Bureaucracy at the Border: The Congressional Fragmentation of US Foreign Aid

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Abstract

Scholars and policymakers have long agreed that fragmenting foreign aid—breaking up aid funding into many independent bureaucracies—is a costly endeavor. However, the United States continues to spread foreign aid authority across dozens of independent agencies with overlapping and sometimes conflicting agendas. This fragmentation rises and falls over time, seemingly unpredictably. Why is US foreign aid often so fragmented? And why does it vary over time? I explain US aid fragmentation as a byproduct of congressional vote-buying. When moderate legislators' preferences are diverse and distant from the majority party, leadership must fund pet projects in order to pass a foreign aid bill. This increases aid's fragmentation. In contrast, when the majority party is homogeneous or parties' preferences are aligned, congressional leadership can pass foreign aid bills with relative ease, decreasing fragmentation. I test this theory on a new agency-level dataset of foreign aid appropriations. An unexplored connection between congressional bargaining and the federal bureaucracy suggests particularistic motivations drive much of foreign aid spending.

1 Introduction

Scholars and policymakers have long agreed that fragmenting foreign aid—breaking up aid funding into many independent bureaucracies—is a costly endeavor (Acharya et al. 2006, Easterly and Pfutze 2008, Knack and Rahman 2007). For example, the United States' Afghan post-war reconstruction effort was hampered by bureaucratic infighting in 2010 when two agencies disagreed on a public infrastructure project. The State Department spent millions on communication towers that the Defense Department never integrated into the public infrastructure, instead unintentionally destroying one with a military helicopter.[1] Complaints of bureaucratic infighting and lack of interagency cooperation abound in the foreign aid policy world (for example, Ford 2007). However, the United States persists in spreading foreign aid authority thinly among dozens of bureaucracies with overlapping and sometimes conflicting agendas. Why is US foreign aid often so fragmented, despite the costs?

While a large body of scholarship laments the problems of aid fragmentation, little research seeks to systematically explain the pattern.[2] Much scholarly work on donor incentives focuses on centralized leaders like the executive. This common approach contributes little to solving this particular puzzle because a unitary decision-maker is unlikely to knowingly splinter his own influence. In contrast, scholars of US foreign policy agree that Congress, not the president, wields the true power in foreign aid (Milner and Tingley 2015, Hinckley 1994, Pastor 1982). With this perspective in mind, this paper proposes that the root of donor aid fragmentation lies in domestic politics, specifically in the incentives faced by Congress.

I argue that US foreign aid fragmentation is a byproduct of congressional "vote-buying."[3] Congressional leadership is uniquely placed to mold foreign policy through foreign aid appro-

[1] `projects.propublica.org/graphics/afghan`

[2] Lundsgaarde (2013), Aldasoro and Thiele (2010), Annen and Kosempel (2009), Djankov et al. (2009), Easterly and Pfutze (2008), Knack and Rahman (2007), Acharya et al. (2006). For policy work on the problem, see OECD (2009). For challenges to this view, see Gehring et al. (2017) and Gutting and Steinwand (2017).

[3] In congressional politics, "vote-buying" refers to side payments paid to legislators in exchange for supporting a piece of legislation. It is not to be confused with other definitions of vote-buying, in which corrupt officials pay citizens for votes in general elections.

priations. However, foreign aid lacks a natural constituency among rank-and-file legislators. In order to effectively drive foreign policy outcomes through foreign aid, congressional leadership must often resort to nontraditional measures. These measures include offering side payments, which tie particularistic benefits to a legislator's support for a bill.

This paper introduces a key form of side payment: the diverting of foreign aid funds to small agencies—or the creation of entirely new agencies and programs—whose agendas and interests benefit a particular constituency. Bureaucracies often favor some domestic interests over others (McCubbins et al. 1987). This gives legislators reason to prefer one agency over another for foreign aid delivery. When a legislator prefers one aid agency over another, congressional leaders can use that preference to their own advantage, funding the legislator's pet-project agency as a form of side payment. This increases the likelihood of leadership passing foreign policy legislation. However, these side payments have a cost: as more pet projects are funded, foreign aid becomes fragmented. The theory developed below explains variation over time in congressional vote-buying, and therefore, in the fragmentation of foreign aid.

Below, I test this theory in two parts. First, I introduce a novel longitudinal measure of foreign aid fragmentation from 1961 to 2015. I find that a high preference spread of moderate legislators in Congress—which maximizes the need for leaders to offer side payments—results in greater fragmentation. In contrast, when fewer legislators are on the fence about a leader's agenda, vote-buying, and therefore fragmentation, is minimized. Second, I find that majority-party moderates, the typical recipients of congressional side payments, increasingly support aid legislation as it becomes more fragmented.

Speaking to the congressional vote-buying literature, I show that vote-buying is correlated with preference alignments within Congress. I also show that the federal bureaucracy can be a casualty of this congressional bargaining. Previous work has underestimated the impact of congressional vote-buying by overlooking the bureaucracy. More recent work that examines the ties between legislators and bureaucrats would benefit from this paper's consideration of

multiple bureaucracies. Future work will extend this theory to the executive branch for an even clearer view of the vote-buying process.

This work also contributes to the international relations literature that assumes a centralized foreign policy-making process. Foreign aid scholars often debate states' motivations for delivering and cutting off aid as if states had centralized motivations. I show that this state-based model of foreign aid is not always valid. Centralized control over foreign policy should be treated not as an assumption but a variable. Sometimes central authorities can wrest control of foreign policy. But sometimes congressional bargaining processes make centralized control difficult. When and why democratic leaders lose control over their own foreign policy implementation is important in understanding states' behavior in international relations.

2 The Bureaucratic Fragmentation of Foreign Aid

At least two levels of foreign aid fragmentation are important to researchers. Acharya et al. (2006) distinguish between what they term "source proliferation" (many donors within a recipient country) and "use proliferation" (many channels within a donor). From the recipient perspective, Oh and Kim (2014), Aldasoro and Thiele (2010), Frot and Santiso (2010), Annen and Kosempel (2009), Djankov et al. (2009), and Morss (1984) find that aid recipients who receive a large number of small aid projects benefit less from that aid. Too many aid partners can overwhelm a recipient state's often fragile bureaucracy (Knack and Rahman 2007). However, Gehring et al. (2017) question the universality of these findings, and Gutting and Steinwand (2017) suggest that donor fragmentation can blunt some negative side effects of aid shocks. Much of this work suggests that considering donor-state bureaucracies would make the issue "even more complicated" (Frot and Santiso 2010, page 9).

Other work more directly considers the fragmentation of donor states' aid channels. Lundsgaarde (2013), Williamson (2010), Easterly and Pfutze (2008), Acharya et al. (2006),

and Barder (2005) note that the proliferation of aid programs *within* a donor country exacerbates the problems outlined above. Ferrière (2016), in fact, finds that fragmentation between implementing agencies contributes more to aid ineffectiveness than between-donor fragmentation. Policy reports from aid advocate agree, and global indicators of foreign aid effectiveness now explicitly consider "fragmentation across donor agencies" in their rankings (e.g. Ingram 2016, Birdsall et al. 2010, Radelet 2009, Brainard 2008, Brainard 2007, Kharas 2007). As a recent OECD report (OECD 2009, page 30) states:

> Nobody seriously questions the fact that fragmentation is causing massive inefficiencies; there is, however, far less agreement on what needs to be done.

While a growing literature studies the effects of foreign aid fragmentation, its causes are less well understood. What little work exists has focused on fragmentation between, rather than within, donor states.[4] There remains little understanding of fragmentation *within* donor states.

The United States is a useful place to begin understanding these processes. Reports list the US as one of the world's most fragmented aid donors, noting both the spread of its funding and the lack of coordination between agencies (e.g. OECD 2009, pages 40, 65). The US currently delivers aid through at least 30 independent agencies and hundreds of unique funding channels. Helpfully, some interagency collaboration in the US is hierarchical, as when the United States Agency for International Development (USAID) requests specific agencies, such as the Centers for Disease Control (CDC), to assist with specialized activities. This puts USAID in control of funding and negates problems of authority and transaction costs while maximizing gains from specialization. In contrast, however, many interagency relationships are horizontal rather than vertical. When many independent agencies have full control of their own foreign aid budgets, mis-coordination and lack of authority result. This type of horizontal bureaucratic fragmentation is the focus of this paper.

[4]Steinwand (2015), Fuchs et al. (2015), Barthel et al. (2014), Bobba and Powell (2006), Katada (1997), Trumbull and Wall (1994).

3 Theory: Aid Fragmentation and Legislative Vote-Buying

Scholars of US foreign policy tend to agree that foreign aid is "the principle vehicle by which [Congress] attempts to influence and make U.S. foreign policy" (Pastor 1982, page 253). This is because foreign aid policy "suits the congressional character, always at its most skilled and comfortable with using budgetary decisions as a means of policy control" (Hinckley 1994, page 102).[5] Congressional leadership has an especially strong incentive to carefully craft foreign aid bills. Because congressional leaders have career aspirations beyond simply being reelected (Fenno 1973), they have every reason to wrest foreign policy control from the executive branch in the form of foreign aid.

While the prospect of sending money to foreigners may seem altruistic, foreign aid is a very flexible policy tool. Aid is useful in diplomacy (Bueno de Mesquita and Smith 2016, Arel-Bundock et al. 2015, Meernik et al. 1998, Schraeder et al. 1998) and in geopolitical or economic efforts (Bermeo and Leblang (2015), Heinrich 2013, Dreher et al. 2018, Dreher et al. 2018, Bermeo 2011, Dreher et al. 2008, Kuziemko and Werker 2006). As McGeorge Bundy put it, "the multi-purpose grab bag which is our current foreign assistance program accurately reflects the many and varied purposes of the Executive Branch, the Congress and of public opinion itself" (`https://library.cqpress.com/cqalmanac/document.php?id=cqal75-1214100&type=toc&num=3`). Leaders able to craft foreign aid policy that passes congressional muster can expect to play an important role in international relations.

In contrast, rank-and-file members of Congress, who seek mainly to win re-election, have more modest concerns (Mayhew 1974). For many legislators, foreign aid policy is attractive only for its particularistic benefits. Some districts, and therefore their representatives, stand to gain through certain foreign aid activities. Foreign aid can benefit districts by contracting with local companies, supporting multinational corporations, and appealing to diaspora

[5] Also see quantitative work by Milner and Tingley (2015) on Congress and foreign policy.

groups, along with invoking constituents' cosmopolitan or patriotic tendencies. Additionally, certain types of aid policy offer politicians the opportunity to signal their positions on important debates in domestic politics. Foreign aid often plays out like a microcosm of domestic politics, highlighting salient issues like reproductive health, fossil fuel development, the banking sector, and public spending in general. Regardless of their ideological bent, legislators prefer foreign aid policies that directly benefit their constituents and donors.

3.1 Bureaucratic Allocations to Buy Votes

Legislators' specific foreign aid preferences vary depending on their districts' industries and demographics. Fortunately for them, foreign aid funding channels—the bureaucracies themselves—vary just as widely. Most importantly, agencies differ in the interests and countries they support.

The notion that legislators work through bureaucratic back-channels to benefit select constituencies is not new. Scholars since Fiorina (1989) have agreed that a major component of the bureaucracy-legislator relationship is providing pork to constituents. Recent work by Ritchie (2018) shows that moderate legislators, who are often cross-pressured by party and constituency, pursue particularistic goals through the bureaucracy. I go a step further, arguing that these legislators are strategic about which bureaucratic back-channels they choose.

Agencies like USAID work with specific partners to carry out projects. Legislators from districts that represent USAID contractors are rewarded by constituents for supporting foreign aid (Powers et al. 2010). However, not all agencies partner with these "beltway bandits." For example, the Export-Import Bank (EXIM) works directly with Boeing and therefore has enjoyed support from Washington state constituencies. Similarly, the Overseas Private Investment Corporation (OPIC) provides loans to Citibank and is therefore a favorite among New Yorkers. The foreign aid budget is replete with examples of firms that are loyal to a specific bureaucracy. According to US aid project data, 90% of non-government partners

have worked exclusively with a single agency for their entire existence. Similarly, 91% of private enterprises work through a single aid agency.[6] This is no coincidence: interest groups have always had bureaucracy preferences (McCubbins et al. 1987). District-level variation in industry and diaspora groups makes some aid agencies more attractive to some districts than others.

Legislators' idiosyncratic aid preferences, often a result of industries and demographics, give them corresponding bureaucratic preferences. This provides an opportunity for congressional leadership, who wants to pass a foreign aid bill but may struggle to collect enough votes, to resort to unconventional means. In an attempt to buy votes, leaders can tinker with bureaucratic allocations, or even create new programs and bureaucracies altogether. A small shift in the overall budget seems a small price to pay to gain another vote on a bill. When leaders begin funding diverse pet projects to satisfy various district-level agendas, fragmentation is the unintended result.

3.2 A Spatial Model of Vote Buying

The theory so far has suggested that bureaucratic fragmentation in a foreign aid bill is a by-product of the vote-buying process. Deriving meaningful hypotheses, then, requires a theory of vote-buying. Recent theoretical and empirical work has begun to untangle the dynamics of distributive politics in Congress.[7] The consensus of this literature is that moderate legislators are likely targets. In other words, having preferences near the chamber median can increase a legislative district's likelihood of receiving side payments.[8]

This is largely because moderate legislators have the option to caucus with the oppos-

[6]Data from EADS 2015.

[7]Some of the many articles on congressional side payments include Snyder (1991), Groseclose and Snyder (1996), Evans (2004), Dekel et al. (2009), Carroll and Kim (2010), Jenkins and Monroe (2012), Alexander et al. (2016). Also, see Kriner and Reeves (2015), Berry et al. (2010), and others on distributive politics through the executive branch. Because I only measure fragmentation of congressional legislation, I don't consider these executive-branch tools closely in this work. However, future work on the fragmentation of foreign aid *implementation* must consider the executive branch.

[8]As mentioned previously, a moderate ideology also increases a legislator's likelihood of discreetly working bureaucratic back-channels to deliver particularistic goods, rather than developing highly visible legislation (Ritchie 2018).

ing party, and therefore, less incentive to heed the party call (Minozzi and Volden 2013). Party extremists, on the other hand, benefit most from the party's brand name and are less credible in threatening to leave the party. In addition, moderates suffer the most policy loss from delegating to their parties (Jenkins and Monroe 2012, Carroll and Kim 2010). Party leaders will rarely move the status quo toward the opposing party's preferences, preferring instead to block bills that would harm most majority-party legislators (Cox and McCubbins 2005). However, this means that majority-party moderates rarely see their policy preferences represented on the chamber floor. They pay disproportionate costs for party unity, and they therefore are awarded disproportionate benefits in the form of side payments by their leadership.

Drawing from this body of research, I derive longitudinal expectations for the magnitude of vote-buying in a given year. In figure 1 below, I assume, for convenience, that both parties' policy preferences are spread over a uni-dimensional policy space. The agenda-setter's ideal point falls near the majority-party median.[9] A "moderate legislator," then, is defined as any legislator whose policy preference falls within the highlighted region, between the Agenda-Setter and the chamber median. These legislators are the likely targets of vote-buying. Therefore, when the highlighted region is relatively large, encompassing more legislators, more votes need to be bought to pass a bill. In contrast, a smaller highlighted region requires less vote-buying by agenda-setters.

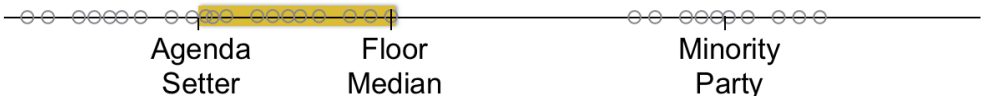

Figure 1: The estimated ideal point location of moderate legislators.

Certain political conditions can increase or decrease the relative size of that highlighted region. Figure 2 below considers three such conditions. In the top panel, the majority party is

[9]This assumption is consistent with the vote-buying literature. Cox and McCubbins (2005) represent leadership's preferences by the majority-party median, as does work on vote-buying by party leaders (e.g. Jenkins and Monroe 2012).

relatively homogeneous. The leadership's ideal point falls near the rest of the majority party. There is large scope for agreement, and the range of moderate legislators demanding side payments is small. In this case of a homogeneous majority party, the entire majority is likely to approve an agenda. Therefore, little vote-buying will be necessary, and fragmentation will be low.

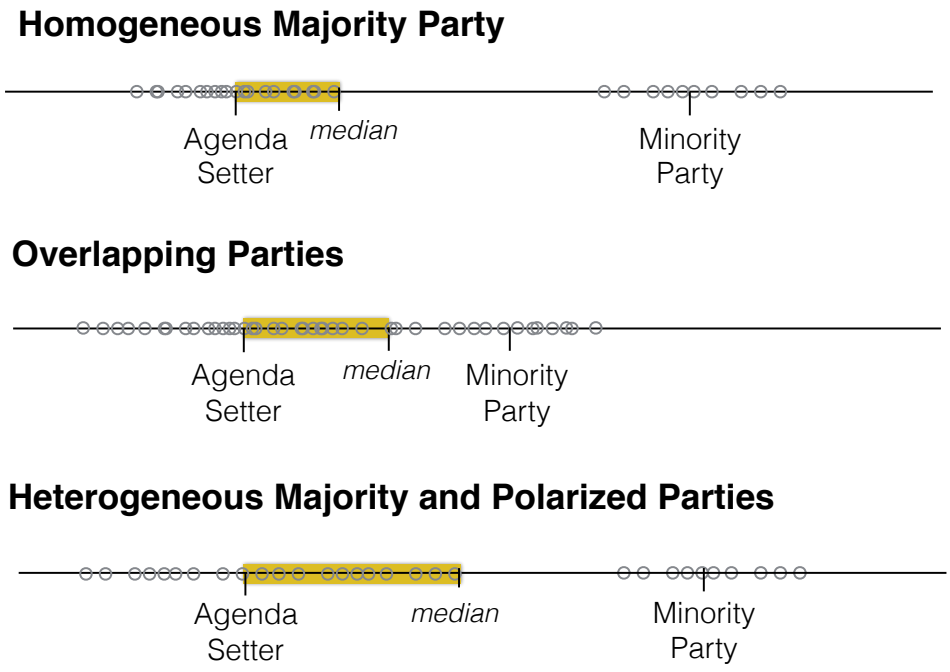

Figure 2: The size of Region 2 varies depending on majority-party unity and inter-party distance.

As majority-party heterogeneity increases, so does the likelihood that the two parties will overlap in preferences. This is the situation represented in the middle panel of Figure 2. When parties are in agreement, agenda setters need fewer majority-party legislators in a voting bloc. Instead, bipartisanship becomes tenable. This is true regardless of the majority party's heterogeneity.[10] The preferences of moderates in the majority party become irrelevant as the leadership's agenda begins attracting like-minded minority-party legislators.

[10]The American politics literature has produced much work covering these first two conditions (Cooper and Brady 1981, Aldrich 1995; Aldrich and Battista 2002, Cox and McCubbins 2005, 2002). However, the third condition is not well explored in the existing literature.

Finally, consider the bottom panel of Figure 2, in which the majority party is heterogeneous *and* parties are polarized. This political scenario maximizes the size of the highlighted region, and therefore, the need for vote-buying. In this case, party leadership is hard-pressed to draw support from its distant moderate wing. It is also unable to persuade defectors from the minority party. Under these conditions, frustrated agenda-setters will increasingly resort to side payments to pass a foreign aid bill. They may begin diverting money to small agencies and programs, or creating entirely new ones, to target influential legislators. This process leads to fragmentation.

Hypothesis 1: *High* heterogeneity in the majority party, combined with a *high* preference distance between parties will result in *more fragmented* foreign aid.

3.3 Moderates and Vote-Buying

Agenda-setters who buy votes by underwriting pet projects do not support all pet projects equally. Congressional leaders will offer side payments to those legislators who are truly on the fence about the leadership's agenda. Recall from above that leadership disproportionately buys the votes of *moderate legislators*. These are the legislators who are on the fence about an aid agenda and who pay the greatest costs for supporting their party. If this is the case, legislators' votes should reflect it. When agenda-setters divert funds to pet-project agencies, thus creating a fragmented bill, then moderate voters should disproportionately support that bill. This is not because moderates enjoy fragmenting foreign aid. It is simply because these moderate legislators' districts disproportionately benefit from the pet projects being offered—the same pet projects whose existence lead to a fragmented bill. This suggests a second hypothesis, and an opportunity to test the theory from another angle.

Hypothesis 2: Moderate majority-party legislators will be *more likely* to vote in favor of a foreign aid bill when that bill is *more fragmented*.

Together, these two hypotheses, drawn from the same theory, suggest a framework for

understanding the fragmentation of US foreign aid. Next, I introduce a dataset that will allow for statistical tests.

4 Data

I define bureaucratic fragmentation as *the spread of foreign aid funding between independent bureaucratic agents*. This involves two processes. First, it involves the creation of new agencies; after all, the definition presupposes the existence of multiple independent bureaucratic agents. However, agency creation by itself can be a poor measure of aid fragmentation. It is a relatively rare event and is sporadic.

The second component of bureaucratic fragmentation, which is easier to test quantitatively, is the spread of foreign aid authority among bureaucratic agents. This can be measured by calculating the percentage of aid funding that is diverted from the largest aid agency, USAID.[11] The problems of aid fragmentation are driven by collective action problems and lack of coordination between agencies. Therefore, the dataset I introduce below measures the spread of foreign aid funding among *independent* agencies, rather than simply the creation of new aid agencies, which may work hierarchically with USAID.

4.1 A New Agency-Level Dataset of US Foreign Aid Spending

To test the hypotheses above, I compiled a novel dataset of allocations in annual Foreign Operations Appropriations Bills. This dataset offers at least two benefits for studying aid fragmentation. First, data availability is consistent over time. Unlike existing foreign aid datasets, aid numbers in appropriations legislation do not change over time simply because of data availability.[12] Second, the appropriations dataset measures agencies' financial independence. The annual appropriations bill specifies the total funds for which each agency

[11]The Appendix shows similar results using the Herfindahl-Hirschman Index as an alternative measure of fragmentation.

[12]See the Appendix for a more detailed description of the problems of using existing foreign aid data.

is ultimately accountable. Many project-level datasets report projects in which an agency simply collaborated or contracted. In contrast, appropriations legislation only reports the funds that an agency controls by legislative mandate. Inter-agency contracts, and other hierarchical relationships between agencies, will rightly not appear as fragmentation. The data only measure the fragmentation of ultimate agency control.

To create this measure of bureaucratic fragmentation, I read and coded the expenditures in 56 annual Foreign Operations Appropriations bills that Congress produced between 1961 and 2016.[13] For each bill, I noted the name of each budget line, the agency of allocation, and the dollar amount appropriated to each line.[14]

For the purposes of this paper, the unit of the dataset is agency-year. The annual bill funds several dozen programs in twelve unique agencies. On average, 59.9% of appropriations go through USAID.[15] Agencies and funding levels (in 1000 USD), are presented in Figure 3 below. After USAID, the Departments of Defense and State receive an average of 27.8% and 6.9% of funding, respectively.[16]

I measure bureaucratic fragmentation by calculating the percentage of total appropriations that were *not* allocated through the country's largest foreign aid agency, USAID. This measure, "non-USAID," varies from 21% in 1978 (indicating that 79% of foreign aid appropriation were funneled through USAID in that year) to 52% in 1985.

Fragmentation exhibits some large-scale trends. A drop in the mid-1960s reflects consolidation through the creation of USAID in the watershed 1961 Foreign Assistance Act (FAA). The early 1970s, a high point in aid fragmentation, was also associated with the creation of new aid agencies and a nadir in party power. This was the first time that Congress funded the Inter-American Foundation (IAF), which diverted funding from USAID. The creation

[13] I collected the bill text from Congress.gov, govtrack.org, and print archives at the Library of Congress. For omnibus bills, I located the original bill that the omnibus bill cites (usually either the Senate or House version of the bill or the previous year's appropriations) and coded those funding levels.

[14] See the Appendix for a more detailed description of the coding of this dataset.

[15] Compare this to the Netherlands, which channels 97% of its foreign aid projects through its Ministry of Foreign Affairs, according to data from AidData (Tierney et al. 2011).

[16] Note, however, that not all of these agencies were funded—or were even in existence—for every budget year in the dataset.

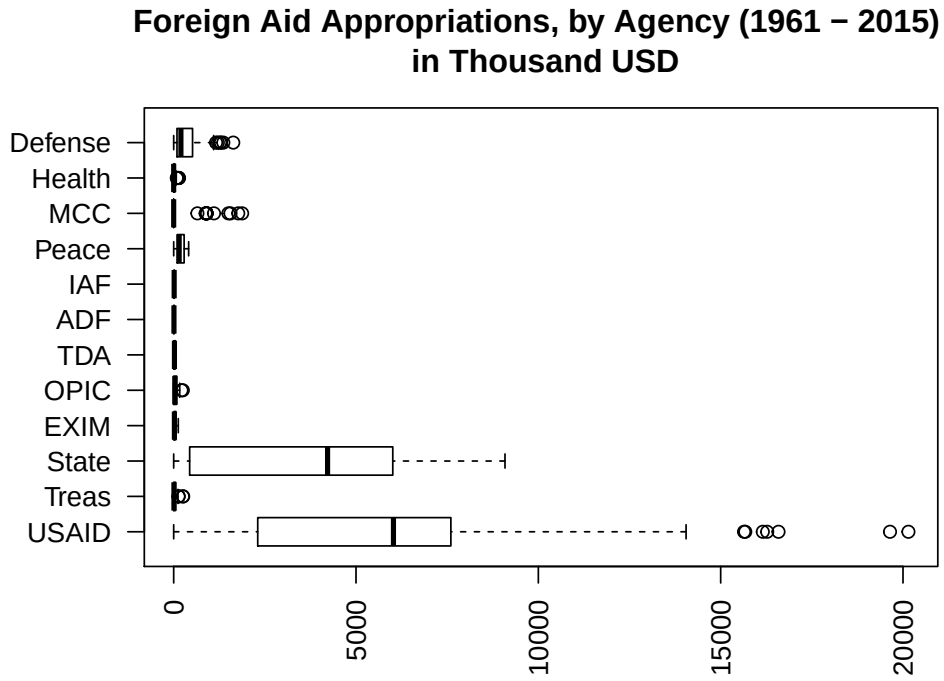

Figure 3: Plots agency-year spending in foreign aid appropriations bills. Abbreviations: "MCC" - Millennium Challenge Corp., "IAF" - Inter-American Found., "ADF" - African Development Found., "TDA" - Trade and Development Agency, "OPIC" - Overseas Private Investment Corp., "EXIM" - Export-Import Bank.

of the IAF shows the mechanisms of the theory at work. In the late 1960's Nixon's use of foreign aid as a weapon of the Cold War was increasingly alienating traditional aid stalwarts. Development-minded legislators and their constituents began rejecting USAID for its increasing militarization, seeking a more development-oriented aid channel.

Representative Bradford Morse, an aid proponent and a moderate Republican, led the charge. After a trip to South America, Morse sponsored a bill for the creation of the IAF to support Latin American development without militarization. Crucially, the IAF is statutorily prohibited from working with the military. It can only create projects in concert with small, grassroots organizations in Latin America. Morse didn't just want more funding for the Western Hemisphere; had that been the case, he could simply have demanded more aid through USAID. Instead, he cared about *how* Latin American aid was being spent. He

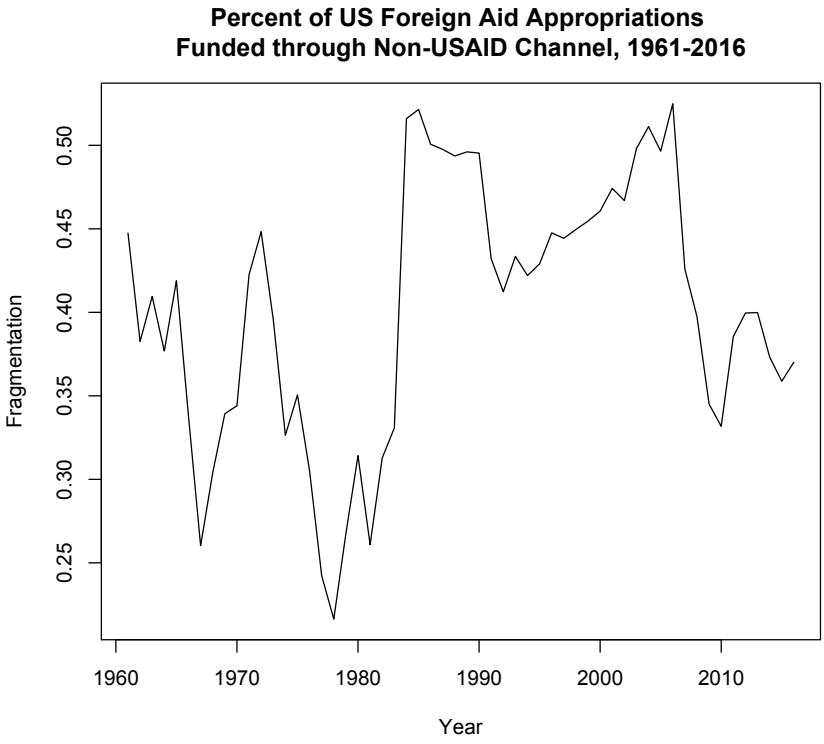

Figure 4

wanted to ensure that the aid would serve development instead of military goals. To him, this required the creation of a new agency, which would have its own interests and rules of engagement. Morse made clear his priorities and threatened to pull his support from foreign aid funding if his bill was not passed. Because of his moderate position in Congress, this threat was credible. In exchange for his continued support for US foreign aid as a whole, congressional leadership allowed for the creation of a new agency, the IAF (Ruttan 1996).

Fragmentation dropped again in the 1970s, hitting an all-time low in 1978. Not incidentally, congressional leadership also became more powerful through the late 1970s, and parties became closer. Aid fragmentation rose again in the beginning of the Reagan presidency, spiking in 1984. Unlike the Nixon years, this spike was not associated with a decrease in funding to USAID. To the contrary, USAID funding *increased* under Reagan. However, the rest of the foreign aid budget increased even more. Much of this increase was driven by

military assistance programs and strategic aid to Israel and Egypt.

After its increase in the 1980s, fragmentation dropped again before beginning a slow rise with the creation of the 1992 FREEDOM Support Act (FSA), which is considered by policymakers to be a landmark event in US aid fragmentation (Personal Interview, April 5, 2016). The genesis of the FSA is worth considering in some detail. In 1992, shortly after the fall of the Soviet Union, Congress authorized the FSA, a $410 million bilateral aid package to support democratization in the former Soviet Union (FSU). Unfortunately, this package was hastily designed. An early set of audits by the Government Accountability Office (GAO) reported a lack of coordination in the bill. The FSA encompassed 19 government agencies with overlapping agendas and competing priorities (Johnson 1995, page 2). It spread aid implementation thinly among many programs, duplicated existing projects, and created a coordination nightmare for USAID and the Department of State. The result was interagency infighting at a time and place where unity was most crucial.

The poor design of the FSA was bad for foreign policy, but it was not a loss for everyone. To the contrary, some legislators derived district-level benefits from individual projects funded through the bill. For example, Senator Bob Kerrey, a first-term Democrat from Nebraska, created a new Department of Agriculture-based business exchange program that would "increase demand among farmers not only for bulk grains, but also for feed products" (Senate Debate 7192d). In his congressional testimony, Kerrey credited the Land O'Lakes corporation with helping develop the program. In fact, Land O'Lakes was already running business exchanges like this at their own expense. This new government program offered a boon to midwest comanies like Land O'Lakes even as it complicated the overall infrastructure of US foreign aid

The bureaucratic messiness of the FSA was not lost on legislators at the time. Various legislators complained that Congress was "frittering away our aid," creating "layer upon layer of new bureaucracy," and that there was "simply not enough money to go around" to

all of the programs and agencies being funded.[17] Leaders promoting the FSA made it clear that this fragmentation was a necessary evil, recognizing that "the price for doing business for us is to include on the list [of new programs] some things that maybe you or I would not, in a vacuum, have on this list" (Senate 1992, page 46).

Moderate legislators were disproportionately the ones asking Congress to pay that price. Of the 17 Senate amendments creating new programs within the bill, 23.5% were sponsored by moderates, defined by the highlighted region in the theory section of this paper, that thin policy space between the majority-party median and floor median. In contrast only 12% of all other amendments' sponsors fell within that region. In short, moderate Senators successfully funded their own pet projects within the FSA, fragmenting its implementation. In contrast, powerful non-moderates like Joe Biden attempted and failed to create new programs in the same legislation.

Further evidence of this phenomenon can be found in Senate roll call votes for the FSA. The Senate majority mostly favored the FSA. However, Democratic leadership did not manage to convince everyone in the party. Figure 5 maps Senate votes on the FSA by party (Democrats in blue circles and Republicans in red triangles) and plots them by DW-Nominate score, with smoothed loess curves for each party.[18] For ease of interpretation, I have highlighted the region of moderate legislators defined in the theory section of this paper—the region between the majority-party median and the floor median in the 1992 Senate.

As is clear from this figure, most of the Democrats who opposed the FSA were moderates (see the number of blue dots at the vertical zero axis). Some of the moderates who did vote in favor of the legislation were the same ones who successfully sponsored amendments funding their pet projects. As the theory would expect, moderate Senators whose pet projects were not funded found it too costly to support the FSA legislation. If the leadership wanted

[17]Senators Lugar and Leahy and Rep. Hamilton, notably not moderate legislators, were among the complainants. See Tarnoff (2004), page 27; Congressional Record Vol. 138 No. 98 Pg. S9591; and Senate (1992), page 61.

[18]The DWNominate score represents ideological liberalism or conservatism. The following section contains more detail on this measure.

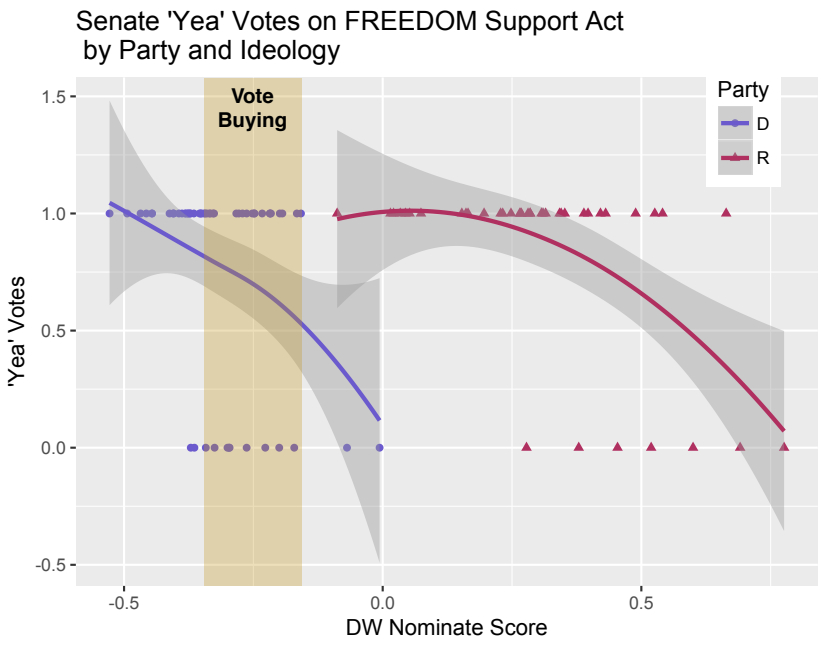

Figure 5: Senate roll call votes on the FREEDOM Support Act, by DW-Nominate score and party. Red (Republican) and blue (Democrat) lines represent the smoothed loess curves for each party's ideology-vote relationship. Highlighted region denotes moderate policy space between majority median and floor median.

those legislators' votes, they would have to pay for them. This led to an increase in aid fragmentation that left its mark for years on foreign aid in the FSU.

After the FSA, fragmentation stayed relatively stagnant, rising gradually until the late 2000s, with the exception of a small decrease during the Clinton presidency. The greatest decrease was in 2007, due to an increase in USAID incommensurate with the increase in total aid. Bush had pushed a lot of aid funding through his new Millennium Challenge Corporation (MCC), which a Republican Congress had been happy to oblige. However, after Republicans lost control of Congress in 2006, Democrats oversaw a 30% increase in USAID funding. On average, the rest of the aid budget, including MCC, actually decreased.

4.2 Foreign Aid Voting in Congress

The second hypothesis requires a dataset of legislative votes to complement the previous dataset. Figure 6 below presents data on House roll call votes for all Foreign Operations Appropriations bills between 1961 and 2015, the bills in the fragmentation dataset.[19] Each point in the figure represents an individual legislator. The horizontal axis reflects the legislator's mean first-dimension DW-Nominate score. The vertical axis represents the percent of Foreign Operations Appropriations bills that the given legislator supported during his or her tenure. The figure codes legislators by party: red pyramids represent Republicans, and blue circles, Democrats. The figure also includes smoothed loess curves for both Republicans and Democrats, indicating the direction of the ideology-voting relationship for both parties.

Most members voted in favor of most appropriations bills: only 39% were "nay" votes. However, different members voted differently. Democrats were more likely to vote in favor of a bill (68.7%) than Republicans (51.3%). Unsurprisingly, members of the majority party were much more likely to vote for a bill than the minority party (72.4% and 45.5%, respectively).

Note the non-linear voting patterns in both parties. For both Democrats and Republicans, a higher-than-average DW-Nominate score—higher conservatism—decreases a legislator's likelihood of supporting a foreign aid bill. This fits the voting patterns suggested by previous research on foreign aid and ideology (Milner and Tingley 2010, Tingley 2010, Fleck and Kilby 2001). However, foreign aid support also declines in the other direction: among liberals in both parties. Regardless of party, the most support for a bill can be found near the party median. As the theory suggests, agenda setters will attempt to set policy near the party median and buy moderates' votes by funding their pet project agencies (because moderates pay the highest costs for toeing the party line). In turn, as moderates' pet projects increasingly become financed, they will support the (incidentally, more fragmented) foreign aid bill.

[19]Data from 1988 to 2001 were generously provided by Crespin and Rohde (2010) and the rest were collected from Voteview.com based on a list of votes by Crespin and Rohde (Crespin and Rohde).

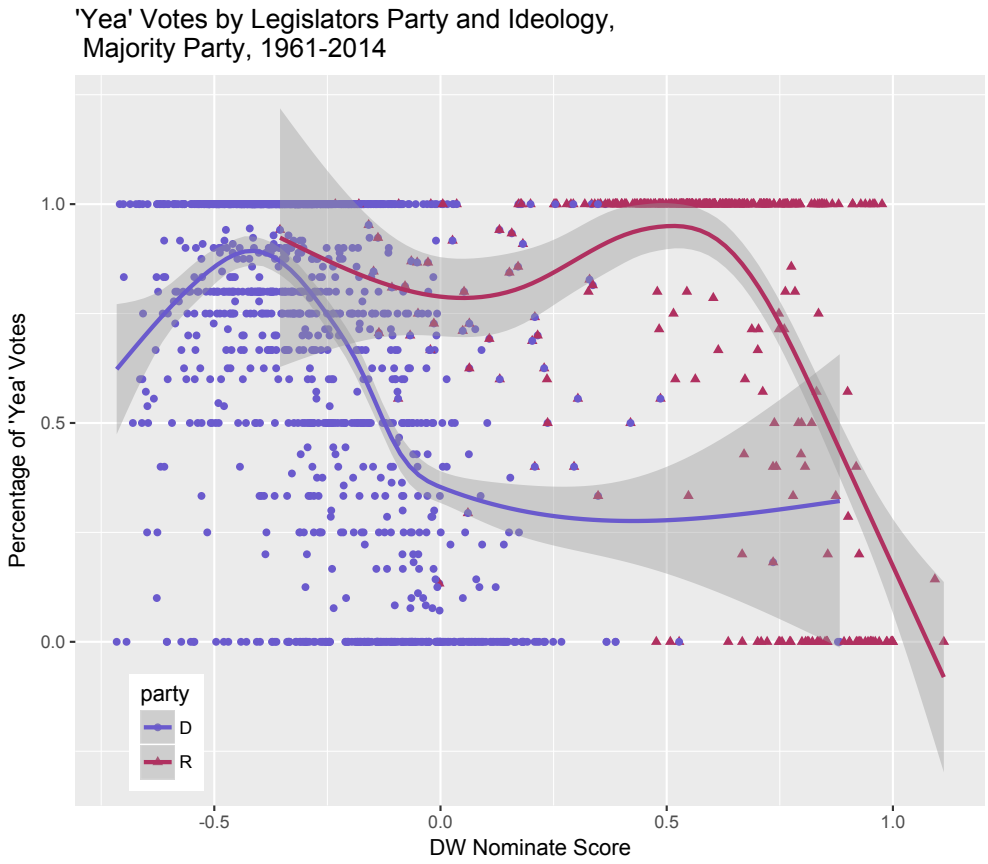

Figure 6: Legislative Votes on Foreign Operations Appropriations Bills, 1961-2014

4.3 Independent and Control Variables

The primary independent variables are drawn from the DW-Nominate scores created by Poole and Rosenthal (1991), a commonly used measure of legislator ideology. First, I calculate the standard deviation of legislator preferences within the majority party, "Majority SD."[20] The "Party Distance" variable measures the distance between the median DW-Nominate scores for each party, using party codes by Martis (1989). When majority-party heterogeneity is high, there is less room on the ideological spectrum for a distant minority party. It should therefore come as no surprise that these two independent variables are negatively correlated, with an R^2 of 0.65. On average, a more heterogeneous majority party puts the two parties closer. However, this varies year by year.

The legislative voting dataset includes its own set of independent and control variables. First, I calculate each legislator's "moderation," the distance between a legislator's DW-Nominate score and their party's median. Also, because legislators have unobserved constituent interests that push them to vote a certain way, I also include state-level fixed effects. The independent and control variables for both datasets are listed and summarized in the Appendix.

5 Methods

The hypotheses derived from the model require two sets of statistical tests. First, I test the hypothesis of vote-buying and fragmentation on an annual-level dataset. The annual data are nested, with some variables varying only by Congress (biannually). I therefore use a hierarchical model.[21]

[20] This matches measures used in previous work, including Epstein and O'Halloran (1999). Some research has measured majority-party variation by calculating the preference distance between the majority median and the floor median (Cox and McCubbins 2002), but such a measure automatically incorporates aspects of both inter-party and intra-party variation, and theory requires that I measure those concepts separately. Finally, I follow previous literature in considering the preferences of the House, because the Senate has idiosyncratic supermajority rules that make voting and party hypotheses more difficult to test.

[21] In the Appendix I test the robustness of these findings to Tobit and ARIMA models.

The second set of statistical tests, relating to data on legislator votes, required a slightly different specification. The dependent variable is a binary measure of a legislator's vote on a given bill. Therefore, I test these hypotheses using a logit model with standard errors clustered by legislator.

The estimating equations for both models are reproduced below. Recall from Hypothesis 1 that the interaction of high *majority-party heterogeneity* and high *inter-party distance* maximizes fragmentation. This is because the combination of these conditions increases the probability that agenda-setters will reach for side payments, diverting funds to small agencies and fragmenting the budget. The statistical model therefore considers the interaction between the measures of intraparty heterogeneity and interparty distance, as below:

$$Fragmentation_t = \beta_0 + \beta_1 MajoritySD_t + \beta_2 PartyDistance_t + \beta_3 MajoritySD * PartyDistance_t + \beta_4 Controls_t + \epsilon$$

I am most interested in the coefficient on β_3, which represents the coefficient when *both* inter-party *and* intra-party divisions are high. β_1 represents the coefficient for majority-party heterogeneity when the two parties are perfectly aligned. In this case, I expect vote-buying to be minimal, because agenda-setters have a variety of legislators to work with, from both parties. β_2 is the coefficient on interparty distance (the difference between party medians) under completely homogeneous parties. Once again, this case should not result in much vote-buying, because partisans will vote with their leader, and the majority party will prevail.

For the legislative voting model, Hypothesis 2, the estimating equation also includes an interaction term. Although I expect moderate legislators overall to be less likely to support a given bill, I expect vote-buying to change their calculus. Diverting funding to smaller agencies that represent a specific set of interests and policies will increase the likelihood that majority-party moderates support a bill. The estimating equation for the legislator voting

model is below, with the coefficients varying on the legislator-year (it), with the exception of state fixed effects ($State_i$).

$$Pr(Vote_{it}) = \beta_0 + \beta_1 Moderation_i t + \beta_2 Fragmentation_i t + \beta_3 Moderation * Fragmentation_i t + State_i + \epsilon$$

Once again, the coefficient of interest is β_3, the interaction between bill fragmentation and the "moderation" of the policymaker. I expect this coefficient to be positive. If anything, I expect β_2, the coefficient for non-moderate legislative votes on fragmented bills, to be negative. This is because non-moderate legislators will become increasingly vexed when they see moderates receiving special favors in foreign aid bills, decreasing their support (Evans 2004). β_1, the coefficient for moderate voters on bills that do not represent any pet projects, should also be negative, although pet projects are often represented elsewhere.[22] Among other specifications, I include a logit model, due to the binary nature of the voting dependent variable.

6 Results

The results bear out the theory's expectations: foreign aid fragmentation is highest in years in which vote-buying should be maximized, and moderate legislators are disproportionately more likely to favor a fragmented bill. The models and details are outlined below.

6.1 Fragmentation

Table **??** evaluates Hypothesis 1. The interaction between majority-party heterogeneity and party distance is significantly correlated with foreign aid fragmentation.

[22] See the Appendix for other vote-buying tools.

Table 1

	Dependent variable:			
	Fragmentation			
	(1)	(2)	(3)	(4)
Constant	0.805^{***}	1.722^{***}	233.972	101.279
	(0.208)	(0.500)	(240.183)	(638.288)
Majority Heterogeneity	-2.159^{**}	-7.337^{***}	-7.526^{**}	-6.099^{*}
	(0.899)	(2.731)	(2.957)	(3.382)
Inter-party Distance	-0.034	-1.356^{**}	-0.939	-1.110
	(0.087)	(0.668)	(0.647)	(0.827)
Majority Heterogeneity x		7.658^{**}	7.327^{**}	7.609^{*}
Inter-party Distance		(3.839)	(3.500)	(4.226)
War			0.002	-0.008
			(0.018)	(0.021)
Majority Size			-0.0001	0.001
			(0.001)	(0.001)
Number of Agencies			0.006^{*}	0.010^{**}
			(0.004)	(0.005)
Congress Ideology			0.247^{**}	0.203
			(0.102)	(0.132)
President Ideology			0.029	
			(0.018)	
Total Aid Budget			12.334^{**}	14.299^{*}
(10,000 USD)			(5.577)	(7.998)
Year			-0.223	-0.096
			(0.242)	(0.641)
Year-Squared			0.0001	0.00002
			(0.0001)	(0.0002)
Clinton				0.089 (0.093)
Ford				0.061 (0.054)
H.W. Bush				0.043 (0.073)
Johnson				0.139(0.112)
Kennedy				0.186 (0.141)
Nixon				0.191^{**} (0.079)
Obama				0.025 (0.150)
Reagan				0.072 (0.056)
W. Bush				0.123 (0.119)
Observations	56	56	55	55
Log Likelihood	78.255	82.427	64.636	53.698

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

According to Model 1, a heterogeneous majority party alone is negatively associated with fragmentation in the resulting foreign aid bill. This is unsurprising given the model's predictions: the more heterogeneous parties are, the more likely congressional leadership will be able to reach across the aisle to collect votes on a foreign aid bill. However, this changes when the minority party's distance makes bipartisanship difficult. In Model 2, the *interaction* between majority-party heterogeneity and inter-party distance is associated with greater levels of fragmentation. Models 3 and 4 show more robust support for this relationship, controlling for several factors that should play a role in developing the foreign aid budget. Majority-party heterogeneity coupled with close parties is negatively associated with fragmentation because bipartisanship decreases the need to buy votes. This is also true when parties are distant and homogeneous. In these cases, majority-party leadership can keep its own party in line without vote-buying (Rohde 2013).

The control variables also show interesting trends. First, conservative congresses and presidents are more likely to fragment aid than liberal ones. This is probably a result of both the attempt to increase security and trade assistance (especially through the Defense Department, such as the budgets Nixon was able to request) and a general distrust of US-AID (as exhibited by George W. Bush). Indeed, Model 4 shows that the Nixon era was very fragmented. Surprisingly, military spending and war do not jump out as correlates of fragmentation in these models. Finally, the conventional wisdom that fragmentation is increasing over time appears to be generally true, although time trends are drowned out by the other independent variables.

It is difficult to interpret the coefficients in an interaction without a bit more context. Figure 7 provides an interaction plot showing the effect of the Majority-Party Heterogeneity variable on the Inter-Party Distance variable, based on Model 2 above. The effect on Inter-Party Distance is negative and significant when Majority-Party Heterogeneity is also low. However, it rises significantly as the majority party becomes more heterogeneous. By the time Majority-Party Heterogeneity reaches its first-quartile value of .16, the effect of Inter-

Party Distance is indistinguishable from zero. Finally, at high values of Majority-Party Heterogeneity, the effect of Inter-Party Distance is positive and significant. The points at which Inter-Party Distance is either significantly less than zero or significantly greater than zero represent slightly less than half of all observations.

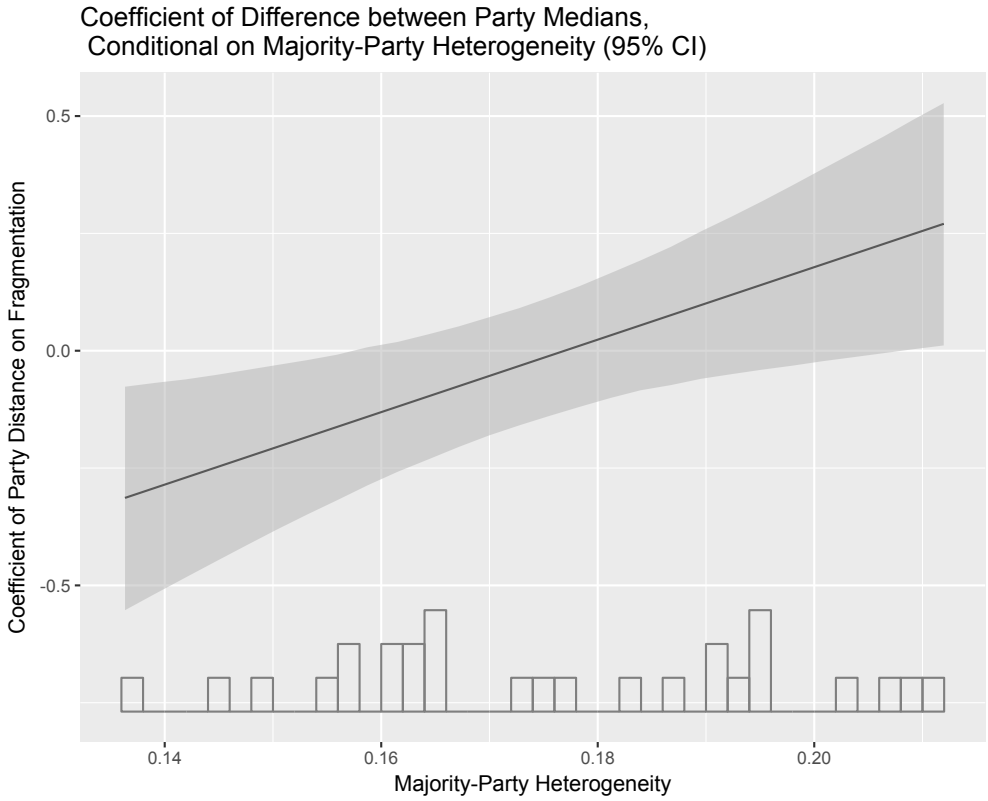

Figure 7: The coefficient of party distance on foreign aid fragmentation varies depending on the level of majority-party heterogeneity (Model 2).

6.2 Moderate Voting

The second set of models provide another source of evidence for the theory. As Hypothesis 2 predicts, moderate legislators, especially within the majority party, are more likely to vote for a fragmented bill than an unfragmented bill. This is true even controlling for the party that is in control of Congress. Table 2 below breaks down the results into two sets of models. Models 1-3 include all legislators. Models 4-6 restrict the observations to the majority party,

where the effect size should be greater. In all models, the unit is the legislator-year.

Table 2

	Dependent variable:					
	Vote on Foreign Aid Bill					
	All Legislators			Majority Party		
	(1)	(2)	(3)	(4)	(5)	(6)
Moderate	−0.368***	−11.788***	−12.325***	−4.190***	−30.152***	−31.400***
	(0.095)	(1.006)	(1.069)	(0.143)	(1.628)	(1.732)
Fragmentation	4.085***	3.978***	22,286,719**	0.364	−2.353***	5,743,146
	(0.302)	(0.306)	(8,719,349)	(0.446)	(0.490)	(20,589,918)
Moderate x Fragmentation		20.957***	22.637***		46.879***	50.657***
		(1.835)	(1.954)		(2.894)	(3.066)
Year FE			Y			Y
State FE			Y			Y
Republican			−0.860***			
			(0.038)			
Intercept	−1.775***	−1.710***	−12,295,661**	0.927***	2.460***	−3,168,513
	(0.166)	(0.168)	(4,810,495)	(0.245)	(0.274)	(11,359,530)
Observations	16,100	16,100	16,100	9,418	9,418	9,418
Note:						*p<0.1; **p<0.05; ***p<0.01

Model 1 and especially Model 4 support previous findings that moderate legislators are the least likely to toe the party line. Note that the coefficient on legislator moderation increases dramatically when only the majority party is considered. As expected, moderate voters' relative unwillingness to support a bill is driven by the majority party.[23] Additionally, Model 1 suggests that vote-buying is doing its job: legislators as a whole are more likely to vote for a bill the more fragmented it is. However, this voting propensity does not apply to all legislators equally. Models 5 and 6 show that majority-party legislators who are not moderate are more likely to vote for a bill in general, but they are significantly *less* likely to vote for a bill that is fragmented. On the other hand, moderates are more likely to support those bills. Although the minority party may have a mixed reaction to the existence of side payments, the majority party's preferences are clear: moderate legislators like it, and others do not.

Once again, these coefficients are easier to interpret through an interaction plot with predicted values, and that is what I present in Figure 8, drawing from Model 5 above. In this plot I separate majority-party moderates[24] from party non-moderates and calculate each group's predicted probability of voting in favor of a bill given the bill's level of fragmentation. According to this figure, a non-fragmented bill would gain almost unanimous support from party extremists and some support from moderates as well. However, as fragmentation increases, moderates become more likely to vote for the bill, while extremist support wanes. At a hypothetical fragmentation level of .55 (slightly below the mean value), the two groups overtake each other, with moderates supporting the bill at greater levels. This trend continues into higher levels of fragmentation.

[23] In a separate model not shown here, the coefficient on moderation for minority-party legislators is positive and significant.

[24] Here, I define "moderate" as legislators whose DW-Nominates falls to the right (for Democrats) or the left (for Republicans) of their party median

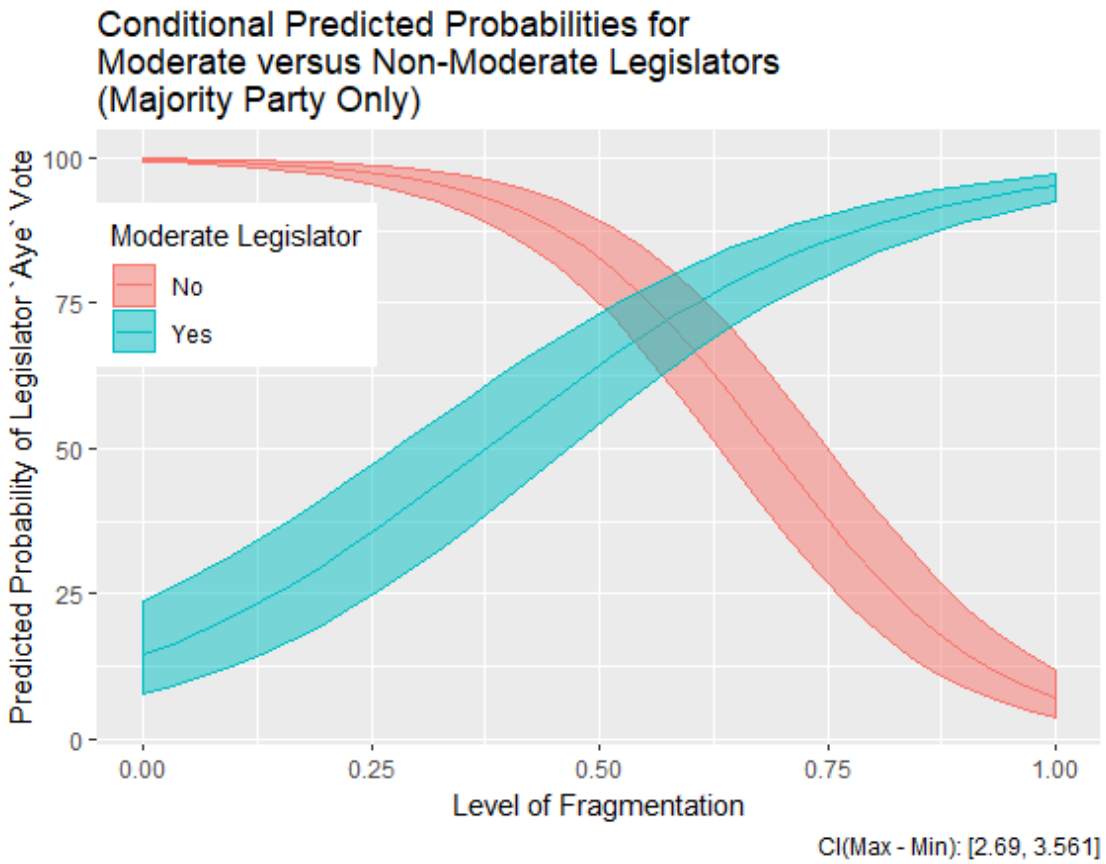

Figure 8

7 Conclusion

Foreign aid fragmentation results from the incentives faced by congressional leadership and members of Congress. It is a byproduct of vote-buying by congressional agenda-setters attempting to craft a foreign policy agenda. They also replicate and build upon previous work in distributive politics: although majority-party moderates are *overall* the least likely to vote with their party, vote-buying disproportionately attracts their votes.

This theory is generalizable. Globally, much of the heterogeneity in aid fragmentation comes from the domestic donor level. This paper explains how fragmentation of foreign aid budgets can be directly attributed to vote-buying within a legislature. Some domestic institutions increase vote-buying more than others; for example, comparative politics literature

has found that intra-party competition can increase politicians' reliance on pork for collecting votes. As particularistic incentives increase within a country, so should that country's fragmentation. This could provide the basis for crossnational theories and tests on foreign aid fragmentation.

Generalizability to other policy domains is also possible. Foreign aid is not the only policy domain with district-level beneficiaries, nor is it the only domain that has suffered criticism for its fragmented nature. A much-publicized 2011 report by the Government Accountability Office (GAO) brought to light dozens of examples of inefficiencies caused by government fragmentation in foreign aid and elsewhere (Dodaro 2011). Leaders have long been struggling to clear up the bureaucracy. However, their efforts have done little to pinpoint the root causes of the problem and have therefore been ineffective. This research suggests that policymakers have been going about it the wrong way. As government waste increases in salience, it is up to the political science community to begin seriously questioning the causes of this phenomenon. Public understanding of the roots of the problem will give Congress more room to provide inventive and evidence-based solutions. Until these can be addressed, proposals such as the creation of a minimum basic income to clear up the welfare system will be difficult to realize.

This research adds to the literature on congressional vote-buying in several ways. First, by considering novel ways that leadership may purchase votes, it suggests that previous work may have underestimated the outlays that leaders provide to supporters. Second, the potential substitution effect of earmarks and fragmentation suggests that the recently increasing US opposition to earmarks could be driving further government fragmentation. If leaders are forced to use new means to buy votes, then streamlined policy could be a casualty of tighter budgets. This raises new normative implications for the costs and benefits associated with earmark limitations. This research also builds on work studying the connection between Congress and the bureaucracy. Recent work has found that members of Congress depend on the bureaucracy for particularistic benefits. I go further to show that Congress

takes advantage of the existence of many bureaucratic agents to provide these benefits.

By relaxing the assumption that a centralized national decisionmaker creates foreign aid policy, this paper considers a new source of variation in foreign aid. One implication of this work is that fragmentation may be a necessary evil to make foreign aid feasible. If the alternative to a fragmented aid budget is no aid budget at all, then policymakers should begin to consider which option they find more palatable. Similarly, if fragmentation is a substitute for other vote-buying tools, such as earmarks, then policymakers should begin to objectively evaluate which substitute tool makes for better policy outcomes.

Although I offer no hypotheses or statistical tests on how to *reverse* the process of bureaucratic fragmentation, I lay the groundwork toward suggesting potential ways forward for policymakers. If leaders wish to better control agencies, they must consider the full consequences of how they overcome legislative hurdles. In order to create more streamlined foreign policy, leadership has a few options. Congress can create institutions further limiting the domestic policies relevant to foreign aid. This would decrease the number of dimensions on foreign aid votes, thus making compromise easier. Alternatively, leadership can allow other types of vote-buying. Although our government appears a long way off from taking these policy steps, the first step is know the sources of the problem.

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Online Appendix

Existing US Foreign Aid Datasets

Typical measures of foreign aid disagree on which components of aid to include or exclude. Until recently, most foreign aid data used Official Development Assistance (ODA) as the typical measure of foreign aid. Recently, the use of ODA has given way to Country Programmable Aid (CPA), which specifies the aid over which a host country may have some influence, as the preferred aid measure. CPA excludes many categories that could be considered foreign aid, such as debt relief, food aid, and most importantly, aid that does not come from the donor's main aid agency.[25] This limits the utility of CPA for creating an agency fragmentation measure. While CPA and ODA are useful for considering aid from the *recipient* perspective, this paper focuses on aid from the *donor* perspective, which includes aid that is used for foreign policy purposes. A measure of foreign aid fragmentation from the donor perspective should include whatever the donor state defines as foreign aid.

A recent push by the US government has made government-released foreign aid data increasingly transparent and reliable.[26] Although these efforts have increased data reliability in the 21st century, much in-depth foreign aid expenditure data is either lost to history or remains to be dug up.

The state-of-the-art dataset of US foreign aid expenditures is the USAID data development library (DDL) platform. The creation of this platform has rapidly increased data availability and precision over the past decade (Ziadeh 2016). However, the agency-level data are inconsistent over time and difficult to interpret. USAID's online platform only reports implementing agency data going back to 2001 (EADS 2015). Its downloadable data are much more detailed, with in-depth records even beyond 1961. However, as these data move further back in time, they become increasingly imprecise. "Unknown" and "USAID

[25]For more on CPA, see `http://www.oecd.org/development/effectiveness/countryprogrammableaidcpafrequentlyaskedquestions.htm`.

[26]See, for example, the 2016 Foreign Aid Transparency and Accountability Act (Saldinger 2016) and the Department of State's efforts since 2004 (McMahon 2007).

Greenbook" (the name of an historical data source) are listed as the most common "agencies" in the early years of the USAID DDL data. It should come as no surprise that this is problematic for anyone seeking an unbiased record of changes over time. As data reporting standards have improved over time, so has the precision of agency-level data. Even if no changes to fragmentation were made over the past decades, USAID's DDL would erroneously report increasing fragmentation, due to changing data quality standards over the decades.

Moreover, aid expenditure data reported through USAID are noisy and don't always correctly represent bureaucratic fragmentation. For example, many US agencies use their expertise to serve in a foreign aid contractor role under USAID and other large agencies. For example, the US Postal Service (USPS) has consulted with USAID and the Department of Defense on several mail security projects. USAID's DDL reports these projects as being independently run by USPS. However, collaborations such as these, in which smaller agencies report directly to USAID, which then transfers remittances back to the contractor agency, do not fit into the definition of fragmentation because agencies are not acting independently. The hierarchical structure of these contractor relationships, and the centralized responsibility of USAID (and other contractor agencies) avoids the problems associated with fragmentation.[27] An increase in within-government contracting does not represent an increase in bureaucratic fragmentation. The USAID DDL's inclusion of programs such as these finds fragmentation where it does not exist. At best, this leads to random noise, and at worst, it will systematically bias fragmentation measures in years when within-government contracting was high.

Another source of noise in the DDL data is its sensitivity to bureaucratic vagaries. The executive branch with its various layers of bureaucracy has a lot of input into actual spending and delegation decisions, making policy outcomes a noisy measure of congressional will. A cleaner measure of US government intentions for the purpose of this work is the content of the legislation that comes directly from Congress.

[27] In fact, these relationships might provide a template for overcoming foreign aid fragmentation.

Further Detail on Bill Coding

I read the appropriations bills and turned every line item mentioned into a column in the resulting dataset. For example, if a paragraph of the appropriations bill were to read:

> FOREIGN MILITARY FINANCING PROGRAM
> For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,650,000,000: Provided, That of the funds appropriated under this heading, not less than $2,040,000,000 shall be available for grants only for Israel, and not less than $1,300,000,000 shall be made available for grants only for Egypt.

I would code the program as Foreign Military Financing (FMF), a part of the Department of Defense, and the total amount of aid as $3,650,000 (in the unit of 1000 USD). This process provided me with a list of every program that Congress has funded since 1961, which I later aggregated to determine the dollar amount to which Congress funded each independent agency in each year.

Control Variables and Summary Statistics

I control for a few crucial variables in several models. First, because much of the change in foreign aid happens over time for various reasons, I include linear and non-linear time trends (Year and Year-Squared). Also, because fragmentation may simply be a reflection of an increased aid budget, I include controls for the total nominal dollar amount of foreign operations appropriations (Total Aid). Additionally, US foreign aid increases when the country is at war and may increase due to the partisanship of Congress, so I include binary measures of whether or not the United States was at war in the given year (War), total US military spending according to the SIPRI database (Military Spending) and the mean DW-Nominate score of Congress (Congress). Similarly, as is clear from the time trends above, the partisanship of the president is important. I therefore control for the DW-Nominate score (President) and party of the president (President Repub.), along with a model that includes president fixed effects. For obvious reasons, it seems likely that when more agencies exist (whether for endogenous or exogenous reasons), funding will be spread more thinly. Because of this, I control for the total number of agencies mentioned in the appropriations bill. Finally, the heterogeneity of the majority party is undoubtedly correlated with its size, so I control for the size of the majority party in the House, to ensure that is not driving the findings.

Table 3 below summarizes the independent and control variables used for both sets of models.

Table 3

Statistic	N	Mean	St. Dev.	Min	Max
Majority SD	56	0.18	0.02	0.12	0.21
Party Difference	56	0.71	0.21	0.47	1.12
War	56	0.42	0.50	0	1
Majority Size	56	252.8	22.2	199	299
Number	56	22.5	5.25	10	31
House Repub	56	0.27	0.45	0	1
President Repub	56	0.51	0.51	0	1
Total Aid (mil USD)	56	11,555	8,197	1,977	30,762
Moderate	16,109	1.134	0.246	0.000	1.466

Tobit Models

For the sake of brevity, the main body of the paper does not include the relevant tests using a Tobit models, due to the bounded nature of the dependent variable. The results for the Tobit models and the alternative specification for bureaucratic fragmentation are below.

Dependent Variable:			Not USAID
	Model 1	Model 2	Model 3
(Intercept):1	0.77	1.64721	-226.42
	(0.17049)	(0.28505)	(298.76)
(Intercept):2	-2.66631	-2.77542	-3.20
	(0.09535)	(0.09535)	(0.10)
Maj SD	-1.93116	-7.01194	-9.65
	(0.70913)	(1.52606)	(1.85)
Party Distance	-0.03944	-1.24907	-1.27
	(0.07586)	(0.33722)	(0.43)
War			0.01
			(0.02)
Maj. Size			-0.00
			(0.00)
Number			0.00
			(0.00)
House			0.10
Repub			(0.03)
President			0.04
Repub			(0.02)
Total Aid			0.00
			(0.00)
Year			0.24
			(0.3)
Year-2			-0.00
			(0.00)
Maj SD		7.20010	8.49
X Distance		(1.96596)	(2.34)
Note:	Standard errors in parentheses.		

ARIMA Models

The main body of the paper does not consider the time-dependent nature of the data. As a robustness check, I estimate an ARIMA (1,1) model on both the main dependent variable and the Herfindahl-Hirschman Index. The findings are robust.

Table 4

	Dependent variable:			
	notusaid		fragapp	
	(1)	(2)	(3)	(4)
maj.sd.house	−4.280	−4.566*	−3.572*	−3.885**
	(2.850)	(2.689)	(1.938)	(1.835)
partydiff	−1.104	−1.600**	−0.798*	−1.136**
	(0.676)	(0.767)	(0.457)	(0.511)
maj.sd.house:partydiff	6.139*	8.083**	4.849**	6.055**
	(3.593)	(3.729)	(2.443)	(2.522)
cong		0.075 (0.088)		0.056 (0.061)
presidentClinton		−0.015		−0.031
		(0.075)		(0.051)
presidentFord		0.062		0.058**
		(0.041)		(0.028)
presidentHWBush		−0.084		−0.071*
		(0.059)		(0.040)
presidentJohnson		0.048		0.066
		(0.076)		(0.051)
presidentKennedy		0.099		0.116*
		(0.089)		(0.061)
presidentNixon		0.078		0.074*
		(0.061)		(0.041)
presidentObama		−0.203*		−0.116
		(0.106)		(0.075)
presidentReagan		−0.084**		−0.090***
		(0.042)		(0.029)
presidentWBush		0.004		−0.010
		(0.088)		(0.062)
year		0.248 (0.690)		0.435 (0.352)
yr2		−0.0001 (0.0002)		−0.0001 (0.0001)
apps		0.00002*** (0.00001)		0.00001** (0.00000)
num		−0.001 (0.004)		−0.0004 (0.002)
Constant	1.194**	−243.242	1.171***	−432.843
	(0.541)	(686.414)	(0.367)	(350.108)
Observations	56	56	56	56
Log Likelihood	96.491	58.951	116.251	72.612
Akaike Inf. Crit.	−178.982	−75.902	−218.502	−103.224
Bayesian Inf. Crit.	−165.324	−41.513	−204.843	−68.835

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

Herfindahl-Hirschman Index

Table 5

	Dependent variable:			
	fragapp			
	(1)	(2)	(3)	(4)
maj.sd.house	−1.477***	−2.071	−4.919***	−4.608***
	(0.308)	(1.402)	(1.457)	(1.363)
partydiff		−0.237	−0.485	−1.321***
		(0.343)	(0.366)	(0.406)
maj.sd.house		1.914	4.157**	6.969***
*partydiff		(1.970)	(1.859)	(1.944)
war			0.019 (0.013)	
majsize			−0.0001	(0.0004)
num			−0.003 (0.003)	0.0003 (0.003)
cong			0.167** (0.062)	0.097* (0.057)
pres			0.025** (0.011)	
Clinton				0.062
				(0.041)
Ford				0.049**
				(0.024)
HWBush				0.023
				(0.032)
Johnson				0.124**
				(0.049)
Kennedy				0.150**
				(0.068)
Nixon				0.146***
				(0.030)
Obama				−0.067
				(0.072)
Reagan				−0.006
				(0.024)
WBush				0.082
				(0.052)
apps			−0.00000 (0.00000)	0.00001*** (0.00000)
year			0.151 (0.229)	0.295 (0.283)
yr2			−0.00004 (0.0001)	−0.0001 (0.0001)
Constant	0.827***	0.867***	−145.002	−292.576
	(0.055)	(0.257)	(227.293)	(282.309)
Observations	56	56	56	56
R^2	0.298	0.369	0.743	0.864
Adjusted R^2	0.285	0.332	0.679	0.803

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

Voting Models

The voting models shown in Table 2 show the interaction between legislator moderateness and bill fragmentation for majority-party legislators. These findings are robust when minority legislators are included in the analysis. As Table 6 below shows, these results hold for the minority party. In this case "Moderate" is defined as the difference between the party median DWNominate score and the legislator's score (for Republicans) and the difference between the legislator and the party median (for Democrats). This results in a positive measure for legislators whose preferences fall on the inside of the party median and a negative otherwise. Also interesting is the fact that, unlike the majority party, extremists in the minority party also appear more likely to vote for fragmented bills. Perhaps vote-buying is going even further than expected in some of these cases.

Table 6

	Dependent variable:		
	Vote on Aid Bill		
	(1)	(2)	(3)
Moderate	-0.393^{***}	-11.788^{***}	-12.309^{***}
	(0.094)	(1.006)	(1.069)
Fragmentation		3.978^{***}	17.357^{***}
		(0.306)	(5.620)
Moderate x Fragmentation		20.957^{***}	22.609^{***}
		(1.835)	(1.954)
Year FE			Y
State FE			Y
Republican			-0.862^{***}
			(0.038)
Constant	0.460^{***}	-1.710^{***}	-8.902^{***}
	(0.016)	(0.168)	(3.005)
Observations	16,100	16,100	16,100
Log Likelihood	$-10{,}742.790$	$-10{,}581.180$	$-9{,}305.516$
Akaike Inf. Crit.	21,489.580	21,170.360	18,779.030
Note:			*p<0.1; **p<0.05; ***p<0.01