The Choice for Multilateralism: Foreign Aid and American Foreign Policy

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Brief Summary

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- What determines which they *choose* to use?

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- ▶ Countries can pursue foreign policies either unilaterally or multilaterally.

- ▶ What determines which they *choose* to use?

- ▶ We contrast three theories on the choice for multilateralism and test them using **survey data** on whether the US should send aid bilaterally or multilaterally.

- ▶ Our questions make people choose between bilateral aid and multilateral **aid**, and we ask questions about the reasons people hold for their preferences.
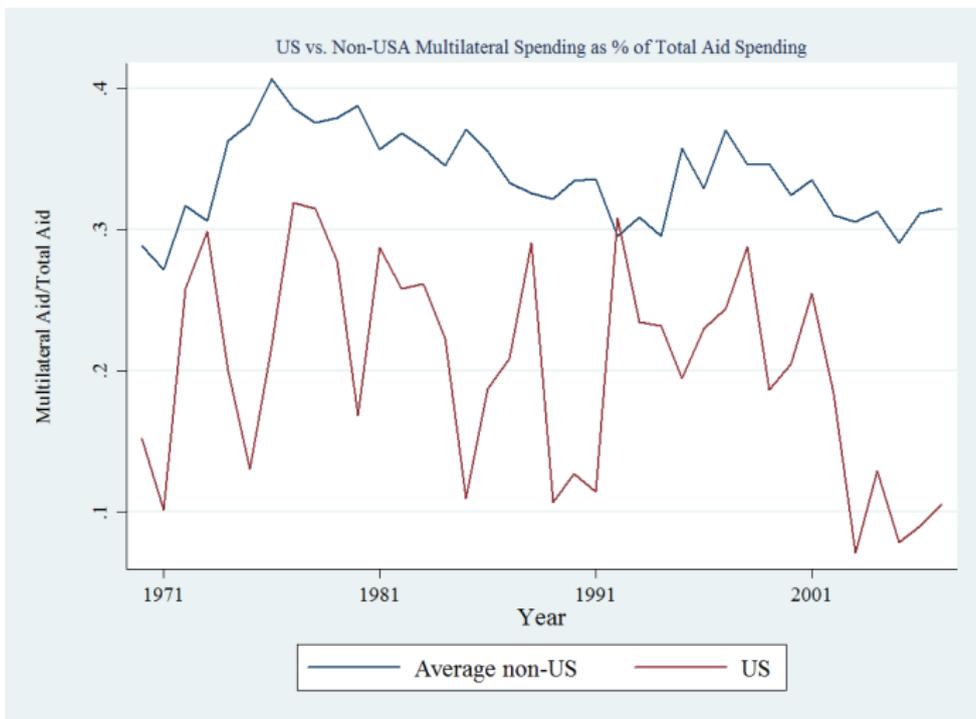
- ▶ We find support for principal-agent models.

Figure: Percentage of total aid given multilaterally. Data from OECD/DAC and includes all donors on record in a given year.

Road map

- Comparison of competing theories of why states choose multilateralism or unilateralism.

- Derive hypotheses about what preferences should look like in the US.

- Provide new survey evidence testing the theories.

Principal-Agent Theory

- ▶ Delegation to a multilateral agent gives up control over the policy (Hawkins et al., 2006; Nielson and Tierney, 2003; Tierney, 2006).

  - ▶ Other countries have preferences over policy and multilateral may have its own preferences as well.

- ▶ Delegation to a multilateral also means that burdens will be shared, other efficiency improvements available (greater public goods provision, etc.).

- ▶ Focuses attention on tension between burden-sharing and control.

- ▶ Anticipates political divisions depending on proximity to preferences of the multilateral institution.

Constructivist/Normative Theory

▶ Constructivist arguments that multilateralism is a strong norm (Finnemore, 1996a; Ruggie, 1993).

▶ Predicts little/no domestic political disagreement, high levels of support for multilateralism, and high levels of multilateral engagement.

▶ Appropriateness and shared consensus ("norms") drive preferences for multilateralism.

Self-constraint Theory

- ▶ Strong countries (like US) use multilateralism to signal to other countries that they will not take advantage of their power (Lake, 2009).

- ▶ This self-constraint is in the shared interest of the nation.

- ▶ Given this national level interest everyone should prefer multilateral engagement.

- ▶ No influence/role of domestic politics and no political divisions on the choice for multilateralism.

Predictions

- ▶ Hard for strong normative and self-binding arguments to predict domestic political divisions
    - ▶ Should see strong consensuses on multilateralism

- ▶ PA predicts large divisions, with debates surrounding burden sharing and control.
    - ▶ If liberals and conservatives divided on type of aid to use (Milner/Tingley 2010), and these types of aid relate to goals of multilaterals, then division will be along L/R lines

Empirical Analysis

- ▶ Analyzed historical record of political support for multilateral aid.
  - ▶ Conservatives typically much more opposed to sending multilateral aid.

- ▶ Conducted three nationally representative US public opinion surveys in 2008 and 2009 where we:
  - ▶ Asked people whether they would prefer to send economic aid bilaterally versus multilaterally
  - ▶ Asked people why they preferred one versus the other.

"Would you prefer that the U.S. give economic aid directly to a country or give aid to an international organization (such as the World Bank or International Monetary Fund) which then would give it to the country?"

Multilateral vs. Bilateral Preference

	Multilateral	Bilateral	Don't Know
Summer 2008	20%	50%	30%
Fall 2008	34%	66%	
Fall 2009	27%	73%	

Table: Polimetrix Surveys

Results: Preference Correlates

DV: multilateral vs. bilateral response
IV's: ideology, internationalist orientation, gender, age, education,....others

▶ More conservative individuals significantly more likely to prefer sending aid bilaterally versus multilaterally

   ▶ Probability prefer multilateral decreases by 42% if change from "very liberal" to "very conservative" (2009 survey).

▶ Support for US involvement in world affairs, other demographic variables, not related to preferences over multilateralism.

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Used broad array of reasons with some associated with the three theories, included open response option.

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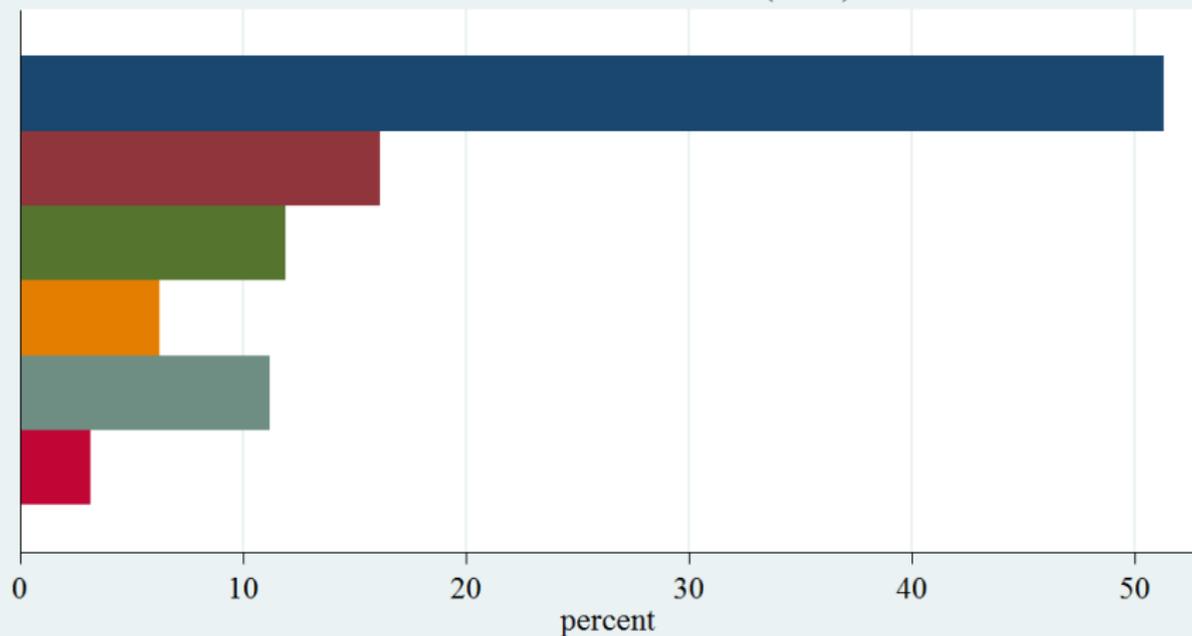
Constructivist/Normative

- ▶ Multi option: This sends a message to countries receiving aid that the US's motives are widely shared.

Self-Binding

- ▶ Multi option: This locks the US into its international commitments more solidly.

Reasons Prefer Bilateral Aid (2009)

percent

US Control
US Flexibility
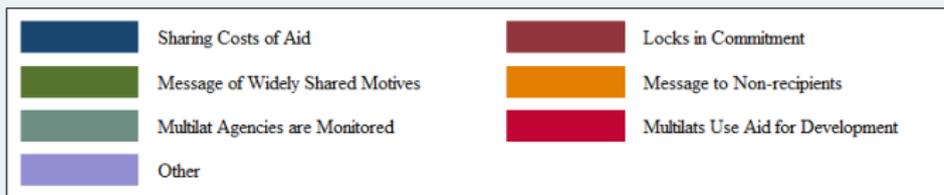Message of Strong US Convictions
Message to Acheive US Goals
Hard to Monitor Multilat Agencies
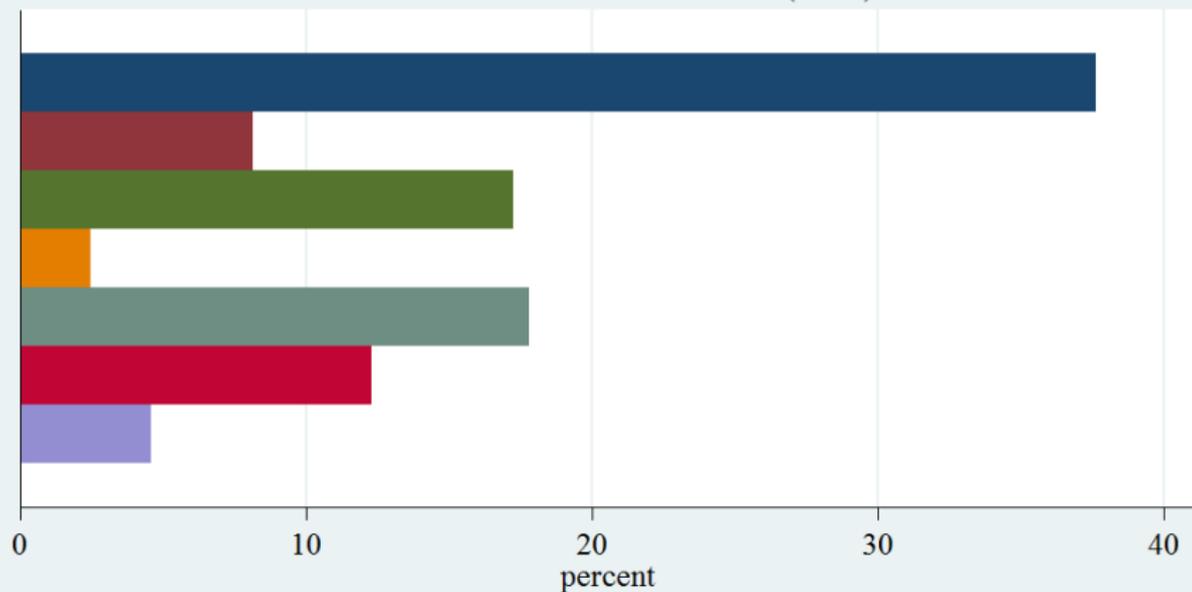Other

Reasons Prefer Multilateral Aid (2009)

"Reasons" Summary

- **52%** of those preferring unilateral aid say main reason is the **control** this gives the US.

- **37%** preferring multilateral aid say main reason is **burden sharing**.
  - Normative (**17%**) or self-binding (**8%**) rationales uncommon.

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We survey the general public and not elites.

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What happens if we look at a sub-sample likely to resemble elites: individuals with college education?

- ▶ Balance of support still for bilateral aid (e.g., 2009: 68% versus 32%)

- ▶ Cleavage between liberals and conservatives still salient.
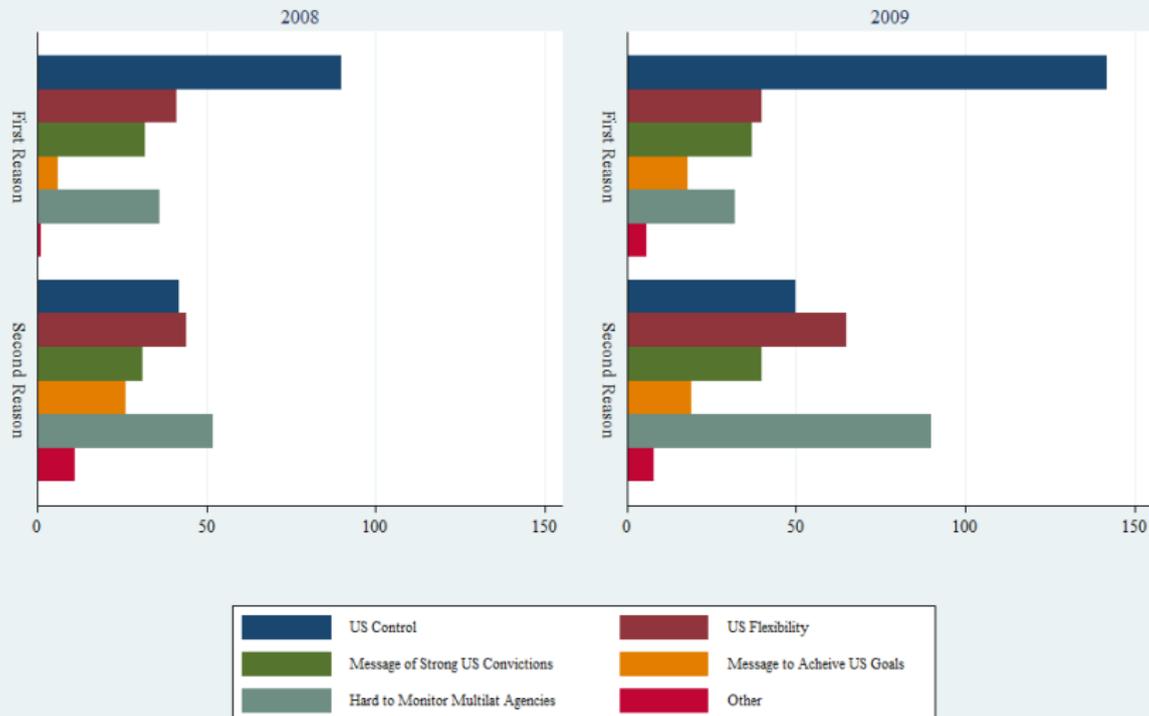
Elites

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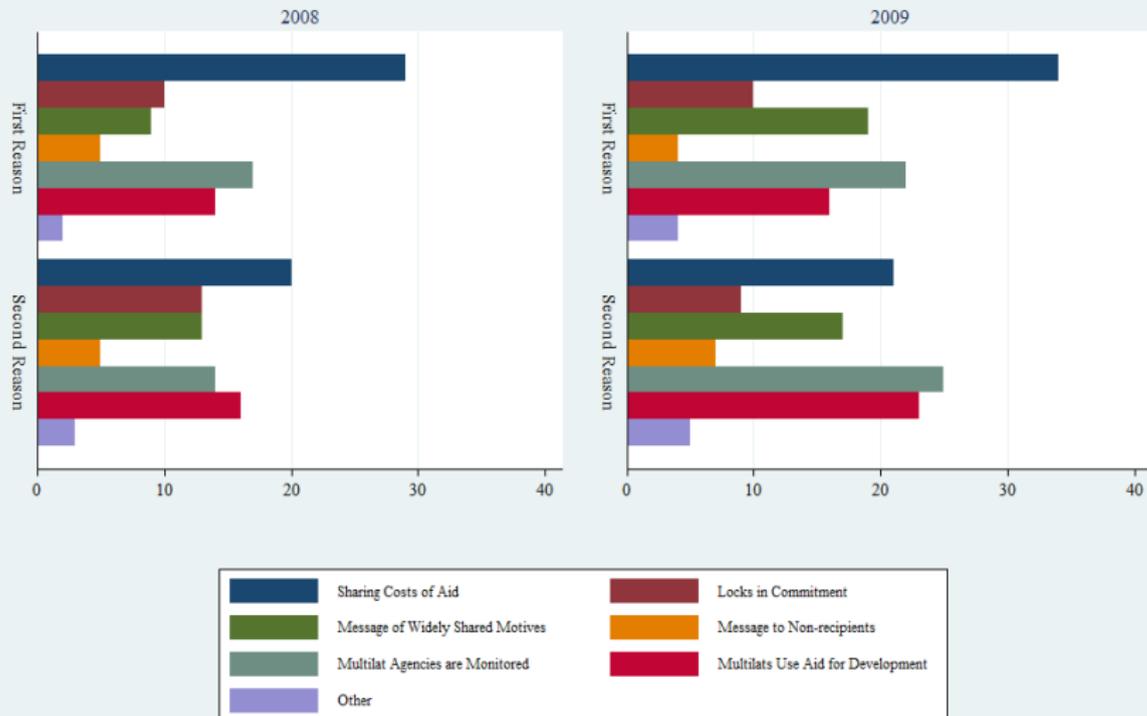What happens if we look at a sub-sample likely to resemble elites: individuals with college education?

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Does our "pseudo-elite sample" give different reasons? No.

Reasons for Preference of Bilateral Economic Aid
College Educated Only

Reasons for Preference of Multilateral Economic Aid
College Educated Only

Overall Results Summary

- ▶ Large divisions about whether to use bilateral or multilateral aid.

- ▶ Conservatives more likely to prefer bilateral aid

- ▶ Burden sharing and control main reasons that people give for preferring multilateral or bilateral aid

Conclusion: PA model best able to account for the strong divisions in the US and the reasons people have for their preferences.

Results: Conditional Nature of Support

In 2008 asked whether would like to change ratio of bilateral/multilateral aid given that either Obama or McCain will win (randomly assigned).

- ▶ McCain voters were more likely to support increasing multilateral aid when asked to consider Obama rule. Few differences for Obama voters.

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Suggest voters, especially conservative ones, consider relationship between their preferences and the policy preferences of multilateral institution and domestic political opponents.

This dynamic is more clearly captured by a PA model than self-binding or normative theories.

Conclusion

- ▶ Choice between unilateral(bilateral) and multilateral engagement is important and foundational in IR literature.

- ▶ We collect competing theoretical models and use surveys where respondents choose between engaging bilaterally or multilaterally.

- ▶ We find broad support for theoretical predictions of principal-agent model.

  - ▶ Issues of control and burden sharing key, as are domestic political divisions on how aid should be used.

  - ▶ Emphasizes domestic political divisions whereas other theories abstract away from them.

Current Work

- Consider choice for multilateralism in other issue areas (e.g., military deployment) though we expect (and are finding) similar importance of PA theory.

- Measure preference relationships to multilateral institutions.

- Alternative procedures for soliciting reasons (all open ended)

- Elite sample

- Other countries, especially Europe.

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Complete list of reasons for bilateral

-This means that the US controls the economic aid and that other countries cannot influence how it is used.(PA model)
- This gives the US the most flexibility.
- This sends a message to countries receiving aid from the US that the US has strong convictions.
-This sends a message to other countries-countries not receiving aid that the US does not have good relations with-that the US is more serious/determined to achieve their goals.
- It is harder for multilateral aid agencies to be monitored by US organizations.
- Other [text box]
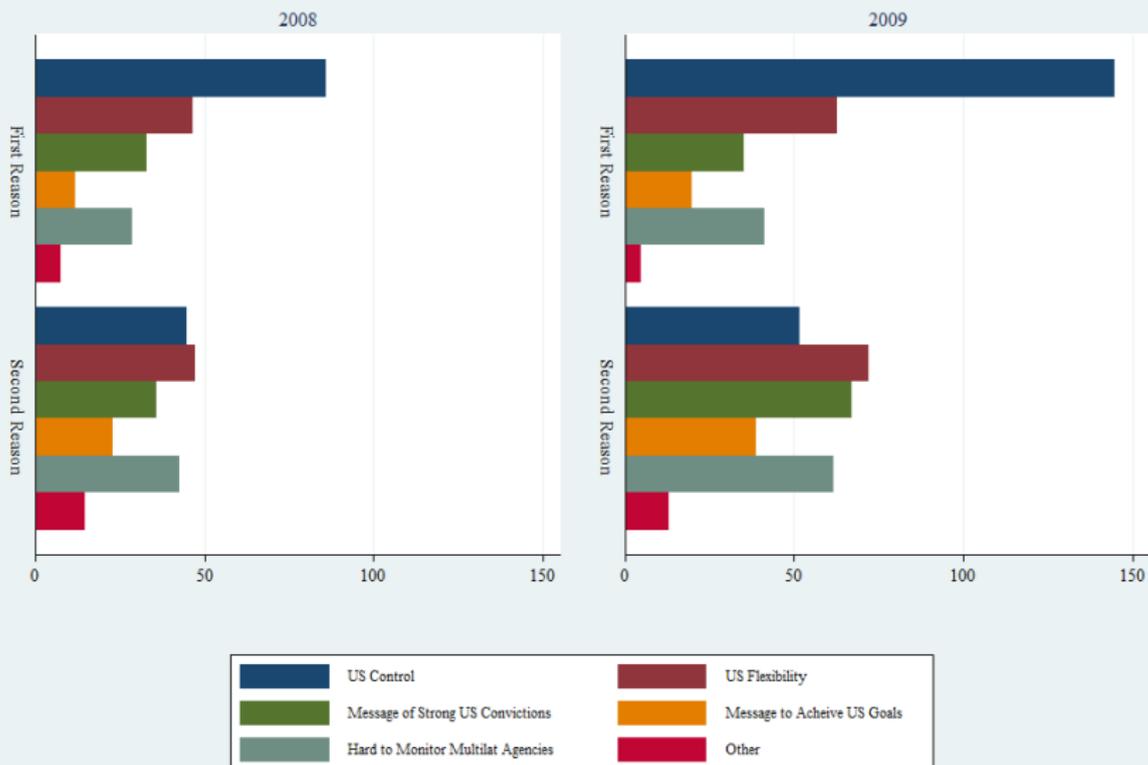
Complete list of reasons for multilateral

- This involves sharing the costs of economic aid with partner countries. (PA model)
- This locks the US into its international commitments more solidly. (Self-binding)
- This sends a message to countries receiving aid that the US's motives are widely shared. (Normative)
- This sends a message to other countries-countries not receiving aid that the US does
not have good relations with-that its partners are more serious/determined to achieve their goals.
- Multilateral aid agencies are monitored by more organizations around the world.
- Multilaterals prevent the US government from using aid for things other than economic development.
- Other [text box]

	S08_1	S08_2	S08_3	S08_4	S08_5	F08_1	F08_2	F08_3	F08_4
Ideology	-0.23**	-0.23**	-0.23**	-0.24**	-0.32**	-0.27**	-0.28**	-0.28**	-0.27**
	[0.03]	[0.03]	[0.03]	[0.03]	[0.05]	[0.06]	[0.06]	[0.06]	[0.06]
ActiveRole	-0.07+	-0.06+	-0.06	-0.05	-0.06	-0.15*	-0.14*	-0.13+	-0.15*
	[0.04]	[0.04]	[0.04]	[0.04]	[0.05]	[0.07]	[0.07]	[0.07]	[0.07]
College	-0.03	-0.04	-0.00	0.02	-0.03	-0.02	-0.02	0.02	0.02
	[0.07]	[0.07]	[0.08]	[0.08]	[0.12]	[0.12]	[0.13]	[0.13]	[0.13]
Male	-0.31**	-0.32**	-0.31**	-0.33**	-0.34**	-0.23+	-0.23+	-0.23+	-0.22+
	[0.07]	[0.07]	[0.07]	[0.07]	[0.10]	[0.12]	[0.12]	[0.12]	[0.12]
Age	-0.00	-0.00	-0.00	-0.00	-0.01	-0.01+	-0.01+	-0.01+	-0.01
	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]
west		-0.07	-0.06	-0.10	-0.07		-0.28	-0.28	-0.28
		[0.11]	[0.11]	[0.11]	[0.16]		[0.19]	[0.19]	[0.19]
midwest		0.04	0.04	-0.03	0.12		-0.21	-0.22	-0.22
		[0.11]	[0.11]	[0.12]	[0.15]		[0.19]	[0.19]	[0.19]
south		-0.03	-0.03	-0.04	-0.06		-0.06	-0.07	-0.06
		[0.10]	[0.10]	[0.10]	[0.14]		[0.18]	[0.18]	[0.18]
r_passport			-0.10	-0.07	0.02			-0.15	-0.16
			[0.07]	[0.08]	[0.10]			[0.13]	[0.13]
AidPref1				-0.04					0.05
				[0.03]					[0.06]
EconClass									
InterestNews									
Constant	0.51**	0.54**	0.56**	0.65**	0.99**	0.91**	1.03**	1.07**	0.96**
	[0.15]	[0.17]	[0.17]	[0.19]	[0.26]	[0.31]	[0.33]	[0.32]	[0.34]
Observations	1726	1716	1713	1588	852	888	888	888	883
BIC	1963.44	1970.75	1972.12	1823.92	988.20	1088.42	1103.26	1107.62	1109.84

Standard errors in brackets
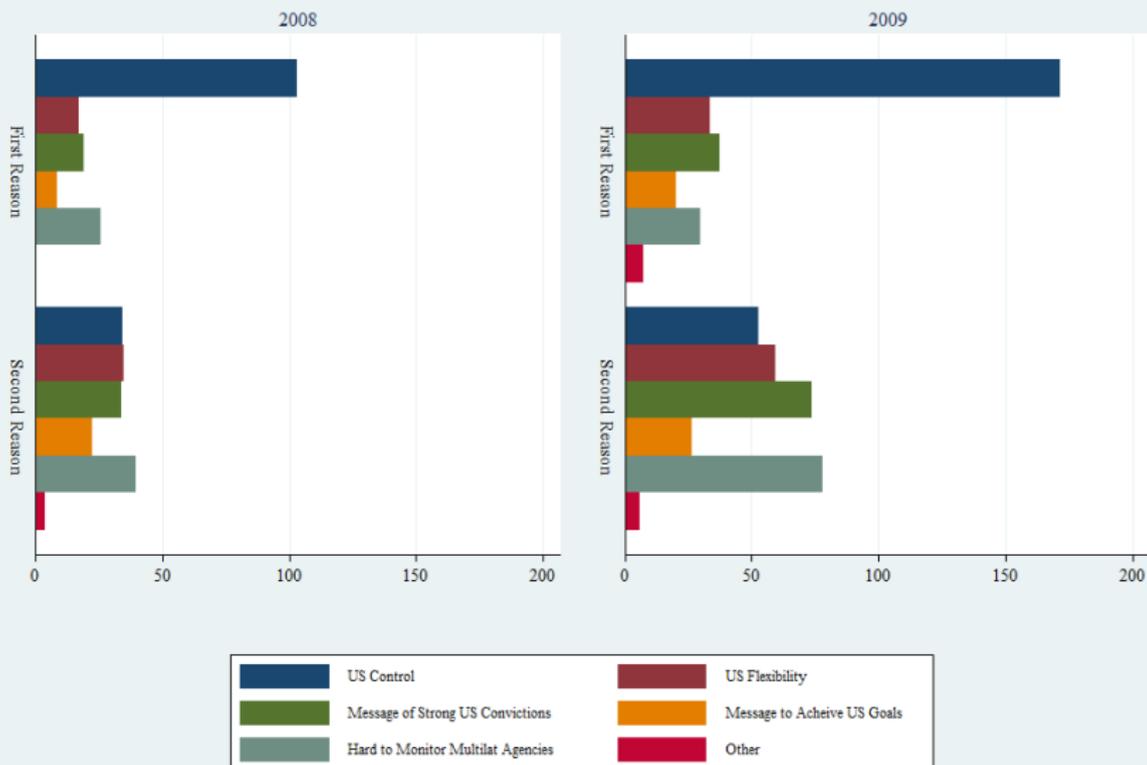$+p < 0.10, *p < 0.05, **p < 0.01$

Reasons for Preference of US Direct Economic Aid Party 0

Reasons for Preference of Multilateral Economic Aid Party 0

Reasons for Preference of US Direct Economic Aid Party 1

Reasons for Preference of Multilateral Economic Aid Party 1