

Explaining the Internationalist Orientation in American Foreign Economic Policy: Theories of Legislative Politics in Trade and Aid Policy

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Abstract

Since 1945, American foreign economic policy has been oriented toward engagement with the international system. What groups have supported and opposed this internationalist policy since the late 1970s? We examine legislative voting in the US House of Representatives from the 96th to the 108th Congress (1979-2004) on international trade and foreign aid to understand these preferences. We use political economy theories to develop testable hypotheses about the sources of support for and opposition to aid and trade. We supplement standard political economy models with a consideration of the effects of public finance and ideology. We compare the two issues areas and show that similar and different factors explain preferences in each. On the one hand, distributional factors flowing from Stolper-Samuelson models identify a common set of supporters and opponents in the two areas. On the other, the role of ideology, public finance and the president varies significantly across the two. This implies that supporters in the two areas differ in important ways. Most interestingly, labor and liberal Democrats remain part of the group supporting international engagement through foreign aid, while they no longer do on trade.

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I. Introduction

Great powers in world politics make different decisions about what strategies to pursue, and these decisions have critical influences on how the international system operates. Since 1945, the central element of American foreign economic policy has been its active engagement with the international system. This internationalist orientation meant that American trade policy favored lowering barriers to trade in goods and services, and that the US pursued a relatively generous program of giving foreign assistance to other countries. Trade and aid policy were seen as complementary ways to engage with the world economy. Prior to 1945, US policy was much more isolationist, relying upon protection of the domestic market and eschewing foreign aid. This post-World War II internationalist policy, it is claimed, was built on two pillars: a bipartisan coalition in Congress and presidential dominance of foreign policy (e.g., (Johnson, 2006)). Given the remarkable changes in world politics and economics as well as in American domestic politics over the past twenty-five years, scholars have wondered whether the direction of American foreign policy might change dramatically (Drezner, 2008; Kupchan and Trubowitz, 2007).

A central claim here is that the domestic sources of foreign policy preferences are very important; we show that domestic factors make a substantial difference for whether politicians support or oppose an internationalist foreign economic policy. Our central questions are two. First, what domestic groups have supported an internationalist policy in aid and trade since the late 1970s? We ask whether theories of domestic political economy can explain these preferences. Second, are the groups that support international engagement through trade the same as those that support foreign aid? It is often assumed that groups supporting internationalism are similar across issues; we question this.

The sources of domestic preferences toward international trade have been widely studied. For example, research on both public opinion and legislative voting on trade are plentiful (Baldwin and McGee, 2000; Beaulieu, 2002a; Fordham, 2008; Hainmueller and Hiscox, 2006; Hiscox, 2002; Magee et al., 1989; Mayda and Rodrik, 2005; O'Rourke and Sinnott, 2001; Scheve and Slaughter, 2001b). These studies have concentrated on which type of political economy model best explains trade preferences; they have been less likely to deal with other sources of cleavages over trade, such as fiscal policy, ideology, and/or the role of the president. Some studies of preferences concerning aid policy have been conducted, but far fewer than in trade (Alesina and Dollar, 2000; Fleck and Kilby, 2001; Lumsdaine, 1993). Most of the research on aid policy has focused on the characteristics of the foreign recipients of aid as an indirect way of identifying the donor's interests (Alesina and Dollar, 2000; McKinlay and Little, 1977, 1978, 1979); they have not examined domestic cleavages. Our study brings together these different issue areas since they are two of the main elements of the U.S.'s foreign economic policy. In addition, trade and aid policy are often seen as linked, usually as complements. Scholars, for instance, have shown that greater trade ties between countries are associated with greater aid flows between them (Alesina and Dollar, 2000; Stone, 2007). The WTO's recent initiative on "Aid for Trade" is also a sign of policymakers' understanding of the linkages between these two policy areas (e.g., (Heron, 2008)).

To address these questions, we examine legislative voting in the US House of Representatives from the 96th to the 108th Congress (1979-2004) on trade and aid. Our theory claims that legislators' preferences over aid and trade depend upon domestic political factors such as the nature of legislators' constituencies and their ideologies. We examine explanations of preferences based on both material and ideational factors. We

use standard theories of political economy, such as the Stolper-Samuelson theorem, to understand the distribution of preferences in these two areas as a consequence of their domestic distributional effects. In addition, we consider how the impact of redistributive government policies affects support for trade and aid. An active debate exists over whether public finance considerations can reshape voters' (and hence legislators') views toward trade; so-called compensation arguments claim that policy makers can use fiscal policy to redistribute income so that the deleterious effects of trade on certain groups are reduced, thus making them more favorable to openness (Garrett and Mitchell, 2001; Rodrik, 1997).² To our knowledge no one has considered the role of fiscal policy in aid, although Noel and Therien (Noel and Therien, 1995; Therien and Noel, 2000) do connect aid to the welfare state and social spending. In addition, the literature has suggested that legislators respond more to the President and his view of the national interest when considering foreign policy issues than they do to their domestic constituents (Canes-Wrone et al., 2006; Howell and Pevehouse, 2007). We seek to determine whether this is apparent in these issue areas.

Material factors may be important, but they must be studied in comparison to ideational ones to see their impact (Goldstein and Keohane, 1993; Sikkink, 1991). We thus examine the impact of ideology on preferences. Many have claimed that the distributive impact of these policies is so small that the role of ideology must be more important than that of material interests (Lumsdaine, 1993; Nelson and Greenaway, 2004). We explore this claim. Overall, we derive a number of new hypotheses about domestic preferences for trade and aid policies from different theoretical traditions, and we then test these on a new dataset.

² See Iversen and Cusack (Iversen and Cusack, 2000) and Hanson, Scheve, and Slaughter (Hanson et al., 2007) for the negative view on its role in trade; see Hays et al. (Hays et al., 2005) for a positive one.

Our project is one of the first to study great power preferences and to compare trade and aid policy. We theorize about the sources of different groups' preferences for aid and trade openness, showing that such domestic factors matter. The economic characteristics of domestic groups and the nature of fiscal policy affect preferences in these areas, and in addition ideology is sometimes important. We find strong support for (Heckscher-Ohlin based) Stolper-Samuelson theories of trade and aid. A central core of support for international engagement in trade and aid cuts across the parties and lies in the constituencies that gain economically from trade and aid, i.e., those that are well endowed with human and physical capital.³ Groups possessing such endowments are the winners from internationalism and are its biggest supporters. Differences exist though in the domestic bases of support for the two policy areas. Interestingly, fiscal policy matters more for aid than trade, in contradiction to the compensation hypothesis advanced in the globalization literature (e.g., (Garrett, 2001; Hays et al., 2005; Rodrik, 1998). Ideology matters more for aid than trade, while the president has more influence in trade than aid policy. Bringing systematic theory and empirical tests to our understanding of American foreign economic policy is an important step in advancing research in this area.

II. Foreign Economic Policy Preferences

Systematic studies of preferences over foreign economic policy have mostly concerned trade policy. Some recent work has delved into foreign lending (Broz, 2005) and immigration policy (Scheve and Slaughter, 2001a). Few studies, however, have examined preferences for foreign aid policy (Fleck and Kilby, 2001; Lumsdaine, 1993).

Unlike most other studies of foreign policy, we focus our attention on the legislature and

³ See (Beaulieu, 2002a; Fordham, 2008; Hays et al., 2005; Mayda and Rodrik, 2005; O'Rourke and Sinnott, 2001; Scheve and Slaughter, 2001a; Scheve and Slaughter, 2001b). See (Citrin et al., 1997; Hainmueller and Hiscox, 2007; Hainmueller and Hiscox, 2006) for alternative perspectives.

in particular the House of Representatives. We think that legislators in the House closely reflect the interests, ideas, and concerns of their constituents. They have the shortest (re)election periods, the smallest constituencies, and higher turnover rates (Collier and Munger, 1994). Further, some claim that the House of Representatives after the mid 1970s took over the dominant position on most international policy issues from the Senate (Johnson, 2006). Hence the House may well provide the best mapping of the groups that support and oppose trade and aid policy. Other studies of economic policy preferences focus on public opinion. We think such studies are valuable. But legislators, we contend, have a much better grasp of the politics of trade and aid than does the average citizen. Furthermore, legislators must vote on these issues frequently and hence must develop their preferences more fully than most voters. Thus studying legislative voting can provide us with useful and detailed information about preferences over foreign economic policy.

The President proposes most foreign policy initiatives, such as trade liberalization agreements, and presents budgets to Congress for foreign aid giving. Majorities in Congress must approve his proposals before they can be implemented. Why would legislators support an internationalist policy of generous aid and trade liberalization? In trade, the answer to this question has focused heavily on the preferences of various groups for protection or freer trade and domestic political institutions (Bailey et al., 1997; Gilligan, 1997; Milner, 1988; Rogowski, 1989). Much less discussion of this has occurred in aid, where it is either assumed that “there is no constituency for aid” or that altruistic motivations lie behind it (Lancaster, 2007; Lumsdaine, 1993). Our question is whether the preferences for trade and aid policy can be explained by the same sets of domestic factors, and which sets of factors do a better job of explaining one or the other.

In this way, we expand the range of factors taken into consideration for explaining trade policy, and we present one of the first systematic tests of preferences for aid.

A first hypothesis that must be entertained, our null hypothesis, is that legislators simply vote idiosyncratically on these issues. Both issue areas may seem arcane and distant from domestic politics, having few, if any, consequences for their constituents. In this view, no predictable group of legislators should support of aid or trade. No set of factors should be able to systematically explain legislators' votes on trade and aid policy, since they (and their constituents) either do not have preferences or do not know them.

To the extent that trade and aid are marginal to the US economy, this perspective gains plausibility. How important are trade and aid to the US? American trade dependence has grown much since the 1970s. By 2000, roughly 25% of the US economy was exposed to trade; that is, exports and imports accounted for a quarter of GDP. Imports since 2000 have been well over \$1 trillion per year, and exports from the US close to \$1 trillion, combined they are equivalent to the size of the entire US government budget (WTO, 2006, table II:4). Economic aid has been a less salient part of the US economy, but not insignificant.⁴ It has accounted for less than 1% of US GDP since the Marshall Plan ended. Nevertheless, the US is the largest absolute donor in the world since its GDP is so large. The amount of aid is also similar in many years to the amount of direct government spending on agricultural supports, an area that has received considerable scholarly attention (GPO, 2004; Hansen, 1991; OECD/DAC, 2007; Poole and Daniels, 1985). The fact that much foreign aid—roughly 72%—is tied to domestic suppliers suggests that legislators and domestic groups see aid as valuable

⁴ Note that economic aid is no longer primarily directed toward Israel and Egypt. In 1998, a deal was struck to end all non-military aid to Israel and to halve all non-military aid to Egypt in ten years. In the FY08 budget proposed, Israel no longer gets any non-military aid and Egypt gets less than half of what it got in the 90s—less than \$400 million.

(CenterForGlobalDevelopment, 2007). Since aid is a much smaller part of the economy, one might expect that economic and social factors would explain it less well.

A milder version of the null hypothesis is that legislators simply follow the President's lead. Presidents propose foreign policy and legislators vote in favor of it if they come from the president's party and against it if they are from the opposition party (Howell and Pevehouse, 2007). In this theory, legislators (and their constituents) take cues from the President and following party loyalty vote in accord with the President. According to this argument, no predictable group of legislators supporting aid and/or trade policy should exist; rather, support will change as the President's party and his interests change. Unlike other studies, we also control for the potential influence of the President.

In addition to the null and presidential dominance hypotheses, we explore three other sets of theories that claim to explain legislators' votes. Below we examine the specific hypotheses that are derived from political economy models, fiscal policy models and ideological arguments.

i. Economic Interests & Preferences for Aid and Trade.

Three sets of factors may systematically explain legislators' votes on aid and trade: their economic interests, the fiscal policy environment and their ideological predispositions. Here we explore how the economic interests of legislators' constituents may affect their voting. Legislators desire most of all to remain in office. This office seeking motivation leads them to pay attention to their constituents. Voters may not know much about policy, but they tend to vote legislative incumbents out of office when bad outcomes arise.

Avoiding such bad outcomes (and sometimes being rewarded for good ones) means that legislators may vote according to the distributional consequences that policies are expected to have for their constituents. These distributional consequences in turn depend on the economic characteristics of their districts. Trade and aid, according to various theories, have distributional consequences, and different districts because of their different economic compositions will experience the costs and benefits of aid and trade flows differently. One of the most prominent theories of such distributional consequences comes from the Stolper-Samuelson theorem.⁵ It leads us to anticipate that the district level economic consequences that legislators expect to follow from aid and trade policies shape their preferences. We extend the well-known results of such models in trade to foreign aid because international foreign aid patterns are closely related to other international economic flows (Alesina and Dollar, 2000; Brakman and Marrewijk, 1998; Husain, 1993); for a longer discussion of why aid may be similar to trade see (Milner and Tingley, 2007)).

The Stolper-Samuelson theorem (SS), which is based on the Heckscher-Ohlin model of international trade, assumes that factors can easily move across industries; it predicts that the distributional consequences of international economic policies will vary by factors of production. That is, those who own more capital and those who own relatively more labor will differ in their preferences over these policies since they will differentially gain (and lose) from them. This model sees the primary cleavage as one

⁵ Competing theoretical models based on the Stolper-Samuelson (SS) and Ricardo-Viner (RV) theorems make different predictions about who the winners and losers will be from international economic integration (Rogowski, 1989). Controversy has arisen over which of these two models best predicts trade policy (e.g., (Bailey, 2001; Baldwin and McGee, 2000; Beaulieu, 2002a; Fleck, 2002; Ladewig, 2006). Here we concentrate on the Stolper-Samuelson model since it has received substantial support in the literature. We also conducted an extensive series of tests of RV, and generally found much less support for this theory but do not enter into this debate because of lack of space.

between capital and labor. In advanced industrial countries, which are abundant in capital especially human capital, the relatively scarce factor, unskilled labor, will lose from policies that open the economy to the world and its poorer economies. As others have argued (Fordham, 2008; Mayda and Rodrik, 2005; Rogowski, 1989; Scheve and Slaughter, 2001b), we thus expect groups well endowed with human and/or physical capital to support trade and groups mainly endowed with unskilled labor to oppose it. Legislators who come from districts that are well (poorly) endowed with human capital should be more likely to support (oppose) trade liberalization legislation. This model then generates predictions that are distinct from those of our null hypothesis.

How does this model apply to foreign aid?⁶ Studies of aid have shown that donor economic interests seem to affect the flow of aid as they shape which recipients receive it (Alesina and Dollar, 2000; McKinlay and Little, 1977, 1978, 1979). These studies have not detailed the winners and losers from aid in donor countries nor tested whether they exhibit the preferences attributed to them, which is what we do here. Following models proposed by economists, we point out the distributive consequences of aid for donor countries (e.g., (Bhagwati et al., 1983, 1984; Brakman and Marrewijk, 1998; Jones, 1984; Kemp, 1995; Mayer and Raimondos-Moller, 1999)). There are two effects associated with aid as an international transfer: a direct income effect (the transfer of purchasing power usually financed by taxes) and a change in the terms of trade. An individual's

⁶ Are trade flows and aid flows similar? In theory aid is a pure transfer of capital from a rich country to a poor one. Hence it should have the same factor content implications as trade flows from a developed country to a developing one. Capital, the abundant factor in the rich country, is being transferred to the poor one, just like trade. In practice not all aid is given as capital; a large percentage of aid is tied, meaning that firms in the US are given contracts to send goods and services abroad as aid. It could be that these firms are chosen on a non-market basis. But data suggest this is not correct. Elsewhere we show that tied aid goes to districts where US firms have comparative advantages, i.e., those with higher levels of human capital and physical capital. All of this suggests strongly that aid flows like trade ones have similar factor content implications for the US.

preferences for foreign aid in the donor country depend on their factor ownership and on these terms of trade effects. Because aid affects the international terms of trade, it in turn changes the distribution of income among factor owners in the donor country. The preferences of factor owners then depend on how the terms of trade effect interacts with their endowments.

As Mayer and Raimondos-Moeller (2003) note, a necessary condition for foreign aid to increase the welfare of a person in the donor is that the transfer raises their income. An increase in a person's income will occur if the recipient country's propensity to consume exceeds the donor's for the good which uses relatively intensively the factor that the person owns relatively more of than the average person. For example, a transfer will increase a person's income if the recipient country has a higher propensity to consume the capital-intensive good than the donor does and the person's capital ownership ratio exceeds that of the average person in the donor. Since poor recipient countries have a higher marginal propensity to consume certain goods, such as food and capital intensive imports, than rich donor countries, a transfer would raise the world prices of these goods. Then individuals in the donor country whose factors of production are intensively used in the production of these goods have incentives to favor foreign aid, as the Stolper-Samuelson theorem would anticipate. Since exports from rich countries to poor tend to be capital intensive, this means that owners of capital in the donor benefit from aid through the terms of trade effects.

Thus the main conclusion of distributional models of aid using the Stolper-Samuelson framework is that owners of capital in donor countries tend to gain from aid and thus are more likely to support giving aid. On the other hand, owners of relatively unskilled labor in the donor are likely to lose from aid and thus should oppose it.

Legislators who come from districts that are well (poorly) endowed with human capital should be more likely to support (oppose) foreign aid legislation. In sum, if the Stolper-Samuelson model is correct, we should see similar class cleavages over aid and trade.

ii. Public Finance & Preferences for Trade and Aid

Governments can use fiscal policy to redistribute resources and offset the effects of other policies. Fiscal policy involves both collecting taxes from citizens and spending by the government. An important literature has argued that governments can and do use fiscal policy to alter the effects of international integration. Cameron (Cameron, 1978) and later Rodrik (Rodrik, 1998) showed that countries more exposed to trade tended to have larger public sectors, that is, more taxing and spending by their governments. These and other studies suggested that governments were trying to compensate the losers from globalization in order to make it more politically viable. Ruggie (1982) claimed that governments had adopted a strategy of embedded liberalism in the wake of the interwar period in which they would open their markets to international competition but would use fiscal policy to cushion the shocks associated with such openness. The general claim has been that citizens will support international engagement more if they reside in countries that are able to compensate citizens through various public finance mechanisms (Garrett, 2001; Garrett and Mitchell, 2001; Quinn, 1997; Swank, 1998).

The studies cited above tend to use highly aggregated data on national fiscal policy regimes and the size of international flows into a country. A few recent studies have turned to more micro level data to explore the links between public preferences and the fiscal policy environment more directly. For instance, Hays et al. (2005) provide cross national survey evidence consistent with the compensation thesis; they show that

individuals employed in import competing industries are the strongest opponents of trade, but unemployment insurance and active labor market programs can moderate their opposition. Hanson et al. (Hanson et al., 2007) add to the debate by considering the interaction between public finance and the winners and losers from trade and immigration. Unlike the compensation argument, they claim that the winners from globalization may react against it if the tax costs of compensation rise. They argue that these fiscal policy effects are much smaller for trade policy. In contrast to the compensation thesis, they show that the costs of redistribution can make the winners from internationalism less supportive.

We follow Hanson et al. (2007) generally, but we ask how the fiscal policy environment in a legislator's district affects his support for trade and aid. We consider both the tax costs of fiscal policy on support for these policies and the benefits that flow from redistributive spending on opposition. We anticipate that rising fiscal redistribution within a district should lower the support for trade among the winners from trade—i.e., high skill groups—as they are asked disproportionately to pay for the taxes for this redistribution. However, we expect that the compensation thesis might also apply: the losers from trade—i.e., unskilled labor—will be less opposed to trade as fiscal redistribution within the district rises.

The compensation hypothesis links fiscal policy and trade preferences as a consequence of material interests. Ideational preferences may also affect this linkage. While less developed than the compensation hypothesis, several scholars have linked support for foreign aid to the existence of generous domestic welfare institutions. Lumsdaine (1993, 43), for instance, shows that individuals more favorable to domestic programs of redistribution appear more likely to approve of development assistance.

Noel and Therien also expect that individuals living in countries with substantial (minimal) redistributive fiscal policy should have a more positive (negative) attitude toward foreign aid, as these set of values are morally consistent (Noel and Therien, 1995). On this account legislators from districts with more fiscal redistribution should be more likely to support income redistribution abroad for ideational reasons. Others studies show that the relationship may be more complex; Noel and Therien (Noel and Therien, 2002) show that it is in countries where domestic redistribution appears less important that support for foreign aid is highest. We explore whether the magnitude of fiscal policy within a district affects support for aid by legislators; this might be the case if those who value domestic redistribution also value international redistribution through aid. Domestic norms then may spill over into international ones.

Our study is the first roll call voting analysis to bring these public finance concerns into focus for both aid and trade legislation. We are the first to examine the micro-foundations of aid preferences and their interaction with fiscal policy and to compare them to trade. And we are the first to look at fiscal policies' impact on legislative support as opposed to public opinion. Furthermore, by doing so we are able to consider domestic level variation instead of cross-national variation; we can examine within one country, the US, how different levels of fiscal policy affect preferences for international engagement via trade and aid.

iii. Ideology and Its Influence on Preferences.

A long debate has occurred over the relative role of ideology and interests in legislative voting (e.g., (Kalt and Zupan, 1993)). We think that it is important to try to distinguish these two factors, but that they both are likely to matter for legislators.

Ideology is harder to define than economic interests, and there are many sets of ideas one could focus on. Here we identify ideology with a set of beliefs about the proper role of government in the economy and society, especially relating to government attempts to redistribute income.

In American politics, a liberal-conservative ideological spectrum is often used to describe political beliefs (e.g., (McCarty et al., 2006)). This traditional left to right ideological scale may help explain views toward foreign aid and trade. The liberal-conservative political spectrum often identifies liberals as holding strong beliefs in the importance of government intervention in the economy, especially to deal with redistribution of wealth to the poor (Bobbio, 1996; McCarty et al., 2006). The conservative position is associated with beliefs about the importance of individual effort and the value of the market as means of wealth generation and distribution; government intervention is often seen as inefficient and ineffective, as well as morally undesirable. Given these beliefs, one would expect individuals holding liberal values to favor aid and to be opposed to free trade; on the other hand, those holding conservative values should favor free trade and oppose aid as a form of government intervention to redistribute wealth globally. We would expect districts (and thus legislators) with more liberal views to support aid and oppose free trade, while more conservative ones should support trade and oppose aid. Ideology defined on this liberal-conservative scale would split internationalist groups over the value of aid versus trade.

In sum, our central hypotheses are:

1. Economic Interests: The greater the endowment of human (or physical) capital in a district, the higher the probability that the legislator votes in favor of trade liberalization and foreign aid.
2. Public Finance: Legislators representing districts with more fiscal redistribution should favor foreign aid and trade more.
3. Public Finance & Economic Interests: Fiscal policy can offset the distributional effects of aid and trade so that support for (opposition to) them will be affected. As fiscal redistribution rises within a district, the winners from trade and aid will grow less supportive of them. As fiscal redistribution rises within a district, the losers from aid and trade will become less opposed to them.
4. Ideology: The more conservative the members of a district are, the greater the probability that the legislator votes in favor of trade liberalization but the less likely the legislator votes in favor of foreign aid.

III. Empirical Evaluation of the Hypotheses

Research Design

Our analysis focuses on legislative voting in the US House of Representatives from the 96th-108th Congress. In trade and aid the President needs the assent of Congress to implement his policies. In trade, the Constitution gives the Congress explicit control over most trade policy, largely since it is a matter of taxes. Presidents thus must bargain with Congress for trade negotiating authority, which allows the President to lower US barriers by certain amounts in exchange for foreign concessions. The President must then bring any international agreement back to Congress. In addition, legislators can introduce trade legislation of their own since they have constitutional authority over national trade

policy. We examine all three types of bills below: presidential authorization to negotiate in trade, final passage of trade agreements, and individual bills to regulate trade policy.

In foreign aid, the President also needs congressional approval since this involves taxing and spending. Congress must agree to his proposals to appropriate and then allocate funds for foreign aid each year. Unlike in trade, aid spending authority is usually part of a much larger foreign operations bill, which contains spending authority for all forms of international activity in the US government. Committees amend the President's proposals and then these bills can face amendments on the floor. Hence, although the exact processes differ, the President requires congressional majorities to implement his foreign policies in both of these areas.

To identify the proper population of votes relating to aid and trade policy, we utilized the Voteworld program, various publications by the Congressional Quarterly, and the Congressional Record. With this population of votes (itself a subset of all House votes), we selected a sample of votes that met certain *a priori* criteria to identify the votes that tapped legislator positions on aid and trade.

We include aid votes that satisfied the following criteria. First, we identified the universe of amendments related to foreign aid that received roll call votes in the House between 1979-2004 (96th-108th Congress). Second, we selected a subset that had the clear legislative consequence of increasing or decreasing economic foreign aid, such that they could be unambiguously coded. This requires that we exclude procedural, conference report, and final passage votes. While interested in separately analyzing the universe of these other votes, our reading of the Congressional Record is that these votes concern a wide range of foreign operations issues, many of which are orthogonal to foreign aid. Other research has considered these final passage votes, food aid votes, and military aid

votes (Milner and Tingley, 2007). Third, we excluded amendments that dealt with ‘social’ issues, like abortion and AIDS, because these votes also address a very different set of political issues. Fourth, we exclude votes on export promotion (Export-Import Bank or the Overseas Private Investment Corporation) because they tap very narrow interests and were relatively rare during our sample period. We also probe the robustness of our votes by examining a second, larger set of votes that were less saliently connected to aid policy.

We pursue a similar strategy with regard to trade votes. We include trade votes that 1) had clear consequences for US trade policy (e.g., were not procedural votes or ‘sense of Congress’ votes), 2) did not deal with individual products unless those products dealt with major US industries (e.g., steel, automobiles, textiles, sugar), and 3) had been used by previous scholars in roll call vote analysis and upon further review were sufficiently oriented toward trade policy. Most of our trade votes are final passage votes, as preceding floor votes on a particular trade bill—if they happened—tended to be procedural. We also probe the robustness of our votes by examining a second, larger set of votes that were less saliently connected to trade policy. A thorough description of our main bills and amendments is provided in our on-line appendix.

We chose our sample of votes from the 96th-108th Congress primarily because this period covers a broad span of American political history that has witnessed many changes domestically and internationally. This sample gives us variation on the party of the President, divided government, and the state of the US economy. Our votes should indicate general preferences about foreign aid or trade. Our votes are similar enough to tap into these general preferences, but not so similar that they merely inflate our number of observations without adding new information. Our dependent variables then are two: a

legislator's vote on aid bills and his/her vote on trade bills. Votes were recoded so that a 1 equaled support for aid and trade liberalization, while a 0 indicated opposition. We estimate the probability that a legislator votes in favor of aid or trade given a series of characteristics about his or her district.

Multivariate Analysis

The next section tests predictions deduced from the political economy and ideology models using multivariate regression analysis. This allows us to estimate how district level variables affect the voting of legislators, and then to make comparisons across issue areas.

Our dependent variable is dichotomous, with a one indicating a vote in favor of internationalism. Our data are collected in a panel format with the legislator-vote as the unit of analysis. We estimate a series of probit models using our set of votes for each issue area. Our model specification includes vote fixed effects to control for any unmodeled heterogeneity across votes and differences in the yeas-nays margin across votes. Here we present results from a marginal effects specification ('population averaged') (Liang and Zeger, 1993; Neuhaus et al., 1991), which uses a GEE estimator with a probit link and an exchangeable within group correlation structure. Thus, slope coefficients indicate the influence on a population of legislators, not individual legislators per se; put differently, they tell us the average impact of a variable on an average legislator's probability of voting in favor of aid or trade. Heterogeneity across legislators is accounted for by calculating robust standard errors. Our results do not change if we use a random effects specification, which relaxes the assumption that the intercept for particular legislators is identical across votes. Because of the relatively small number of

observations per legislator, we do not use legislator fixed effects. The panel specification means that we are combining votes within and across Congressional sessions, which allows us to compactly analyze our data. In our robustness checks below we show that running separate probit regressions for each vote yields identical conclusions.

Independent Variables

Before presenting our results, we describe our independent variables. We test predictions made by Stolper-Samuelson models by measuring capital endowments at the district level; Stolper-Samuelson models propose that the greater the amount of capital (human capital or physical) used in the district (relative to unskilled labor), the more likely is a vote in favor of aid or trade. Following other scholars (Beaulieu, 2002a, b; Broz, 2005; Broz and Hawes, 2006), we measure this by the percentage of people working in high skill jobs in the district (*% HighSkill*).⁷ We expect this measure of human capital to be positively related to support for aid and freer trade.

We also constructed measures of relative physical capital endowments by aggregating the amounts of fixed capital and labor in manufacturing industries following the procedure used by Ladewig (2006). The *lnCapitalEstab* variable measures the (log) of capital stock in all manufacturing sectors, and the *lnLaborManuf* variable measures the (log) of manufacturing employment, at the district level for all Congressional sessions in our sample. We expect the capital endowment measure to be positively related to support for internationalism, and the labor measure to be negatively related. Stolper-Samuelson models also suggest that districts abundant in agriculture should favor both aid and trade.

⁷ Others have used similar measures, such as the percentage college educated (Bailey, 2001). We obtain similar results using this measure as well.

We measure this by calculating a district's total value for livestock and crop production (*MktValAgProd*).

The compensation thesis and Noel and Therien's conceptualization of the welfare generosity of countries suggest that support for trade and aid should be increasing in the amount of redistribution in a locale. Public finance theories suggest that this effect may decrease in districts most likely to pay for this generosity. Our goal was to construct a measure of domestic redistribution at the Congressional district level. The required data for this is not available for the majority of our sample. Thus we rely on state level welfare measures. We focus on state welfare spending per capita (*StateWelf_percap*) but obtain similar results if we use welfare measures as a percentage of GDP or federal welfare spending within a state. To investigate the public finance hypothesis suggested by Hanson et al., we also interact this measure with our district level skill measures.

Ideologically based theories suggest that legislators from more conservative districts will support free trade but oppose foreign aid, while legislators from more liberal will have opposite preferences. Following scholars in American politics, we measure district ideology as the percentage of the two party vote for the President that goes to the Republican candidate, *PrezVoteRepub%* variable. In the US two party system, we argue that an individual's political ideology is well indicated by his/her vote for one of the two major parties. The district percentage of Republican votes should indicate how conservative the district is likely to be.

We also include a number of control variables that others in the literature have identified as potentially relevant. The Stolper-Samuelson framework predicts that encompassing interest groups which represent capital or labor should be active players, lobbying and pressuring legislators to adopt their favored position. These groups should

be internally united on their preferences toward trade. Thus, it predicts that PAC support to legislators by capital and labor groups should be an important component of legislators' decisions (Hiscox, 2002). Labor groups should contribute to legislators who vote against bills to liberalize trade and expand aid, while capital groups should actively support such bills. We are not arguing that PAC contributions are necessarily causal; instead we want to see which groups support and oppose aid and trade. PAC contributions from corporate sources (*CorpPAC%*), labor groups (*LabPAC % PAC*), and money-center banks (banks with high overseas exposure, see (Broz, 2005)) (*BankPAC %*) are operationalized as a percentage of total PAC contributions. All of these campaign contributions are implemented as the percentage of total PAC contributions (per the advice in (Roscoe and Jenkins, 2005, pg. 60)) and taken from the electoral cycle preceding the Congress where we observe an actual vote. Stolper-Samuelson models predict that corporate PAC's, including money-center banks, will support aid and free trade, while labor groups will be in opposition. We also added a variable for unionization (*%union*) in order to see if districts that had higher union density were less favorable to aid and trade, as Stolper-Samuelson models would predict.

Others focus attention on the executive branch and on the preferences and beliefs of the executive (whether prime minister or President and cabinet)(Canes-Wrone et al., 2006; Howell and Pevehouse, 2007). For these scholars, Presidents have much more influence over foreign policy than they do on domestic policy, and more influence than the public or Congress. On this account Presidential party dynamics should condition voting. Thus we created a Presidential support variable using data from David Rohde, coded as a 1 if the President was of the legislator's same party and the President supported aid or trade liberalization, and 0 otherwise (Rohde, 2004). If the Presidential

dominance hypothesis is right, this variable *PrezSupport* should be positive for both aid and trade. We also explored more nuanced versions of this variable, but our substantive results did not change and thus we retain our single dummy variable measurement.⁸

We include regional control variables because other foreign policy studies have concluded that regional variations are important. Trubowitz, for instance, argues that “(o)nce the champion of Cold War internationalism, the Northeast had become the defender of neo-isolationism by the 1980s”, while the South and West had turned into the supporters of international engagement (1998, pg. 232). His argument stresses that regions within the US have distinctive economic stakes in American foreign policy; isolationist versus internationalist policies affect the regions quite differently and hence make their representatives differentially supportive of such policies. Many previous analyses of roll call voting on foreign policy issues do not include these measures. By estimating models with these controls, we are more confident that our inferences are not biased by regional differences that we do not otherwise measure.

Finally, we also included a number of demographic variables at the district and state level (when district level variables were not available). A more complete discussion of these variables is in appendix 1.

⁸ The nature of the data prevents us from investigating a variety of other theoretical conceptions about the interactions between the President and Congress. For example, we do not consider strategic interaction between the President and Congress. This could arise if the President were only to issue positions if a vote was expected to be close. Future work will be needed to better establish the relationship between the two branches. We think that if the President is powerful, he should at least be able to pull his own party members to support his favored policies. Instead of the dichotomous *PrezSupport* variable we considered the full range of dichotomous variables produced by 1) the President’s position (support aid/trade, oppose aid/trade, no position) and 2) whether the legislator was of the same party as the President. Unfortunately, including these variables and vote fixed-effects generate problems in the statistical analysis because particular dummy variables started to make vote fixed effects drop. Additional details available from authors.

Table 1: Predicted Relationships for Aid and for Trade

	Null	President	SS	Fiscal	Ideological
% High Skill Workers	(0/0)	(0/0)	(+/+)	(0,0)	(0/0)
Prez Supp + Same Party	(0/0)	(+/+)	(0/0)	(0,0)	(0/0)
Fiscal Redistribution	(0,0)	(0,0)	(0,0)	(+,+)	(0,0)
Fiscal*Skill	(0,0)	(0,0)	(0,0)	(-,-)	(0,0)
District Ideology (higher=more conservative)	(0/0)	(0/0)	(0/0)	(0,0)	(-/+)

Results

We present several different multivariate models in table 2 for aid and trade votes. We wish to avoid both criticisms of omitted variables and ‘garbage can’ regressions (Achen, 2002), and thus we move from relatively simple regressions to more complicated ones. Our first regression contains only our core political economy variable (*%HighSkill*) and our measure of district ideology (*PrezVoteRepub%*). The second set of regressions adds our public finance variable (*StateWelf_percap*). Next we add the interaction between the public finance and skill (*StateWelf_percap *%HighSkill= WelfPerCapXSkl*). Finally we add sets of control variables. We first discuss the direction and significance of our variables for each issue area, and then move to comparing models and estimating the substantive impact of our variables.

Our results strongly suggest that the null hypothesis of idiosyncratic votes by legislators can be rejected. Our economic interest and ideological variables predict votes well and suggest that a core group of legislators supporting an internationalist policy exists. Public finance variables also have some influence. The Stolper-Samuelson model does quite well in both aid and trade votes. Our measure of capital endowments (*%HighSkill*) is highly significant and positive for *both* aid and trade votes, indicating that legislators from districts with high levels of human capital are more likely to vote in

favor of foreign aid and free trade. The results for trade are consistent with those found in the literature. The strong positive relationship for aid is as predicted by the Stolper-Samuelson model, but is perhaps more surprising. In a separate paper we explore this result more closely using a variety of other data sources (Milner and Tingley, 2007).

Our focus here is to contrast these effects across issue areas. To simulate how changes in our *%HighSkill* variable lead to estimated changes in the probability of supporting trade or aid we simulate substantive effects from model 3 by holding the other variables at their sample means and increasing the *%HighSkill* variable. The top two entries in figure 1 graph these results. The magnitude of the effect of our skill variable is quite similar across the two issue areas, which is surprising given that aid is a much smaller element of the economy than trade. This result indicates that a core group of supporters exists for an internationalist policy that is composed of similar groups in trade and aid. Thus our findings provide an important extension of previous research in trade policy to that for foreign aid.

For aid and trade votes the effect of increasing district capital endowments was to make legislators more likely to support the pro-internationalist position. Do our public finance variables show similar effects across issue areas as well? While our measure of per capita welfare spending (*StateWelf_percap*) is positive and significant for aid votes, it is insignificant for our trade votes. Legislators from states that have higher per capita rates of welfare spending were more likely to support foreign aid, but not more likely to support trade liberalization. Alternative measures of welfare spending, such as a percentage of state GDP, give similar results. Hence we find some support for the ideational claim that higher domestic compensation is linked to greater generosity toward aiding foreign countries (e.g., (Noel and Therien, 1995; Therien and Noel, 2000)), but

little support for the compensation hypothesis that domestic redistribution can reduce opposition to openness (Garrett, 2001; Hays et al., 2005; Ruggie, 1982). One possible explanation is that the amount of money available through public finance programs that help displaced workers is relatively low in the US, and hence the compensation mechanism is less likely to have an impact.

However, an interaction effect between endowments and public finance may be at work. It may be that legislators from districts with higher capital endowments and with high welfare spending may be less likely to support international engagement because their district will have to pay for the compensation disproportionately. Similarly in aid, legislators from these districts may feel that their tax dollars are already going towards generous domestic welfare programs and hence be less willing to pay for foreign aid. Thus for trade, the lack of a main effect of welfare spending might be due to its having different effects depending on the district's capital concentration. We examine the interaction effect and find an interactive relationship between our *%HighSkill* measure and *StateWelf_percap* for foreign aid voting but not for trade voting. The interaction term (*StateWelf_skill*) in model 3 is negative for both issue areas but only significant for aid.

The statistical significance of interacted variables does not mean that there is a strong interactive effect present in the data because the interaction depends on the values of the conditioning variables (Kam and Franzese, 2007, pg. 60) and, in non-linear models, the values of all other variables. To get a clearer picture of the interaction effects, we calculate changes in the predicted probability of voting. Figure 2 plots the predicted probability of supporting trade and aid as a function of our public finance variable using the specification in model 3 of table 2. To capture the interactive effect, we plot this probability for two values of our skill variable (*%HighSkill*) (10% and 50%) at the 10th,

50th, and 90th percentiles of the sample's public finance (*StateWelf_percap*) variable and surround the predictions with 95% confidence intervals. For low values of *%HighSkill* the probability of aid support is increasing as we move through the distribution of the *StateWelf_percap* variable. For high values it is slightly decreasing. For trade policy, we see very little difference in how the probability of voting changes with the *StateWelf_percap* measure across the high and low values of the skill variable. In both issue areas we see that a high value on the capital endowment variable leads to a higher probability of voting in favor of aid or trade, but in the interaction with our public finance variable we see some effect for aid but little if any for trade.

One criticism of the capital endowment (*%HighSkill*) variable is that it might capture other effects beyond economic factors, and thus the measure might be problematic despite the fact that many published studies use it. For example, those districts with higher skill levels might also be more cosmopolitan or educated and hence open to international engagement. Unfortunately, criticisms of this type often stop without suggesting ways to control for these other influences. One suggestion is to include the percentage of adults that have a college degree; however, this correlates with the skill variable at a high level, ranging from .65 in the 1980's to .97 in the 2000's. This multicollinearity is a statistical nuisance, but over-determination between Stolper-Samuelson models and cosmopolitanism is a theoretical problem. The extent of this theoretical over-determination is not clear. Those who think that the college education variable taps cosmopolitanism assume a strong relationship between education and cosmopolitanism, though we are unaware of why this necessarily must be the case. Similarly it is not clear why more education always leads to greater acceptance of free market ideas, as higher level education need not be in neo-liberal or classical economics.

While our Stolper-Samuelson variable (*%HighSkill* measure) remains positive and significant in our panel models even if we include a variable measuring the percentage of the district over 18 with a college education, we also collected other measures of capital and labor endowments, following the procedure laid out by Ladewig (2006).

Table 3 replicates the analysis in table 2 but uses our alternative measures of district capital and labor endowments. We find nearly identical patterns to those discussed for our original Stolper-Samuelson (*%HighSkill*) variable. As expected, the measure of capital stock *lnCapitalEstab* is positive and generally significant for aid and trade, whereas the measure for labor *lnLaborManuf* is negative for both aid and trade. Hence our alternative measures of factor endowments a la Stolper-Samuelson hold up strongly in both issue areas. The *StateWelf_percap* is positive in both issue areas and is always significant for aid. Our interactions tell a similar story as in table 2. We observe some interactive effect for aid but very little for trade. However, we note that the complexities of interacting the *StateWelf_percap* variable with both of Ladewig's measures makes interpretation quite difficult and hence we believe figure 2 provides the clearest picture of the interactive effects of public finance and capital endowments. Taken together with our results for our original Stolper-Samuelson variable (*%HighSkill*), we find strong support for our models of economic interests in both aid and trade. *Thus, the same empirical relationship between district capital endowments and support for internationalism identified in trade applies to aid.*

Finally we move to the consideration of our ideological measures. It is possible, if not likely, that many of our economic and demographic variables correlate with aggregate district ideological orientation. Thus including district level measures of ideology may decrease the impact of our economic variables. Nevertheless, ideological

beliefs may have an important effect independent from the political economy and public finance factors. Our liberal-conservative measure, the percentage of the district's two party vote that is for the Republican Presidential candidate (*PrezVoteRepub%*), is negative and significant for aid, while positive and significant for trade. Replacing ideology with a dummy variable for political party produces identical results, as does using legislator ideology scores (DW-Nominate). As predicted by theories of political ideology, more conservative districts favor trade and oppose aid, largely we surmise because of their beliefs about the role of the government in the economy. The effect of ideology also appears to be much larger in aid than in trade. We plot substantive effect calculations in figure 1 using model 3 of table 2 to show how holding other variables at their means and increasing the district ideology variable generates changes in the probability of voting for aid or trade. We see a larger magnitude of change in the probability of voting for aid than for trade. This difference across the issue areas—that ideological cleavages are more salient in aid than trade—is also found in marginal effects calculations for the two issue areas (available from authors).

To make this important difference between aid and trade more clear, consider table 4. Table 4 compares the mean district ideology and DW-Nominate scores of legislators *within parties* depending on whether the legislator took the typical 'party line' (Republicans favor trade not aid, vice versa for Democrats). For the district ideology score there is a very *large* difference between Democrats that support aid and Democrats that oppose aid. The difference in trade is much smaller. For Republicans, the district ideology variable still produces significant differences across both issue areas, but the magnitude of the difference is more similar across the issue areas. However, if we look at these differences within parties using legislator specific DW-Nominate scores, we see a

large gap between supporters and opponents of foreign aid in both parties, whereas the gap is much smaller for trade policy. Taken with our multivariate results, ideology appears to be much more divisive in aid policy than for trade policy.

Control Variables

While not our focus, we briefly discuss results for some of our control variables. Models 4 and 5 in tables 2 and 3 report results with a number of additional control variables; they show that our main results do not change when we control for many other factors. We observe that the influence of the President (*PrezSupport*) is salient for trade policy. When Presidents take a position on trade legislation, legislators from their party are more likely to adopt the President's position (almost always pro-trade). Legislators not in the President's party when the President takes a position or legislators in the President's party when the president does not take a position are less likely to support trade liberalization. We do not observe this pattern for aid. And in some additional (unreported) estimations this variable was even negative and significant for aid, meaning that the President's support reduced the support of legislator's in his party. Alternative specifications of the President's position produced similar results.⁹ There is also some evidence that the impact of the President taking a position is less than that of some of our other economic variables.¹⁰ This contrasts with Kesselman's (1961) findings that emphasized the role of the President in influencing aid role call voting, and supports the

⁹ As discussed previously we also measured the influence of the President in several other ways, but generally came to the same set of conclusions. One exception was if we simply took the President's position (either pro-internationalism (1) or no position (0) in our sample). This variable was negative and significant for both aid and trade. This suggests that the influence of the President in trade policy may operate chiefly through members of the President's party.

¹⁰ The marginal effect of our Presidential variable is several orders of magnitude smaller than the marginal impact of several of our economic variables. For dichotomous variables like Presidential support, the marginal effect is calculated as a discrete change in predicted probability.

skepticism about this result articulated by Asher and Weisberg (1978). We suspect that the influence of the *PrezSupport* variable on trade policy is driven in part by the shift of some Democrats towards a pro-trade position in the 1990's when Clinton was president, shifts no doubt induced by significant lobbying and presidential promises.

Organized interest groups have also been argued to influence policy making, especially in trade policy. We see that labor PAC contributions (*LabPAC%*) were negatively correlated with pro-trade voting (in keeping with previous results) but positively related to voting on aid policy. Elsewhere we discuss this interesting contrast of labor's policy positions across the issue areas. Contributions from money-center banks (*BankPAC%*) were positively correlated with support for foreign aid. Furthermore, the substantive impact of this variable was in line with what Broz and Hawes observe with financial bailouts and IMF voting (Broz, 2005; Broz and Hawes, 2006). Hence Broz's finding about the relationship between bank PAC contribution and financial bailouts and IMF voting appears to extend to additional classes of foreign economic policy. We do not observe this relationship in trade policy. Thus a difference between aid and trade policy appears to be that large, internationally exposed banks help maintain support for aid but have less influence or salient preferences over trade policy. In a separate paper we consider the historical bases of this support for aid more directly. Our measure of corporate PAC spending (*CorpPAC%*) was insignificant in model 5 and in most of the supplementary analyses we estimated.¹¹

¹¹ We also constructed a variable that measured the percentage of PAC contributions from the top 50 exporters, recreating and extending a measure first used by Nollen and Quinn (1994). This variable was positive but insignificant for both our trade and aid panels, though it was closer to attaining conventional significance levels for the trade panel.

District agricultural production (*MktValAgProd*) is not significantly related to the set of foreign aid votes in our sample.¹² But highly agricultural districts tend to be more free trade oriented. As we control for region, we do not believe this is due to regional effects. This result is consistent with Stolper-Samuelson predictions on trade, which suggest that the US's relative abundance of productive land leads areas rich in it to favor trade liberalization.

Compared to legislators from the Northeast, southern legislators were less likely to support foreign aid. Legislators from the West (*West*) and Midwest (*Midwest*) are more likely to vote in favor of free trade compared to Northeastern legislators. This supports only part of Trubowitz's claims; the West has become a solid bulwark of support for trade policy. These regional controls do not, however, change the results for our other variables, and thus regional differences do not seem to powerfully predict aid and trade votes.

We also consider several district-level demographic variables that may be related to support for aid and free trade. Legislators from districts with large foreign-born populations (*%ForBorn*) are likely to vote in favor of foreign aid in several of our models. A district's foreign-born population had a less salient effect on trade votes. Legislators from districts with large African-American populations (*%Black*) are more likely to favor foreign aid. No consistent relationship holds for trade votes. Our measure of unemployment level (*Unemploy%*) and change in (state level) unemployment were almost always negative but never significant. While the economic stress unemployment causes is a frequently cited source of opposition to both trade and aid, this does not materialize in our data. There is no consistent relationship between (the log of) median

¹² In a separate paper we discuss how this variable correlates positively with votes on food aid legislation (PL 480: Food for Peace). Legislators from districts with high agricultural production significantly favor food aid.

income (*LogMdnIncm*) and either trade or aid voting. Some have used income as a measure of altruism, suggesting that richer districts should provide more support for aid (and perhaps trade) (Krueger, 1996); we do not find this result.¹³

Discussion

The preceding discussion focused on district and legislator preferences as predicted by political economy models, those emphasizing ideology, and the role of public finance variables. There are interesting similarities and differences between legislative voting on foreign aid and trade policy. Predictions from the Stolper-Samuelson model help explain the similarities in these groups. Our measure of district skill levels, which indicates human capital endowments relative to unskilled labor, correlates positively with both foreign aid and free trade support. The population of legislators coming from districts with relatively high levels of capital endowments is more likely to support *both* foreign aid and free trade. The substantive effects of the skill variable are similar in magnitude to those seen in studies in other issue areas (e.g., (Broz, 2005)). This suggests that political economy factors might help shape a broad internationalist policy orientation across multiple policy areas. Support for trade and aid seem to depend much upon the domestic distributional consequences anticipated by legislators for these two policy areas.

¹³ This measure does have a positive and significant coefficient when we use Ladewig's measures of capital and labor concentration, but only for trade voting.

¹⁴ In unreported results we also used additional control variables. Religiously based ideological preferences may also relate to support for international policy (Busby, 2007). We collected religious membership data at the county level and then transformed to the district level. Our results were unaffected by including the percentage of Jewish, Evangelical, Protestant, and Catholic adherents. We also hoped to 'control' for cosmopolitan explanations that may be driving our the results for our economic variables. We collected circulation levels for several 'cosmopolitan' magazines (e.g., the New Yorker) at the county level for 2004 (oldest available data). Using GIS software we then mapped this data onto Congressional Districts going back in time. Including these controls did not change our results and were not significant.

Our analysis also suggests that trade and aid might differ somewhat in the way redistributive institutions shape policy preferences for foreign policy. We find some evidence that welfare institutions, and their interaction with district factor endowments, might shape preferences in foreign aid. But we see relatively little evidence for either the compensation effect found by other scholars (Hays et al., 2005; Kim, 2007) or an interactive effect with factor endowments in trade policy. Hence while our results disagree with some of the embedded liberalism literature, they confirm the null results of Hanson et al. (Hanson et al., 2007) on the interactive relationship between public finance and capital endowments for trade policy. Clearly more research is needed to tease out the complex relationships between economic preferences and public finance institutions.

While we have focused less on our control variables, we highlight two important differences across aid and trade policy. An alternative (though complementary) way to explain legislative behavior is to consider the relationship between the executive and legislative branches. The President plays a key role in shaping both aid and trade policy, and thus may be able to also influence legislative voting. This effect seems present only in trade, however. Organized labor's opposition to free trade and support for foreign aid highlights how organized interest groups can hold contrasting positions on different forms of international engagement. More research on both of these topics seems worthwhile.

VI. Robustness

Our models correctly predict a very high percentage of actual votes by legislators: between 71%-74% for trade and 74%- 76% for aid. The proportional error reduction for

both issue areas is between 29-34%.¹⁵ The accuracy of our model does not appear to be driven by our estimation strategy or other potential misspecifications.¹⁶

We find similar results if we look at our votes individually. Analyzing votes separately and displaying results in an economical way is difficult when there are many votes under consideration. We estimated probit model for each vote separately, and then calculated the marginal effect for each of the variables at its mean and other variables held at the mean. The marginal effect is the slope of the line tangent to the probability link function (here calculated at the mean of the variable). We then calculate the 95% confidence intervals of the marginal effects. Figures 3 and 4 display these results for two of our key variables: *%HighSkill* and *PrezVoteRepub%*. On the left hand side of these graphs are the results for aid votes and on the right hand side are results for trade votes. There is a relatively consistent relationship between voting and these variables, with a significant or near significant, marginal effect in a majority of votes. For trade the effect of our district ideology level was more mixed than with aid. In aid there was a consistent and strong negative relationship. Here again we see how the effect of district ideology is much more salient for aid than for trade. These tables also demonstrate how our pooling strategy does not drive our results.¹⁷ We find similar substantive effects to those calculated using the pooled model in table 2. Our use of a panel estimator does not drive our results. In addition, the results of the individual vote models suggest that the patterns

¹⁵ We used the PRE post-estimation routine in STATA.

¹⁶ Our results do not change if we use a random effects specification for the panel probit model or if we drop our vote fixed effects.

¹⁷ Displaying marginal effects for the public finance interaction term for individual votes is difficult because of non-linear nature of the estimator we use and the complications that interaction terms introduce (Ai and Norton, 2003). Nevertheless, we found similar results when considering our public finance variables on a vote by vote basis. We also calculated substantive effects on a vote by vote basis using a Bayesian strategy with non-informative priors. We find that the significance and impact of our key variables does not systematically change over time if we estimate the results one vote at a time. Details available from authors.

we observe are not changing much over time. Despite the votes occurring over a nearly 30 year period, we are seeing similar results in nearly all of them.

Another possibility is that our results might be biased by including legislators with heterogeneous electoral incentives. Legislators with particularly secure electoral prospects might respond to district level factors differently compared to legislators elected by very close margins. To address this, we reran our model 5 from table 2 and excluded legislators winning by more than a certain percentage. Our results, presented in table 5, change relatively little. Our measures of capital endowments and ideology retain their signs and statistical significance. The public finance variables are still correctly signed but are occasionally insignificant (though close) in both issue areas.

We also estimated models separately by party. The capital endowment (*%HighSkill*) variable is positive and significant for both issue areas and both parties. The effect of our district level ideology variable remained significant within parties for aid and trade.. The public finance variables have a qualitatively similar effect but were not always significant in every specification.

Finally, we estimated our models from table 2 on a different, larger set of votes that we classified as being 'low saliency'. These votes satisfied most of our selection criteria, but were not as salient in tapping general preferences for aid or trade policy. Our main results hold for these votes as well. Our Stolper-Samuelson (*%HighSkill*) variable is still positive and significant in both issue areas, as is our measure of district ideology. The *StateWelf_percap* variable was positive in both aid and trade, but was only significant for aid. The interaction between this variable and *%HighSkill* was negative for both issue areas but only significant for aid. Overall, we subjected our tests to many different specifications and find that our results are quite robust.

VII. Conclusion

Trade and foreign aid are two key dimensions of American foreign economic policy, and as such play important roles in engaging the US with the rest of the world. In this paper we have taken a first step toward theoretically identifying the political groups that support American internationalism. Our project differs from other studies of preferences in that first it considers many votes by legislators over a long period and second it examines many different possible sources of those preferences—and not just material interests. Domestic factors seem to play an important role in generating support for internationalism in the US. Both material interests and ideas appear to matter. Further, we point out that certain domestic factors play a more consistent and powerful role than others. We show that in both areas legislators do not vote idiosyncratically or simply on the basis of the President's preferred position. Nor is partisanship the best predictor of these preferences.

Our theories do a better job of explaining support for aid and trade than do either random voting, party affiliation, or presidential domination models. Legislators appear to understand the economic effects of trade and aid policies on their districts and on their political support within them, and vote accordingly. The distributional consequences of aid and trade, as reflected in the economic characteristics of their districts, appear to affect their preferences. In particular, Stolper-Samuelson models of trade and aid preferences receive important corroboration. The strong support for international engagement through aid and trade policy by districts with large percentages of high skill workers is the most striking common source of support for the two policies. Given that

skill levels have been rising across the US since the beginning of our sample, this seems evidence for future support for internationalism. This economic model then helps explain commonalities in support for internationalism that would not be revealed by other models.

Unlike other studies which assume that the groups supporting (or opposing) internationalism are similar across issue areas, we demonstrate that their nature differs between aid and trade. The groups supporting foreign aid and free trade have important, and interesting, similarities and differences. Legislators' votes are also shaped by the ideological preferences that their constituents hold, but in contrasting ways in the two issue areas. While economic interests weigh on legislators in both issue areas (something that is consistent with what legislators, Treasury Secretaries, etc. *say* in the historical records we consulted (e.g., debates, testimony)), ideology appears to play a stronger role for foreign aid than for trade. Given the weaker distributional consequences of aid, this result might not be surprising. Those who believe the government's role should be minimalist do not support foreign aid, while those with a more expansive view of the government's role in the economy are more supportive. Ideas about the role of government and redistribution then substantially and differentially affect trade and aid policy. In addition, fiscal policy seems to drive attitudes toward aid more than those toward trade. For aid, legislators from districts with greater social spending are more likely to support assistance to other countries, and opposition to aid among lower skill groups falls in districts as social spending in them rises. We do not find any type of compensation mechanism present in trade, however. Again ideas and norms about the proper role of the government in the economy tend to affect support for foreign aid policy through domestic fiscal policy.

Another implication of our comparison of voting on aid and trade is that the interaction between the executive and legislative branches can differ depending on the issue area. Thus, scholars who make broad claims about the role of the President versus Congress in foreign policy (Canes-Wrone et al., 2006; Howell and Pevehouse, 2007) may miss important heterogeneity across issue areas. Foreign policy comprises a number of interconnected policy areas. The politics of international engagement are not monolithic across these areas. While the President undoubtedly plays a crucial role in the conduct of foreign policy, Congress matters in important ways for matters beyond military issues. Presidential dominance of the policy agenda is not the norm in aid, though there does appear to be some influence in trade policy.

The groups supporting and opposing trade seem to have been fairly stable over this twenty-five year period (1979-2004). Examining our data by individual votes yields a very similar story to our pooled analyses, showing little systematic change. This stability is remarkable given the momentous changes in world and American politics during this period. The end of the Cold War, globalization, the war on terror (although just starting as we end), the polarization of American politics, and the increasing Republican control of Congress all mark this period and could have dramatically changed these patterns. Our data suggest that they did not.

Further work remains to be done to understand support for internationalism in the US; however, we have taken the most systematic steps so far towards analyzing the domestic politics around two important areas of international engagement. Domestic politics matters greatly for the American pursuit of internationalist policies. Both ideas and interests play a role here. Theories of political economy and ideology can help us to explain support for internationalism in the US. They add considerably beyond party

affiliation or presidential domination to our understanding of the political dynamics of foreign policy making in the US. These models enable us to better understand the sources of preferences for internationalism in the world's biggest great power.

Table 2: Aid and Trade: Panel Probit with Population Average Effects and Vote Fixed Effects (omitted)

	aid1	trade1	aid2	trade2	aid3	trade3	aid4	trade4	aid5	trade5
%HighSkill	3.696**	2.770**	3.535**	2.819**	6.596**	3.639**	6.363**	3.779**	5.843**	4.024**
	[0.545]	[0.476]	[0.548]	[0.480]	[0.742]	[0.706]	[0.923]	[0.902]	[0.944]	[0.855]
PrezVoteRepubl%	-3.988**	2.303**	-3.931**	2.281**	-4.109**	2.247**	-3.295**	1.575**	-2.206**	0.605+
	[0.298]	[0.211]	[0.300]	[0.214]	[0.296]	[0.213]	[0.389]	[0.318]	[0.415]	[0.320]
WelfPerCap			6.358**	-0.890	23.05**	2.499	19.00**	4.783	14.06**	4.819
			[1.917]	[1.210]	[3.564]	[2.673]	[3.788]	[4.581]	[4.043]	[4.637]
WelfPerCapXSkl					-60.24**	-11.51	-61.93**	-10.62	-42.96**	-12.01
					[10.04]	[7.923]	[11.22]	[9.142]	[13.41]	[9.054]
PrezSupport							0.0382	0.633**	-0.0313	0.665**
							[0.0538]	[0.0343]	[0.0614]	[0.0382]
Unemploy%							1.754	0.208	-1.329	-0.600
							[2.045]	[1.407]	[2.290]	[1.431]
UnempChg_2yr							0.0457+	-0.0273	0.0388	-0.0276
							[0.0270]	[0.0215]	[0.0288]	[0.0238]
LogMdnIncm							-0.0602	0.114	-0.342	0.0549
							[0.226]	[0.202]	[0.236]	[0.205]
%ForBorn							2.517**	0.499	2.082**	0.849*
							[0.555]	[0.370]	[0.549]	[0.349]
West							-0.230*	0.593**	-0.0708	0.533**
							[0.110]	[0.106]	[0.112]	[0.105]
Midwest							-0.108	0.359**	-0.0167	0.291**
							[0.108]	[0.107]	[0.113]	[0.103]
South							-0.292*	0.245*	-0.178	0.0651
							[0.117]	[0.114]	[0.118]	[0.111]
%Black							1.012**	0.0311	1.077**	0.212
							[0.347]	[0.240]	[0.371]	[0.230]
MktValAgProd							-6.651	18.59**	-1.311	17.19**
							[5.199]	[4.825]	[5.019]	[4.686]
Union%							0.0167**	-0.00743	0.0101+	-0.00535
							[0.00514]	[0.00498]	[0.00517]	[0.00527]
BankPAC%									5.298**	1.187
									[1.652]	[2.037]
CorpPAC%									0.213	-0.324
									[0.252]	[0.209]
LabPAC%									2.124**	-2.066**
									[0.212]	[0.182]
Constant	1.052**	-2.468**	0.967**	-2.449**	0.361+	-2.622**	0.116	-3.844+	2.203	-1.654
	[0.167]	[0.154]	[0.171]	[0.157]	[0.208]	[0.193]	[2.257]	[2.055]	[2.367]	[2.057]
Observations	3990	9866	3990	9866	3990	9866	3987	9853	3945	9765

Standard errors in brackets

+ p<0.10, * p<0.05, ** p<0.01

Models estimated using the xtprobit command with the pa (population average) and robust extensions. This is equivalent to running xtgee with a Bernoulli family and probit link with robust standard errors and exchangeable correlation matrix.

Table 3: Alternative Capital Measures Panel Probit with Population Average Effects and Vote Fixed Effects (omitted)

	aid1	trade1	aid2	trade2	aid3	trade3	aid4	trade4	aid5	trade5
lnCapitalEstab	0.566**	0.306*	0.522**	0.308*	0.898**	0.444**	0.629**	0.261	0.541**	0.352+
	[0.114]	[0.125]	[0.114]	[0.126]	[0.148]	[0.161]	[0.161]	[0.166]	[0.157]	[0.201]
lnLaborManuf	-0.326**	-0.268*	-0.316**	-0.270*	-0.459**	-0.191	-0.450**	-0.0404	-0.295**	-0.119
	[0.0794]	[0.118]	[0.0787]	[0.118]	[0.126]	[0.154]	[0.127]	[0.138]	[0.113]	[0.175]
PrezVoteRepubl%	-3.561**	2.496**	-3.456**	2.489**	-3.694**	2.553**	-3.054**	1.558**	-2.081**	0.570+
	[0.279]	[0.208]	[0.281]	[0.210]	[0.280]	[0.204]	[0.380]	[0.312]	[0.409]	[0.314]
WelfPerCap			6.500**	-0.327	71.23**	36.52*	50.21+	61.38**	51.10+	57.22**
			[1.874]	[1.258]	[24.49]	[14.56]	[26.80]	[14.62]	[27.50]	[14.68]
WelfPC_LadwgCap					-10.08**	-1.998	-10.48**	-3.332+	-7.485**	-3.819+
					[2.137]	[1.959]	[2.300]	[1.955]	[2.402]	[2.143]
WelfPC_LadwgLab					4.102+	-1.529	6.134*	-2.337	3.021	-1.456
					[2.327]	[1.566]	[2.403]	[1.617]	[2.465]	[1.777]
PrezSupport							0.0351	0.647**	-0.0303	0.680**
							[0.0534]	[0.0346]	[0.0608]	[0.0381]
Union%							0.0133*	-0.0100*	0.00683	-0.00837
							[0.00530]	[0.00499]	[0.00535]	[0.00525]
Unemploy%							-0.142	-1.470	-3.154	-2.151
							[2.009]	[1.382]	[2.241]	[1.408]
UnempChg_2yr							0.0529*	-0.0176	0.0422	-0.0181
							[0.0268]	[0.0214]	[0.0289]	[0.0239]
LogMdnIncm							0.318	0.643**	0.139	0.619**
							[0.201]	[0.189]	[0.200]	[0.185]
%ForBorn							2.193**	0.0623	1.807**	0.383
							[0.569]	[0.390]	[0.573]	[0.362]
West							-0.264*	0.611**	-0.0943	0.526**
							[0.112]	[0.104]	[0.114]	[0.104]
Midwest							-0.121	0.354**	-0.0390	0.284**
							[0.106]	[0.101]	[0.110]	[0.0986]
South							-0.287*	0.233*	-0.160	0.0667
							[0.120]	[0.111]	[0.120]	[0.111]
%Black							1.040**	0.0751	1.153**	0.259
							[0.358]	[0.230]	[0.379]	[0.223]
MktValAgProd							-11.44*	16.38**	-4.606	14.70**
							[5.404]	[4.852]	[5.183]	[4.769]
BankPAC%								5.127**	1.203	
								[1.689]	[2.048]	
CorpPAC%								0.224	-0.365+	
								[0.251]	[0.205]	
LabPAC%								2.101**	-2.066**	
								[0.209]	[0.182]	
Constant	-0.253	-1.551*	-0.0833	-1.548*	-2.192+	-3.750**	-3.691	-9.814**	-3.515	-8.524**
	[0.811]	[0.716]	[0.824]	[0.718]	[1.258]	[1.145]	[2.251]	[2.133]	[2.319]	[2.123]
Observations	3990	9866	3990	9866	3990	9866	3987	9853	3945	9765

Standard errors in brackets

+ p<0.10, * p<0.05, ** p<0.01

Figure 1

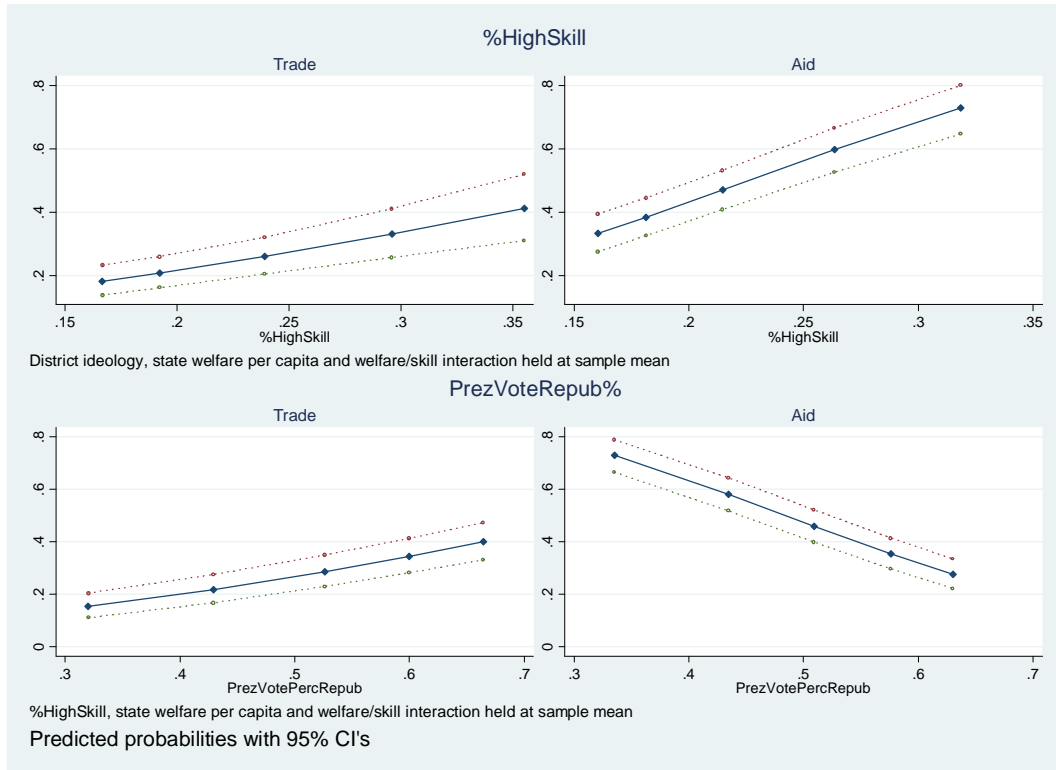


Figure 2

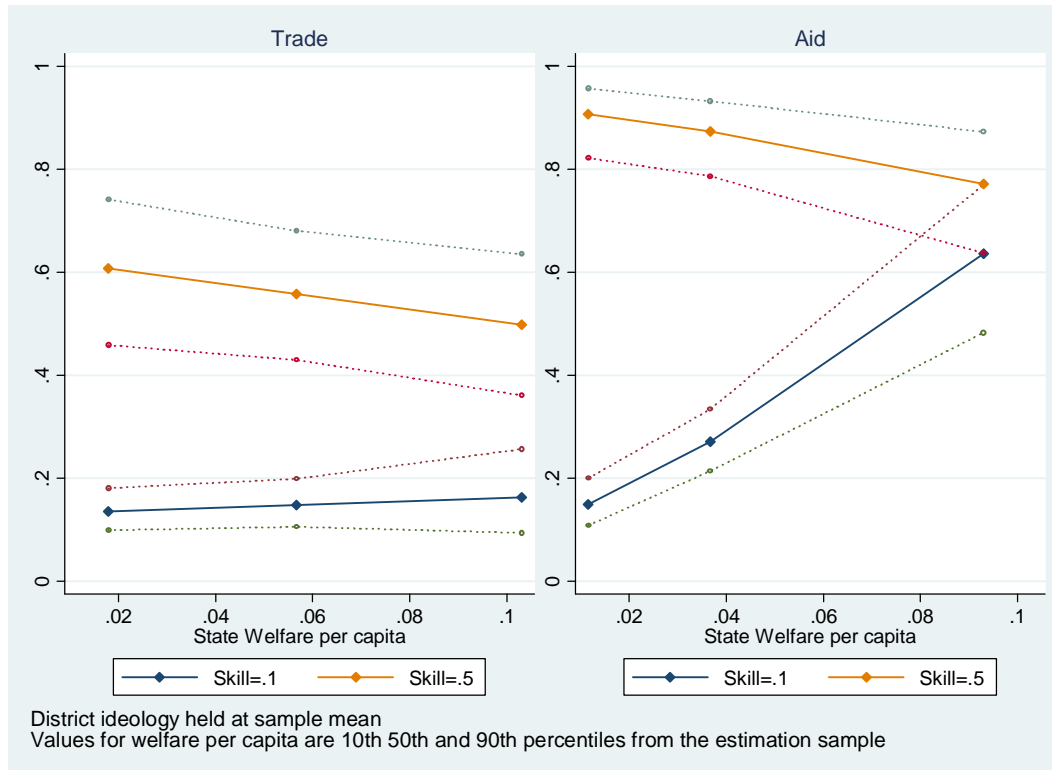


Table 4

<i>PrezVoteRepub%</i>	Trade	Aid
DemSupporter	.4532 (.4480, .4583)	.4219 (.4157, .4282)
DemOpponent	.4474 (.4426, .4521)	.4871 (.4801, .4940)
RepSupporter	.5915 (.5889, .5941)	.5520 (.5457, .5584)
RepOpponent	.5732 (.5687, .5778)	.5695 (.5649, .5740)
<i>dwnom_1_</i>		
DemSupporter	-.314 (-.321, -.306)	-.401 (-.408, -.393)
DemOpponent	-.359 (-.365, -.352)	-.139 (-.155, -.124)
RepSupporter	.4133 (.4085, .4182)	.2984 (.2842, .3126)
RepOpponent	.4043 (.3929, .4158)	.4161 (.4058, .4264)
<i>%HighSkill</i>		
DemSupporter	.2409 (.2380, .2438)	.2287 (.2251, .2322)
DemOpponent	.2286 (.2262, .2310)	.1937 (.1910, .1964)
RepSupporter	.2635 (.2614, .2656)	.2675 (.2619, .2731)
RepOpponent	.2398 (.2365, .2431)	.2321 (.2288, .2354)

Variable means by party and position on “party line”, where Democrats (Republicans) assumed to oppose (favor) trade liberalization and favor (oppose) foreign aid.

Figure 3

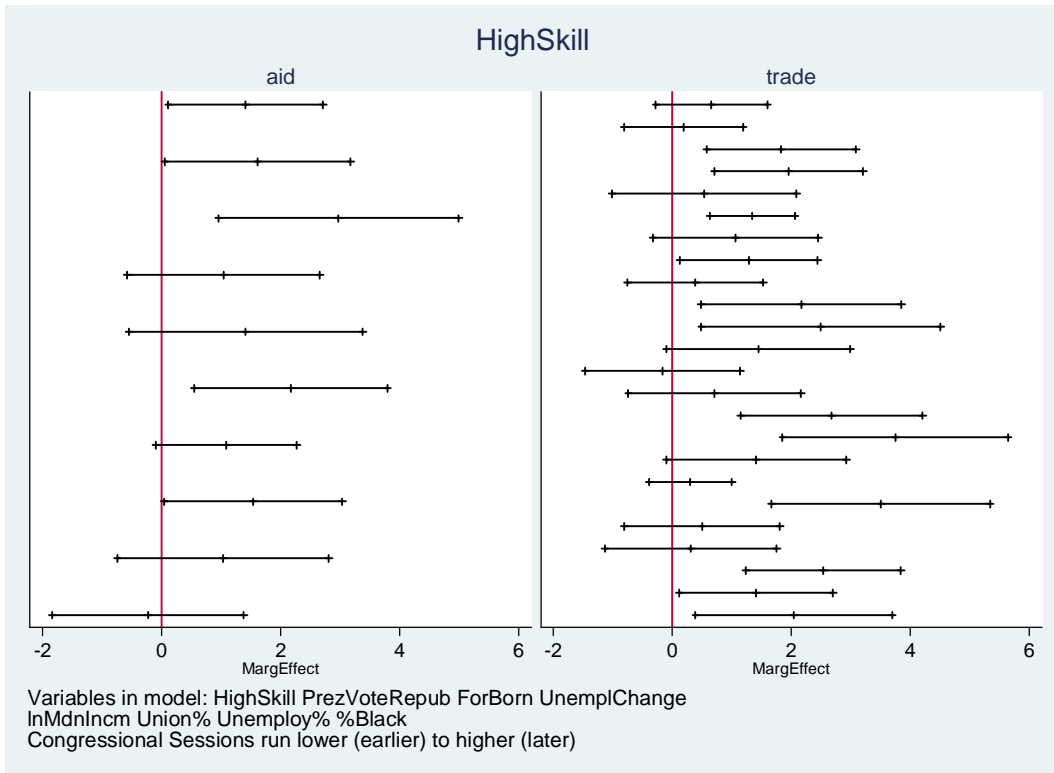


Figure 4

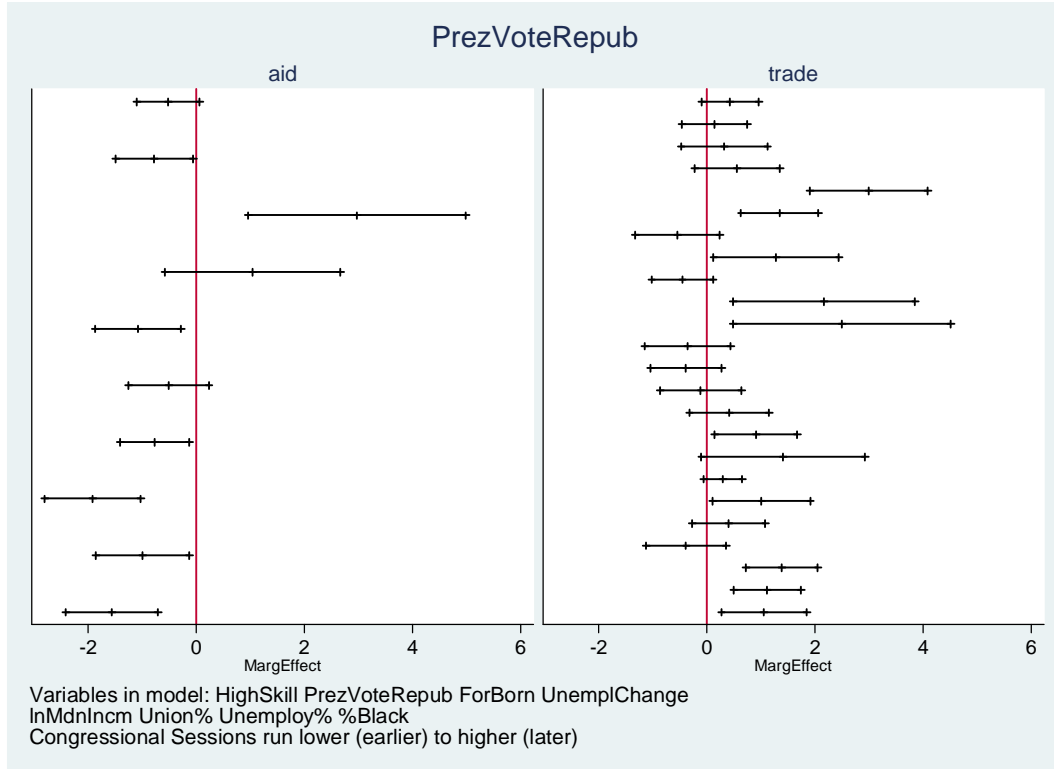


Table 5: Aid and Trade Votes: Panel Probit with Population Average Effects and Vote Fixed Effects (omitted), by Reelection %

	aidAll	aid70	aid60	tradeAll	trade70	trade60
%HighSkill	5.843** [0.944]	5.397** [1.196]	6.338** [1.521]	4.024** [0.855]	4.433** [1.076]	3.264* [1.383]
PrezVoteRepubl%	-2.206** [0.415]	-1.977** [0.551]	-2.021** [0.734]	0.605+ [0.320]	0.577 [0.418]	0.451 [0.554]
WelfPerCap	14.06** [4.043]	10.35* [4.754]	5.592 [9.056]	4.819 [4.637]	-0.0150 [4.754]	-1.855 [6.018]
WelfPerCapXSkl	-42.96** [13.41]	-27.70+ [16.08]	-24.10 [26.07]	-12.01 [9.054]	0.850 [12.19]	23.32 [17.25]
PrezSupport	-0.0313 [0.0614]	-0.148+ [0.0842]	-0.188 [0.120]	0.665** [0.0382]	0.700** [0.0478]	0.739** [0.0706]
Unemploy%	-1.329 [2.290]	-1.133 [2.715]	-4.621 [3.373]	-0.600 [1.431]	-0.906 [1.813]	-0.994 [2.323]
UnempChg_2yr	0.0388 [0.0288]	0.0263 [0.0353]	-0.0504 [0.0426]	-0.0276 [0.0238]	0.00405 [0.0298]	-0.00636 [0.0444]
LogMdnIncm	-0.342 [0.236]	-0.399 [0.279]	-0.711+ [0.369]	0.0549 [0.205]	-0.217 [0.268]	-0.0178 [0.338]
%ForBorn	2.082** [0.549]	1.883** [0.626]	2.573** [0.957]	0.849* [0.349]	1.153** [0.424]	1.413* [0.590]
West	-0.0708 [0.112]	-0.125 [0.126]	-0.205 [0.186]	0.533** [0.105]	0.482** [0.105]	0.534** [0.132]
Midwest	-0.0167 [0.113]	-0.0468 [0.125]	-0.264 [0.190]	0.291** [0.103]	0.315** [0.100]	0.404** [0.129]
South	-0.178 [0.118]	-0.184 [0.143]	-0.409+ [0.209]	0.0651 [0.111]	0.158 [0.117]	0.132 [0.148]
%Black	1.077** [0.371]	1.361* [0.551]	2.040** [0.592]	0.212 [0.230]	-0.309 [0.329]	0.00992 [0.446]
MktValAgProd	-1.311 [5.019]	-1.388 [6.526]	6.375 [8.617]	17.19** [4.686]	15.25** [5.181]	25.73** [7.004]
Union%	0.0101+ [0.00517]	0.00734 [0.00620]	0.00620 [0.00843]	-0.00535 [0.00527]	0.000353 [0.00596]	-0.0101 [0.00744]
BankPAC%	5.298** [1.652]	5.411* [2.364]	8.954** [2.508]	1.187 [2.037]	0.875 [2.612]	4.245+ [2.249]
CorpPAC%	0.213 [0.252]	0.304 [0.335]	0.237 [0.467]	-0.324 [0.209]	0.0647 [0.253]	0.153 [0.358]
LabPAC%	2.124** [0.212]	2.391** [0.262]	2.511** [0.322]	-2.066** [0.182]	-1.868** [0.202]	-1.899** [0.258]
Constant	2.203 [2.367]	2.887 [2.781]	6.073+ [3.685]	-1.654 [2.057]	0.438 [2.715]	-1.367 [3.440]
Observations	3945	2509	1314	9765	6175	2924

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

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