries. Today, USAID has again shifted towards having greater autonomy, though it is still lower than the United Kingdom’s Department for International Development. DFID is a more recent organization created with, and maintaining today, a high level of autonomy. This autonomy has led to a focus on the long-term improvement of recipient development with notable accomplishments of tied aid becoming illegal and the UK reaching the goal of allocating 0.7% of GNI as aid. Compared to DFID, USAID lacks a consistent agenda and implementation of signed international agreements.

These results then demonstrate the importance of autonomy and institutional design in shaping aid policies. Rather than looking at each donor as a unitary actor or thinking that all aid agencies are the same, my dissertation reveals the necessity of examining actors involved in the decision-making process and the role of autonomy. It advances a theory for
future research on foreign aid decision-making and domestic bureaucracies, which would lead to a more comprehensive and accurate view of international relations.

**Theoretical Implications**

By focusing on the bureaucracy and its role in determining international outcomes, this dissertation brings back a line of research given very little attention since the 1970s. While many other domestic actors and characteristics are now included within the international relations field, the bureaucracy is often ignored, despite being shown to be an important decision-maker in other fields. In order to understand how and why countries make the policies they do, it is necessary to examine the actors within that are responsible for making these policies. The bureaucracy plays an important role in the foreign aid sector and beyond, in shaping and implementing the international policies of a state. By answering Fukuyama’s call to study the bureaucracy as well as its autonomy, future work can address other aspects of the bureaucracy (2013). This dissertation represents the beginning of the field of international relations acknowledging and examining that role.

It is further necessary to understand the decision-making process and the factors that affect it within a state. While the focus has been on foreign aid, the interplay between actors within countries and what influences the decision-making process further opens up the “black box” of states. This dissertation sheds an important light on this process, in particular the importance of institutional designs. By demonstrating the importance of autonomy, the path is now open to explore the power dynamics between actors within the state and how preexisting institutions shape them.
Policy Implications

This dissertation develops a more realistic outline of how foreign aid allocation decisions are made by donor countries. By accounting for the role of the bureaucracy as a decision-maker, the motivation and determinants of bilateral aid can be fully understood. Previous scholarship emphasized that bilateral aid is often motivated by political and strategic interests. The role of institutional autonomy reveals that these motivations may be suppressed if agencies are given greater autonomy of allocation decisions. As opposed to other principal-agent problems that seek to enhance a principal’s control, foreign aid may actually more effective by reducing principal control. This is due to the broken feedback loop that exists between donors and recipients.

Given the large amount of effort devoted by donors, the international community, and scholars on the topic of aid effectiveness, there does appear to be an impetus encouraging “successful” aid practices. It is not a stretch to then assume that a goal of aid is for it to be useful and beneficial for the development of these countries. This goes beyond altruistic motivations, as having greater development leads to a cooperative state system with fewer crises and greater trading partners. The design of these agencies may then lead to an operational route to achieve this.

Greater autonomy for bilateral aid agencies reveals a possible solution to the many international agreements on aid effectiveness – Paris, Accra, MDGs. Donors continually emphasize the need to make aid more effective, but are actually a key reason aid is not. There are, without a doubt, many problems with the current aid system. However, without an understanding of how the actual process works, no policy solutions can be found.
Through this work, an attempt is made to understand that process as a first step towards making aid more effective in the future.

**Future Work**

There are many paths for future work that build from the theory and results presented in this dissertation. Many possibilities of extensions and revisions were presented within this work. Clearly, there is more to examine regarding donor aid agency autonomy. Further donor countries should be added to the dataset, especially looking at newer foreign aid donors to see if they behave in a similar way as more established donors. Another avenue would be to add more donor agencies from within countries already examined. Both of these paths would add to our understanding of the dynamics between government and bureaucracies and the role autonomy plays in shaping aid policies.

While this dissertation has revealed much that was previously unknown about the aid allocation process, there is still more to be uncovered. As noted previously, there are many stakeholders and actors involved in foreign aid, each shaping aid allocation in some way. I do contend that the relationship between a donor government and aid bureaucracy is most important; however, understanding the role of other actors will provide the most realistic view possible of the aid process. Who influences aid allocation? Perhaps it is not just domestic pressure that aid bureaucracies face, but also international pressure from international organizations, international banks, multinational corporations, and international development banks. This influence may manifest itself through the government, but these actors may provide an influence on their own. This is why an examination of the *international* institutional autonomy of these aid agencies may reveal further insights into other incentives
bureaucrats face.

Looking beyond donors, it would be interesting to examine the role that recipients play in the aid allocation process. While donors have most of the power in this relationship, recipients do have an influence over the aid packages they receive and have the power to refuse aid as well. Applying my theory of aid agency autonomy, I would expect agencies with a high level of autonomy to give recipient countries more influence over the aid they receive. Recipient country ownership has been a large discussion in the “best practices” literature as it places the needs and wants of recipients at the forefront of aid policy. Therefore, it is high autonomy agencies, I would argue, that would place a higher importance the requests of recipient countries.

Another extension of this research would be to examine other aid institutions including international and private aid organizations. While bilateral donors have been shown to be highly political, it is likely that IOs and non-governmental organizations would have less political influence as well as more autonomy. There is a question of whether this would be true in the case of IOs, as the evidence is mixed of their recipient-need focus and it is complicated by having multiple countries as members. Regarding private NGOs, such as the Bill and Melinda Gates Foundation, there is no political principal overseeing their policies. I would therefore expect these agencies to be highly autonomous and have a large focus on recipient needs. It would be interesting to examine and compare autonomy levels and aid policies across these donors.

The autonomy of bureaucracies beyond the foreign aid sector is a final area of research to which this dissertation speaks. While there are things that are unique to foreign
aid, my theory of bureaucratic autonomy holds across sectors. Further examination of other
domestic bureaucracies should shed light on their importance in our dialogues for international policy outcomes.

This dissertation represents the start of a fruitful line of research that examines the structure of agencies. By understanding the actors involved in making important policy decisions and the differing preferences and motivations of each, one can then understand how and why these decisions are made. This is a necessary first step before we can shape policy. For foreign aid, this can then lead to important policy choices influencing whether aid is “effective” from a recipient standpoint.
Appendix A Agency Structure Codebook

This codebook describes the data collected for Unraveling Red Tape, a dissertation prepared for the University of Illinois, Urbana-Champaign. The dataset described in this codebook has two components: the codebook describing the variables and their coding and a Microsoft Excel spreadsheet containing the data.

Data Collection

During the first half of 2012, data was collected from the top twenty bilateral aid donors of Organisation for Economic Co-operation and Development (OECD). These countries, in alphabetical order, are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, and United States. For the purposes of this dataset, the aid agencies selected from these countries were the ones with the most project counts in the AidData dataset. These agencies were selected as they were deemed the largest aid giving agencies within that country, at least in terms of the amount of aid projects given. Therefore, it is expected that these agencies were the most focused on development aid. Exceptions to this selection choice are Austria, France, Norway, and Spain. In these countries, the largest aid donor was bypassed in place of examining the second largest agency due to it having a clear development focus, except in the case of Spain.

The data collection focuses on three aspects of autonomy – policy, structural, and interventional. Agency websites and documents available from them are the primary source of data for each agency. Some variables require information from the agency’s statute or referenced information from in OECD documents. The sources of all information for data are listed in this document.

Variables

Basic Agency Characteristics

AgencyID: This variable is a numerical indicator that is specific to each agency.

Country: Name of country that agency is located in.

21 (Tierney et al. 2011) Please see Appendix A from PLaid 1.9.1 Codebook and User's Guide for the list of included donors and donor agencies.

22 Austria's agencies with the largest amount of aid projects were the Federal Ministry of Foreign Affairs (BMA) and Various Ministries (MIN). Various ministries refer to a variety of ministries, which could not be accounted for nor would one qualify for the selection criteria alone.

23 The largest donor in Spain was Autonomous Governments, which would not be attributable to a single agency and was bypassed in order to look at the Ministry of Foreign Affairs (not an agency with a specific aid focus).
Agency: Name of agency.

Ccode: A three letter code for each country.

AgencyCode: A letter code abbreviation of each agency name.

Website: The home page of the agency, from where most information was gathered.

Date of Creation: Year the agency, under its current name, was first created. There may be instances when the agency was reorganized after this, but its name was maintained.

Reorganization Date: Years when the agency, under its current name, was reorganized, merged with another agency, or reformed in some way. These reforms and reorganizations usually coincide with a major change in the statute of the agency, but do not always result in the agency changing its name.

Purpose: The general purpose of the agency. All agencies in this current dataset either have a development focus, coded with a (1), or focus broadly on foreign policy, coded with a (2). However, in future iterations of this dataset, other agency purposes are possible. Agencies with a focus on Commerce are coded with (3). Agencies with a focus on Agriculture are coded with (4). Agencies with a focus on Energy are coded with (5). Agencies with a focus on Law and Order are coded with (6). Agencies with a focus on National Defense are coded with (7). Agencies with a focus on not listed are coded with (9).

Statement: Website where the mission statement, or clear listing of agency goals, can be found.

Statute: Website where the statute of creation for the agency can be found.

Aid Focus: What type of aid the agency allocates. This variable can have multiple answers as many agencies focus on multiple types of aid. (1) if the agency allocates bilateral aid. (2) if the agency allocates multilateral aid. (3) if the agency allocates humanitarian aid. (9) if the agency allocates another type of aid.

Background: The background of those politically appointed or on the supervisory board.

Policy Autonomy
Goals: This variable is coded with a (1) if the agency describes how it determined its goals for development and with a (0) otherwise. This description should be more than listing the goals of the agency. Rather, it should include the process through which these goals were determined providing some indication of the agency’s role in this process.

Countries: This variable is coded with a (1) if the agency describes how it determined the countries it allocates development aid and with a (0) otherwise. This description should be more than listing of the countries the agency partners. Rather, it should include the process through which these countries were chosen providing some indication of the agency’s role in this process.

Organizations: This variable is coded with a (1) if the agency describes how it determined the organizations it partners with for the implementation and with a (0) otherwise. This description should be more than listing of the organizations the agency partners. Rather, it should include the process through which these organizations were chosen providing some indication of the agency’s role in this process.

National Interest: This variable is coded with a (0) if the agency lists the national interest as one of the goals of the agency and with a (1) otherwise.

National Interest 1: If National Interest is coded (0), this variable is coded with a (0) if the agency lists the national interest as its first priority and with a (1) otherwise.

Expertise: This variable is coded with a (1) if the agency has expertise or experience requirements for political appointments in its statute and with a (0) otherwise.

Research: This variable is coded with a (1) if the agency has a dedicated staff for research and information gathering for the purpose of developing future policy and with a (0) otherwise.

Research Staff: If Research is coded (1), this variable lists the number of staff dedicated to research activities. (#)

Structural Autonomy

Appointments: This variable is coded with a (0) if the government makes personnel appointments to the agency and with a (1) otherwise.
**Positions:** If Appointments is coded (0), this variable lists which positions are politically appointed. (2) The head of the agency is the only political appointment. (1) if the top officials within the agency are politically appointed, but the rest of the employees are civil service. (0) if political appointments extend below ministers and state sectaries to heads of departments and more.

**Board:** This variable is coded with a (0) if the agency has a supervisory board or commission and with a (1) otherwise.

**Board Appointments:** If Board is coded (0), this variable is coded with a (0) if the government makes personnel appointments to the board or commission and with a (1) otherwise.

**Fixed Term:** This variable is coded with a (1) if the agency’s statute specifies a fixed term for agency heads or members of the board and with a (0) otherwise.

**Executive:** This variable is coded with a (1) if the agency is an executive department or a component of an executive department and (0) otherwise.

**Location:** This variable describes the location of the agency within the government. (1) if the agency is a program within a subordinate agency. (2) if the agency is a subordinate agency within a cabinet/ministerial government institution. (3) if the agency is a cabinet/ministerial government institution. (4) if the agency is a separate government agency with administrative autonomy from a cabinet/ministerial government institution. (5) if the agency is a quasi-government organization. (9) if the agency is in another location not listed above.

**Interventional Autonomy**

**Reports:** This variable is coded with a (0) if the agency is required to conduct reviews/evaluations and submit written reports to the government and with a (1) otherwise.

**Reports #:** If Reports is coded (0), this variable lists the number of written reports the institution is required to submit in a given year. (#)

**Press Releases:** This variable is coded with a (0) if the agency releases press/news to the public/citizens and with a (1) otherwise.
Legislature: This variable is coded with a (0) if the agency is required to testify before the government and with a (1) otherwise.

Legislature #: If Legislature is coded (0), this variable lists the number of testimonies the institution is required to give in a given year. (#)

Audits: This variable is coded with a (0) if the government conducts independent audits on the agency and with a (1) otherwise.

Audits #: If Audits is coded (0), this variable lists the number of audits conducted on the agency in a given year. (#)

Veto Power: This variable is coded with a (0) if the government has the power to veto aid allocation decisions made by the agency and with a (1) otherwise. This veto power should be clearly stated in the statute of the agency and not just seen through location of the agency in the government (as this is capture in the Location variable).

For Cause: This variable is coded with a (1) if the statute of the agency states that members of the commission or board or the agency head may only be removed for “neglect of duty,” “malfeasance in office,” “inefficiency,” or similar language; and with a (0) otherwise.

Budget: This variable is the difference between the requested aid budget and actual aid budget given to the agency. This number can be positive or negative. (#)
### Appendix B Complete Regression Tables for Chapter 3

#### Table B.1 OLS Regression % Total Aid, Autonomy

<table>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% LDC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Colony</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Mortality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(mean) aut2</td>
<td>-5.26</td>
<td>-12.16*</td>
<td>10.90</td>
<td>-8.28**</td>
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<td>Constant</td>
<td>101.34***</td>
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<td>49.77***</td>
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<tr>
<td>R-squared</td>
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<td>0.22</td>
<td>0.14</td>
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Robust standard errors in parentheses  
*** p<0.01, ** p<0.05, * p<0.1

#### Table B.2 OLS Regression % Total Aid, Autonomy and Military Expenditure

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</tr>
<tr>
<td>% LDC</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>% Colony</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Mortality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(mean) aut2</td>
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<td>21.80</td>
<td>-9.81*</td>
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<tr>
<td>(mean) d_wdi_expmilgdp</td>
<td>(3.35)</td>
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<td>(9.13)</td>
<td>(3.41)</td>
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Robust standard errors in parentheses  
*** p<0.01, ** p<0.05, * p<0.1
### Table B.3 OLS Regression % Total Aid, Autonomy and Health Expenditure

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<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>-13.06*</td>
<td>10.78</td>
<td>-7.92*</td>
</tr>
<tr>
<td>% Colony</td>
<td>(4.11)</td>
<td>(6.92)</td>
<td>(10.18)</td>
<td>(4.26)</td>
</tr>
<tr>
<td>% Mortality</td>
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<td>-5.87</td>
<td>0.94</td>
</tr>
<tr>
<td>(mean) aut2</td>
<td>(2.66)</td>
<td>(2.69)</td>
<td>(6.94)</td>
<td>(1.76)</td>
</tr>
<tr>
<td>(mean) d_wdi_hepub</td>
<td>71.26***</td>
<td>99.40***</td>
<td>50.35</td>
<td>41.88**</td>
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<tr>
<td>Constant</td>
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<td>(33.08)</td>
<td>(67.75)</td>
<td>(18.02)</td>
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Observations: 20
R-squared: 0.23

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

### Table B.4 OLS Regression % Total Aid, Autonomy and Donor Variables

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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% LDC</td>
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<td>-15.39**</td>
<td>20.32</td>
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<td>-4.61</td>
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<td>(1.91)</td>
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<td>4.42</td>
<td>-11.72</td>
<td>2.87</td>
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<td>(mean) d_wdi_expmilgdp</td>
<td>(3.50)</td>
<td>(3.92)</td>
<td>(11.12)</td>
<td>(3.53)</td>
</tr>
<tr>
<td>Constant</td>
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<td>98.17**</td>
<td>44.94</td>
<td>41.08**</td>
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<tr>
<td>(mean) d_wdi_expmilgdp</td>
<td>(21.78)</td>
<td>(34.39)</td>
<td>(83.45)</td>
<td>(17.69)</td>
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Observations: 20
R-squared: 0.31

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
Table B.5 OLS Regression % Total Aid, Autonomy and all Controls

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<tr>
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<th>(2) % LDC</th>
<th>(3) % Colony</th>
<th>(4) % Mortality</th>
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<td>-18.97***</td>
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<td>(2.71)</td>
<td>(2.97)</td>
<td>(3.39)</td>
<td>(2.00)</td>
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<td>(mean) d_wdi_hepub</td>
<td>4.05</td>
<td>0.01</td>
<td>8.76*</td>
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<td>(2.84)</td>
<td>(4.07)</td>
<td>(4.04)</td>
<td>(2.20)</td>
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<td>(mean) d_wdi_exprmilgdp</td>
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<tr>
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<td>(4.58)</td>
<td>(3.43)</td>
<td>(3.87)</td>
</tr>
<tr>
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<td>96.85**</td>
<td>16.38</td>
<td>40.26**</td>
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<tr>
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<td>(22.57)</td>
<td>(37.34)</td>
<td>(27.07)</td>
<td>(18.20)</td>
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<td>20</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>R-squared</td>
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<td>0.34</td>
<td>0.91</td>
<td>0.32</td>
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Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table B.6 OLS Regression Aid by Agency-Recipient, Autonomy

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<th>(2) Mortality</th>
<th>(3) Colony</th>
<th>(4) Trade</th>
<th>(5) Ally</th>
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<tr>
<td>Autonomy</td>
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<td>0.85***</td>
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<tr>
<td></td>
<td>(0.12)</td>
<td>(0.39)</td>
<td>(0.10)</td>
<td>(0.87)</td>
<td>(0.10)</td>
</tr>
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<td>Recipient Characteristic</td>
<td>2.40***</td>
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<td></td>
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<td>(0.08)</td>
<td>(1.99)</td>
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<td>0.98**</td>
<td>0.13***</td>
<td>1.81**</td>
</tr>
<tr>
<td>Recipient Characteristic</td>
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<td>(0.11)</td>
<td>(0.41)</td>
<td>(0.05)</td>
<td>(0.78)</td>
</tr>
<tr>
<td>Constant</td>
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<td>-5.35***</td>
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<tr>
<td></td>
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<td>(0.24)</td>
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<td>0.06</td>
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Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
Appendix C Robustness Checks

Table C.1 OLS Regression % Total Aid, Autonomy; Dropping 25% Lowest Donors in Each Aid Category

<table>
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<th>(3) % Mortality</th>
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<td>-4.95</td>
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<td>(3.61)</td>
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<td>69.89***</td>
<td>44.18***</td>
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<td>(12.93)</td>
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<td>Observations</td>
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<tr>
<td>R-squared</td>
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Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table C.2 OLS Regression % Total Aid, Autonomy; Dropping Outliers

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<td>(5.99)</td>
<td>(9.91)</td>
<td>(3.92)</td>
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<td>79.75***</td>
<td>4.80</td>
<td>49.77***</td>
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<td>(9.53)</td>
<td>(13.34)</td>
<td>(19.46)</td>
<td>(7.83)</td>
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<td>9</td>
<td>20</td>
</tr>
<tr>
<td>R-squared</td>
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<td>0.22</td>
<td>0.14</td>
<td>0.23</td>
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Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
### Table C.3 OLS Regression % Total Aid, Policy Autonomy and all Controls

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<td>(4.99)</td>
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<td>(mean) d_wdi_hepub</td>
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<td>(2.03)</td>
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<td>% Colony</td>
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<td>(2.78)</td>
<td>(3.90)</td>
<td>(6.36)</td>
<td>(3.12)</td>
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<tr>
<td>Constant</td>
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<tr>
<td>% Mortality</td>
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<td>(17.00)</td>
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Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

### Table C.4 OLS Regression % Total Aid, Structural Autonomy and all Controls

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</tr>
<tr>
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<td>-19.41</td>
</tr>
<tr>
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<td>(8.25)</td>
<td>(15.96)</td>
<td>(70.75)</td>
<td>(11.14)</td>
</tr>
<tr>
<td>(mean) d_wdi_hepub</td>
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<td></td>
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</tr>
<tr>
<td>% LDC</td>
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<tr>
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<td>(3.20)</td>
<td>(5.67)</td>
<td>(1.81)</td>
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<tr>
<td>(mean) d_wdi_expmilgdp</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Colony</td>
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<td>9.31</td>
<td>2.97</td>
</tr>
<tr>
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<td>(6.27)</td>
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<td>(4.17)</td>
</tr>
<tr>
<td>Constant</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>(50.74)</td>
<td>(15.44)</td>
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<td>20</td>
</tr>
<tr>
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<td>0.16</td>
<td>0.15</td>
<td>0.22</td>
</tr>
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</table>

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

162
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<th>(5)</th>
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<td>Mortality</td>
<td>Colony</td>
<td>Trade</td>
<td>Ally</td>
</tr>
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<td>2.80***</td>
<td>1.33***</td>
<td>-2.05**</td>
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</tr>
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<td>(0.47)</td>
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<td>(0.13)</td>
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<td>-0.32</td>
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<td>(0.22)</td>
<td>(0.85)</td>
<td>(0.07)</td>
<td>(0.96)</td>
</tr>
<tr>
<td>Autonomy*</td>
<td>-0.90***</td>
<td>-0.40***</td>
<td>0.06</td>
<td>0.18***</td>
<td>0.81</td>
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<td>(0.25)</td>
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<td>(0.49)</td>
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</tr>
<tr>
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<td>-0.59***</td>
<td>-0.58***</td>
<td>-0.77***</td>
<td>-0.60***</td>
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<td>(0.09)</td>
<td>(0.09)</td>
<td>(0.06)</td>
<td>(0.08)</td>
<td>(0.06)</td>
</tr>
<tr>
<td>Log(GDP pc)</td>
<td>0.39***</td>
<td>0.39***</td>
<td>0.39***</td>
<td>0.24***</td>
<td>0.39***</td>
</tr>
<tr>
<td></td>
<td>(0.03)</td>
<td>(0.03)</td>
<td>(0.03)</td>
<td>(0.06)</td>
<td>(0.03)</td>
</tr>
<tr>
<td>Log(Population)</td>
<td>0.58***</td>
<td>0.58***</td>
<td>0.57***</td>
<td>0.55***</td>
<td>0.57***</td>
</tr>
<tr>
<td></td>
<td>(0.04)</td>
<td>(0.04)</td>
<td>(0.04)</td>
<td>(0.05)</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Health expenditure, public (% of GDP)</td>
<td>0.37***</td>
<td>0.37***</td>
<td>0.35***</td>
<td>0.27***</td>
<td>0.32***</td>
</tr>
<tr>
<td></td>
<td>(0.06)</td>
<td>(0.06)</td>
<td>(0.07)</td>
<td>(0.09)</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Constant</td>
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<td>-9.59***</td>
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<td>-1.32</td>
<td>-7.32***</td>
</tr>
<tr>
<td></td>
<td>(1.13)</td>
<td>(1.49)</td>
<td>(0.90)</td>
<td>(1.81)</td>
<td>(0.91)</td>
</tr>
<tr>
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<td>1,534</td>
<td>1,534</td>
<td>1,509</td>
<td>1,534</td>
</tr>
<tr>
<td>R-squared</td>
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<td>0.27</td>
<td>0.27</td>
<td>0.30</td>
<td>0.27</td>
</tr>
</tbody>
</table>

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1
Table C.6 OLS Regression Aid by Agency-Recipient, Structural Autonomy and all Controls

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>(1) LDC</th>
<th>(2) Mortality</th>
<th>(3) Colony</th>
<th>(4) Trade</th>
<th>(5) Ally</th>
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<tr>
<td>Autonomy</td>
<td>1.91***</td>
<td>3.24***</td>
<td>1.49***</td>
<td>-0.67</td>
<td>1.44***</td>
</tr>
<tr>
<td></td>
<td>(0.23)</td>
<td>(0.66)</td>
<td>(0.19)</td>
<td>(1.46)</td>
<td>(0.19)</td>
</tr>
<tr>
<td>Recipient Characteristic</td>
<td>1.13***</td>
<td>0.41**</td>
<td>0.42</td>
<td>0.01</td>
<td>-1.67</td>
</tr>
<tr>
<td></td>
<td>(0.36)</td>
<td>(0.19)</td>
<td>(0.97)</td>
<td>(0.05)</td>
<td>(1.51)</td>
</tr>
<tr>
<td>Structural Autonomy*</td>
<td>-1.21***</td>
<td>-0.50***</td>
<td>0.62</td>
<td>0.11</td>
<td>1.62</td>
</tr>
<tr>
<td>Recipient Characteristic</td>
<td>(0.33)</td>
<td>(0.17)</td>
<td>(1.03)</td>
<td>(0.08)</td>
<td>(1.28)</td>
</tr>
<tr>
<td>Log(GDP pc)</td>
<td>-0.59***</td>
<td>-0.63***</td>
<td>-0.61***</td>
<td>-0.74***</td>
<td>-0.62***</td>
</tr>
<tr>
<td></td>
<td>(0.09)</td>
<td>(0.09)</td>
<td>(0.06)</td>
<td>(0.08)</td>
<td>(0.06)</td>
</tr>
<tr>
<td>Log(Population)</td>
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<td>0.40***</td>
<td>0.40***</td>
<td>0.29***</td>
<td>0.39***</td>
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<tr>
<td></td>
<td>(0.04)</td>
<td>(0.04)</td>
<td>(0.04)</td>
<td>(0.06)</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Health expenditure, public</td>
<td>0.49***</td>
<td>0.49***</td>
<td>0.48***</td>
<td>0.47***</td>
<td>0.49***</td>
</tr>
<tr>
<td>(% of GDP)</td>
<td>(0.04)</td>
<td>(0.04)</td>
<td>(0.04)</td>
<td>(0.05)</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Military expenditure (% of GDP)</td>
<td>0.28***</td>
<td>0.28***</td>
<td>0.24***</td>
<td>0.23***</td>
<td>0.26***</td>
</tr>
<tr>
<td></td>
<td>(0.07)</td>
<td>(0.07)</td>
<td>(0.07)</td>
<td>(0.08)</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Constant</td>
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<td>-7.44***</td>
<td>-5.97***</td>
<td>-3.20*</td>
<td>-5.86***</td>
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<tr>
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<td>(1.47)</td>
<td>(0.89)</td>
<td>(1.93)</td>
<td>(0.91)</td>
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<tr>
<td>Observations</td>
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<td>1,534</td>
<td>1,534</td>
<td>1,509</td>
<td>1,534</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.23</td>
<td>0.23</td>
<td>0.23</td>
<td>0.24</td>
<td>0.22</td>
</tr>
</tbody>
</table>

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>(1) LDC</th>
<th>(2) Mortality</th>
<th>(3) Colony</th>
<th>(4) Trade</th>
<th>(5) Ally</th>
</tr>
</thead>
<tbody>
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<td>1.47***</td>
<td>1.71***</td>
<td>1.23***</td>
<td>-0.56</td>
<td>1.28***</td>
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<tr>
<td></td>
<td>(0.14)</td>
<td>(0.45)</td>
<td>(0.12)</td>
<td>(1.07)</td>
<td>(0.12)</td>
</tr>
<tr>
<td>Recipient Characteristic</td>
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<td>0.93***</td>
<td>-0.37</td>
<td>-0.09</td>
<td>-3.19</td>
</tr>
<tr>
<td></td>
<td>(0.58)</td>
<td>(0.28)</td>
<td>(1.09)</td>
<td>(0.10)</td>
<td>(2.00)</td>
</tr>
<tr>
<td>Autonomy* Recipient</td>
<td>-0.54**</td>
<td>-0.12</td>
<td>0.56</td>
<td>0.10*</td>
<td>1.38*</td>
</tr>
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<td>Characteristic</td>
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<td>(0.42)</td>
<td>(0.06)</td>
<td>(0.79)</td>
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<tr>
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<td>-2.00***</td>
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<tr>
<td></td>
<td>(0.30)</td>
<td>(0.98)</td>
<td>(0.28)</td>
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<td>1,419</td>
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<td>0.15</td>
<td>0.11</td>
<td>0.14</td>
<td>0.10</td>
</tr>
</tbody>
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Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
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