Dirty Work and the Domestic Politics of Aid

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January 2025

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Abstract:

The U.S. uses both bilateral aid and influence over multilateral development finance to further its geopolitical objectives. Past studies explain the choice between these two instruments based on either a divided government effect or whether the recipient government is a traditional U.S. ally (the dirty work hypothesis). This paper advances a theory explaining the bilateral/multilateral choice in terms of the confluence of these factors and tests its predictions using United Nations Security Council voting, U.S. bilateral aid flows, and World Bank lending. Results confirm theoretical expectations: higher bilateral aid to allies who support the U.S. but only when the U.S. government is not divided and higher World Bank commitments to non-allies who support the U.S. but only when the U.S. government is divided. This detailed understanding of the link between domestic politics and governance in international organizations has important implications as the international order moves beyond a U.S.-dominated system.

Key words: United Nations Security Council; bilateral aid; World Bank; domestic politics; global governance; divided government effect; dirty work hypothesis

JEL Codes: F35; F53; F55; O19

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1. Introduction

The traditional view that U.S. domestic politics stops at the water's edge applies poorly when foreign policy initiatives require resources and so give veto power to Congress. This limitation may shape the administration's choice of policy instrument (Milner & Tingley 2015), either to avoid the need for Congressional consent or to hide its actions from Congress altogether.[1]

We theorize that U.S. administrations weigh these considerations when exercising soft power by using development finance to advance their foreign policy goals. An example of this is the choice between using bilateral aid and World Bank loans as instruments of U.S. foreign policy. The need for Congressional consent limits the administration's control over bilateral aid (Morrow 1968). As an alternative, U.S. administrations can exercise influence over World Bank lending but this may require trading favors with other major shareholders and is limited by the need to maintain a degree of World Bank institutional independence (Rodrik 1995; Stone 2011). Taking advantage of data newly available from Dreher et al. (2022), we explore this choice between bilateral and multilateral instruments empirically in the context of United Nations Security Council (UNSC) voting. We expect the U.S. to seek UNSC votes from allied countries using bilateral aid when the president's party controls Congress but to pursue UNSC votes from non-allied countries via U.S. influence over World Bank loans when the U.S. government is divided.

Previous work by Dreher et al. (2022) on UNSC voting explores the "dirty work" hypothesis that the U.S. uses its control over international financial institutions to influence the votes of non-allied governments when a more transparent, direct approach (via bilateral aid) would be problematic. Separately, Kersting and Kilby (2021) explore the impact of a different domestic political constraint: partisan divisions between the administration and Congress. They argue that

[1] An extreme example is the Iran-Contra affair when Reagan administration officials secretly arranged illegal arms sales to Iran to provide clandestine funds for an insurgency in Nicaragua.

the administration uses multilateral loans as a substitute for bilateral aid when the effective price of bilateral aid is too high because of an uncooperative Congress.

The theory we advance here subsumes these two explanations, focusing on the struggle between the White House and Congress as a key determinant of the modality of foreign policy interventions and providing a richer, more complete set of predictions to test empirically. Bilateral aid wins votes from allies when Congress is cooperative (when it and the administration are controlled by the same party). World Bank lending wins votes from non-allies ("dirty work") but only when the U.S. government is divided so that the use of the World Bank as an instrument of U.S. foreign policy remains the exception (Stone 2011).

The next section reviews previous related work on the political economy of aid and international financial institutions (IFIs). Section 3 presents our theoretical contribution to this literature and to the understanding of how and why the U.S. government exerts influence in IFIs. Section 4 sets the background for our empirical analysis, and section 5 presents our findings with extensive robustness checks provided in an appendix. We conclude with a discussion of implications, focusing on what to expect in international organizations (IOs) where the U.S. plays a less central role.

2. Geopolitics and development finance

This paper builds on the widely held and empirically supported view that donors' objectives in providing aid, both directly and via IOs, are not solely to promote development and humanitarian efforts. Aid is also a highly politicized foreign policy instrument used to advance donor government foreign policy objectives (Morgenthau 1962). Governments give more bilateral aid to strategically important countries (Alesina and Dollar 2000). Governments also use influence in IFIs to promote their foreign policy goals. IFIs such as the World Bank and the International

Monetary Fund (IMF) depend on funds from major shareholder governments to operate and to fund lending to low- and middle-income countries. These major shareholder governments (particularly the U.S.) use their influence—including informal influence—over the World Bank and IMF to promote favorable treatment for countries they deem strategically important (Frey and Schneider 1986; Dreher et al. 2009A,B; Kilby 2013A). These countries can then borrow more with less conditionality from IFIs (Stone 2004, 2008; Kilby 2009; Copelovitch 2010; Clark and Dolan 2021). Studies of regional development banks mostly find similar patterns of lending that, to some degree, reflect the economic and political interests of major shareholders (Kilby 2006; Lim and Vreeland 2013; Hernandez and Vadlamannati 2017; for exceptions, see Bland and Kilby 2015; Kaya et al. 2021).

The UNSC plays an important role in world politics (Hegre et al. 2019; Benson and Tucker 2022); its decisions are generally more geopolitically consequential than those of other international bodies, including the UN General Assembly. Favorable votes in the UNSC can be strategically important for U.S. foreign policy, in particular. One reason is U.S. domestic politics. UNSC support of American use of force abroad can significantly boost the president's popular support at home (Chapman and Reiter 2004). Likely related to this, when countries serve as non-permanent members of the UNSC, they see a substantial but transitory increase in bilateral aid from the United States (Kuziemko and Werker 2006). The same relationship can be seen with loans from IFIs such as the IMF and World Bank (Dreher et al. 2009 A,B). Dreher et al. (2022) look beyond membership to examine UNSC voting patterns and demonstrate that these increases in bilateral and multilateral assistance flow only to those countries that vote in line with the U.S. during their time on the UNSC.

This evidence that the U.S. government employs both bilateral aid and multilateral aid as foreign policy tools raises an important question: What drives the U.S. government's choice between these two instruments? Recent empirical research explores two theories. First, the U.S. government uses its influence over IFI funding rather than its own bilateral aid when it seeks to conceal potentially unpopular aid decisions, such as providing funding to unfriendly regimes. This indirect approach provides a degree of separation between the aid decision and the U.S. administration. Second, the U.S. executive branch's ability to shape bilateral aid allocation depends on which party controls Congress. This view suggests that when facing an uncooperative Congress, the administration will exercise influence over IOs as a workaround to further its foreign policy objectives.

The first explanation builds upon the "dirty work" hypothesis (Vaubel 1986). This public choice theory posits that one function of IOs is to do things for which government officials do not want to take the blame, i.e., to do their dirty work. To avoid direct responsibility for questionable and/or unpopular foreign policy decisions, politicians of powerful nations use IOs such as the IMF and World Bank to protect themselves from public backlash. For instance, currying favor from governments not considered U.S. allies via U.S. bilateral aid could prove unpopular and might damage the administration politically. Operating through an IO obscures the administration's actions if voters are "rationally ignorant" (Vaubel 1986, 43). This arrangement also serves the interests of recipient country government officials who may only accede to U.S. requests if they can be shielded from scrutiny. Governments are known to turn down proffered aid (Carnegie and Dolan 2021), and receiving aid from "the wrong donor" can decrease public support for the political status quo in recipient nations (Briggs 2019; Waddick 2022; Singh and Williamson 2022). Thus, either party in the exchange might require an IO to launder the transaction.

Dreher et al. (2022) explore this dirty work hypothesis in the context of UNSC voting. As noted above, they demonstrate that increases in U.S. bilateral aid and improved access to World Bank and IMF resources for nonpermanent UNSC members are contingent on voting in line with the U.S. in the UNSC. Furthermore, the flow of funds follows the predictions of the dirty work hypothesis: When relations are good, U.S. funding is direct; U.S. allies that vote with the U.S. in the UNSC see increases in U.S. bilateral aid but no change in their access to IMF and World Bank resources. In other cases, the U.S. uses its influence in IOs; non-allies that vote with the U.S. in the UNSC get improved access to IMF and World Bank resources but see no change in U.S. bilateral aid.

The second explanation views U.S. foreign policy decisions through the lens of the political makeup of the U.S. government. When the executive branch faces an uncooperative Congress, its ability to use certain foreign policy instruments is limited (Milner and Tingley 2015). The strained relationship between the administration and Congress leads to situations where domestic politics, rather than fit-for-purpose, drive the choice of foreign policy instruments. In particular, the relationship between the administration and Congress can impact the choice between using bilateral aid or multilateral aid to advance executive branch foreign policy goals. Kersting and Kilby (2021) find substantially more evidence of the U.S. exercising its geopolitical influence in the World Bank when the U.S. government is divided than when the president's party controls both chambers of Congress. They find clear evidence of a divided government effect, demonstrating that the results of four previous studies finding U.S. influence in the World Bank are driven primarily by years of divided U.S. government.

3. Domestic politics of aid

These two explanations—the dirty work hypothesis and the divided government effect—are not mutually exclusive. Considered together, they provide a richer picture of the factors that drive an administration's choice of foreign policy instruments and, thus, when and why a hegemon exerts informal influence over an IO. Stone's (2011) notion that a hegemon intervenes when it has an overriding interest in doing so can be refined further: This overriding interest may be domestic, may hinge on the non-unitary nature of the hegemonic government, and may arise from the desire to obscure the hegemon's role. Thus, the characteristics of the dominant power in the IO shape how that power exerts influence within the organization.

The overriding interest may be domestic. The divided government effect points directly to a domestic factor that may drive the exercise of informal influence over an IO. In our case, an uncooperative legislature raises the administration's cost of using bilateral aid, potentially ruling out this avenue. (Consider the months long refusal of the U.S. Congress to support the administration's goal to send more aid to Ukraine in 2024.) Thus, the hegemon's interest in using the IO is overriding in two dimensions: the objective is a high priority to the executive branch, and alternative instruments are unavailable.

Note that the dirty work hypothesis also illuminates a domestic dimension: Work can be "dirty" from either the donor side or from the recipient side (or both). From the donor's perspective, the domestic interest is to hide executive branch involvement from other political elites (e.g., members of opposition parties in the legislative branch) or from the broader public.

The overriding interest may hinge on the non-unitary nature of the hegemonic government. This is at the core of the divided government effect but can also play a key role in determining what work is considered "dirty work" domestically. When the government is divided, the

opposition has a ready-made platform to highlight questionable actions by the executive branch. Executive branch actions that might not snowball to become political liabilities when the opposition has limited power could easily do so when the opposition can use its position in the legislature to highlight perceived misdeeds, for example, by holding hearings or launching an investigation. In short, even if legislative approval is not needed—or not withheld—the domestic political costs of direct bilateral aid may be significantly higher when the government is divided.

Importance of informality. The above discussion highlights the importance to the administration of using informal IFI channels rather than relying directly on decision-making via formal and therefore easily observable IFI channels such as board votes. The divided government effect by itself only posits that the legislative branch controlled by the opposition party may be unwilling to approve requested bilateral aid (or may set too high a political price for approval). However, a workaround such as openly leading a coalition to provide assistance via an IO might perfectly align with the executive branch's public position. Legislative resistance to bilateral funding might, for example, reflect a preference for fiscal austerity instead of a sharp division on foreign policy, or the different positions may already be well known. Rather than divided government on its own, the notion of dirty work within the context of divided government places the largest premium on using informal channels.

Many such informal channels within IFIs are used in practice. For example, past research shows loans being brought before the World Bank's board of executive directors on an expedited basis for borrowing governments friendly with the U.S. (Kilby 2013B) and, conversely, disbursements from already approved loans drying up in the run-up to elections where the incumbent government is not friendly with the U.S. (Kersting & Kilby 2016). Neither of these

reflect official decisions by the World Bank's Board of Directors but rather are the outcomes of informal influence.[2]

Although the empirical analysis in this paper focuses exclusively on U.S. influence in the World Bank, the theory suggests differences based on the characteristics of the dominant shareholder in an IO. Dirty work has both a domestic component (i.e., related to the donor nation) and a foreign component (related to the recipient nation). The extent of the domestic component may vary with the nature of the donor government and the donor's political environment. The more extensive the system of checks and balances on the administrative branch and the more polarized the politics, the more the administrative branch must worry about hiding its actions from political opponents. The degree to which backlash from the broader public matters also depends on the nature of governance. All this points to the hiding of dirty work being more important for a donor like the U.S. than for a donor like China.[3]

The arguments above flesh out Stone's observation that the hegemon intervenes when it has an overriding interest in doing so. What still needs emphasizing is that this happens only when there is an overriding interest. The implicit bargain Stone identifies between the hegemon and the other members of the IO rests on such interventions being the exception to the normal rules-based operation of the IO. For the IO to have value to all its members, the bar for a major deviation from the rules—such as a substantial increase in funding to reward countries for UNSC votes—must be high. This implies that the dirty work done by the IO must be particularly valuable for the hegemon.

[2] In keeping with the more "clandestine" nature of informal influence, this evidence is based on statistical analysis rather than individual documented cases. For an exception to this rule, see the Center for Human Rights and Global Justice report (Varma et al. 2008) based on a FOIA lawsuit that yielded direct email evidence of the U.S. administration's behind-the-scenes strategy to cut off IFI loan disbursements to Haiti.

[3] Nonetheless, so long as there are foreign publics that view the donor with suspicion, that driver of the need to hide dirty work will persist. In the case of China and India, for example, the Indian public (and opposition politicians) view borrowing from China with considerable suspicion (Tambi 2023), whereas borrowing from the Chinese-led Asian Infrastructure Investment Bank (AIIB) has attracted considerably less negative attention.

In the case of the U.S., this means that it is both a deal with foreign governments not viewed as friendly with the U.S. and at a time when the U.S. executive branch is particularly vulnerable, i.e., during a period of divided government.

This last point deserves some elaboration. A divided U.S. government limits the administration's ability to use bilateral aid as a foreign policy tool. In our context that suggests the administration might not be able to provide substantial sums to friendly countries (e.g., those that historically vote with the U.S. in the UNGA) nor additional sums when a subset of those countries vote with the U.S. in the UNSC. In the World Bank, the U.S. needs to limit its exercise of influence. In times of divided government, the U.S. may apply pressure to increase World Bank lending to friendly governments to make-up for shortfalls in terms of bilateral aid (Kersting and Kilby 2021). But there are limits to this as resistance from World Bank management and other shareholders is likely to increase if favoritism is too transparent, e.g., when the added payment is too high. This argues against using World Bank funds to sway UNSC voting by U.S. friends, because the friend premium plus the UNSC premium would be transparently out-of-line with World Bank lending norms. Conversely, it argues in favor of using World Bank funds to influence UNSC voting by countries not friendly with the U.S. since the non-friend deficit plus the UNSC premium would not be substantially out-of-line with World Bank lending norms.[4] In short, given the starting baseline in the World Bank, additional payments to non-friends are less "costly" than additional payments to friends.

Figure 1 summarizes the implications of this theory in a two-by-two-by-two representation. The dimensions are the type of aid (bilateral or multilateral), the government configuration (divided or undivided), and public perceptions about the relations between countries (traditional

[4] This argument is also in line with notion of remedial multilateralism presented in Kaya et al. (2021).

allied or not). Of the eight resulting combinations, the theory elaborated above points to positive effects in just two, bilateral aid/undivided government/allies (row 2) and multilateral aid/divided government/non-allies (row 7). Thus, our hypotheses are

H1: The U.S. uses bilateral aid to reward friendly governments for UNSC votes when the U.S. government is not divided.

H2: The U.S. uses its influence in IFIs to reward other governments for UNSC votes when the U.S. government is divided.

Note that our theory implies *only* these two relationships. Looking at bilateral aid, we do not expect the U.S. to reward friendly governments for votes when the U.S. government is divided (row 4; because of the obstacles caused by divided government) or to reward other governments for votes whether the U.S. government is divided or not (rows 1 and 3; because this is "dirty work"). Looking at multilateral aid, we do not expect the U.S. to use its influence in IFIs to reward other governments for votes when the U.S. government is not divided (row 5; because the interest is not overriding) or to further reward friendly governments for votes whether or not the U.S. government is divided (rows 6 and 8; because such payments would result in large deviations from standard lending levels). This last expectation is based again on the implicit deal between the hegemon and other IO members.

[Figure 1 here]

4. Empirical Set-up

We adopt a relatively straightforward empirical approach to test these hypotheses and implications. Like Dreher et al. (2022), we exploit a new data set on UNSC voting to identify the activity the U.S. administration seeks to reward—voting in line with the U.S. in the UNSC. We limit our attention to U.S. bilateral aid and World Bank lending to test our hypotheses, as these are close

substitutes. We separately examine years with undivided and divided U.S. government; for comparability with previous research, we use the same sample period as Dreher et al. (2022) but include improved data on United Nations voting to assess which countries are U.S. friends.

Dreher et al. (2022) consider IMF programs and World Bank lending as alternatives to U.S. bilateral aid. However, the argument that IMF programs can substitute for U.S. bilateral aid is hard to support. Countries receive IMF program commitments more sporadically than U.S. aid. For countries with such programs, IMF commitments tend to be substantially larger than U.S. aid flows and finance very different activities. In the estimation sample, 78% of observations include positive U.S. bilateral aid values, whereas the figure is only 31% for IMF programs. For nonzero values, both the average and maximum IMF program amounts are triple the corresponding U.S. aid values.[5] Furthermore, IMF programs are intended to respond to major macroeconomic imbalances; there is a debate over whether such programs act as a negative signal to financial markets (Gehring and Lang 2020), so it is unlikely that governments would want such loans when they do not face major macroeconomic crises. For these reasons, we do not expect IMF loans to function as direct substitutes for U.S. aid, and our analysis focuses exclusively on U.S. bilateral aid and World Bank lending.[6]

Our dependent variables are the log of U.S. bilateral official development assistance (ODA) disbursements and the log of World Bank loan commitments.[7] The unit of observation is the country-year. The sample is restricted to countries eligible to receive ODA and to borrow from the

[5] IMF commitment figures come from Dreher et al. (2022) and include a variety of different types of arrangements. For example, the maximum IMF value is a $31.528 billion flexible line of credit for Mexico that Mexico never drew on. Twenty-nine countries never have an IMF program during the sample period; this contrasts with only 12 for U.S. aid and 8 for World Bank loans.

[6] Dreher et al. (2009B, p. 774, fn. 10) and Vreeland and Dreher (2014, p. 31, fn. 45) also find no robust results regarding differences in U.S. influence in the IMF between divided and single party U.S. governments.

[7] Since not all countries receive flows each year, we add one before logging to avoid log of zero (MaCurdy and Pencavel 1986). Results are the same if we instead use the inverse hyperbolic sine (Bellemare and Wichman 2020).

World Bank in the given year; we use the same time period as Dreher et al. (1961-2015).[8] The sample is restricted to countries that are not permanent members of the UNSC.

The key explanatory variable for testing hypotheses H1 and H2 is the interaction of UNSC voting and past alignment with the U.S. in the UNGA. While earlier research simply measured UNSC membership, we follow Dreher et al. to examine voting while on the UNSC via two dummy variables, "UNSC member, voted all with US" and "UNSC member, voted not all with US." Looking at our larger sample (for U.S. aid), we have 5,287 observations for countries not serving on the UNSC in the given year and 344 observations for countries serving as nonpermanent UNSC members that year. In the latter case, for 161 observations, the country never voted against the U.S. position that year, and for 183 observations, the country voted against the U.S. position at least once that year.[9]

We use UNGA voting alignment to assess when giving aid would fall into the "dirty work" category. Countries that have voted with the U.S. in the UNGA in recent years are in the "U.S. camp" and thus bilateral aid flows to these countries are unproblematic. In contrast, aid to countries that routinely voted against the U.S. in the UNGA is more likely to attract negative attention. We calculate UNGA voting alignment using roll-call data on all resolution-related measures during a

[8] More precisely, our estimates for U.S. aid use 1961-2015 whereas Dreher et al. (2022) drop 1966 to 1969. This sample difference is driven by different approaches to calculating prior UNGA voting alignment. Dreher et al. calculate the average of the four annual alignment values from t-5 to t-2. Due to a conflict over the UN's peacekeeping role that escalated into payment arrears sufficient to disqualify ten UN member states from voting, the Secretary-General avoided roll-call votes in 1964 and hence no alignment values exist for 1964 (Nathanson 1965, 623). This causes 1966 to 1969 to drop from the Dreher et al. sample. We instead calculate the average of available alignment data from t-2 to t-5; this means our sample does include 1966 to 1969 but for those observations calculates the average based on three years rather than four years of past alignment data. For the World Bank, both our and Dreher et al. (2022) estimates use 1968-2015.

[9] Following Dreher et al. (2022), we code "UNSC member, voted all with US" equal to 0 if the country was not on the UNSC or was a nonpermanent member of the UNSC but voted against the U.S. position (i.e., voted "no" when the U.S. voted "yes" or voted "yes" when the U.S. voted "no"). If the votes were the same or if either country abstained or did not vote, the dummy is coded 1.

calendar year.[10] The measure of U.S. friendship is based on recent past values (two to five years prior) to avoid possible reverse causation. Except as noted above, this mirrors Dreher et al. (2022).

U.S. vote buying implies payments to countries voting with the U.S. while they hold a seat on the UNSC and thus a positive coefficient on the "UNSC member, voted all with the U.S." variable. However, the dirty work hypothesis indicates this is mediated by the country's prior relationship with the U.S.; it should hold for U.S. bilateral aid when considering closely aligned countries and for World Bank lending when considering others. The following (partial) equations present this mediating effect more precisely:

$$USAid_{it} = \beta_1 All\_with\_US_{it} + \beta_2 PriorUNGA_{it} \times All\_with\_US_{it} + \cdots$$

$$WBlend_{it} = \delta_1 All\_with\_US_{it} + \delta_2 PriorUNGA_{it} \times All\_with\_US_{it} + \cdots$$

We expect that supporting the U.S. in the UNSC increases U.S. bilateral aid only for countries aligned with the U.S., i.e., $\beta_1 = 0, \beta_2 > 0$. Conversely, supporting the U.S. in the UNSC increases World Bank lending only for countries not aligned with the U.S., i.e., $\delta_1 > 0, \delta_2 < 0$.[11] In terms of graphs (see Figure 2), this implies no effect of UNSC voting on U.S. aid when prior UNGA alignment is low and a positive effect on U.S. aid when prior UNGA alignment is high, i.e., a line sloping upward as prior UNGA alignment increases. Furthermore, it implies a positive effect of UNSC voting on World Bank lending when prior UNGA alignment is low and no effect on World Bank lending when prior UNGA alignment is high (i.e., a line sloping downward as prior UNGA alignment increases).

[10] Our alignment measure is calculated using UNGA-DM data (Fjelstul et al. 2022, 2025), which include votes on draft resolutions as well as related votes prior to the final vote (i.e., motions, amendments and separate (paragraph) votes). Note that the data include votes related to draft resolutions that failed to pass. For each resolution-related roll-call vote, we assign a value of 1 if the country and the U.S. voted the same (i.e., both voted "yes", both voted "no" or both abstained), a value of 0.5 if one abstained while the other voted, and a value of 0 if one voted "yes" and the other voted "no." We then average these values by calendar year. The resulting statistic is the same as that proposed by Signorino and Ritter (1999) but on a 0 to 1 scale.

[11] If $PriorUNGA_{it}$ were a dummy variable, the condition $\delta_2 < 0$ could be made more precise, i.e. $\delta_2 = -\delta_1$.

[Figure 2 here]

The extension to also consider the divided government effect is straightforward. Define $DivGov_t = 0$ if the same party controls the executive branch and both chambers of Congress; and $DivGov_t = 1$ otherwise. Then the above equations can be rewritten as:

$$US\ Aid_{it} = \beta_1^0 All\_with\_US_{it} + \beta_2^0 PriorUNGA_{it} \times All\_with\_US_{it} + \cdots \text{ if } DivGov_t = 0$$

$$US\ Aid_{it} = \beta_1^1 All\_with\_US_{it} + \beta_2^1 PriorUNGA_{it} \times All\_with\_US_{it} + \cdots \text{ if } DivGov_t = 1$$

$$WB\ lend_{it} = \delta_1^0 All\_with\_US_{it} + \delta_2^0 PriorUNGA_{it} \times All\_with\_US_{it} + \cdots \text{ if } DivGov_t = 0$$

$$WB\ lend_{it} = \delta_1^1 All\_with\_US_{it} + \delta_2^1 PriorUNGA_{it} \times All\_with\_US_{it} + \cdots \text{ if } DivGov_t = 1$$

The previous hypotheses can then be refined to the following:

$$H1: \beta_1^0 = 0, \beta_2^0 > 0 \text{ and } H2: \delta_1^1 > 0, \delta_2^1 < 0$$

and, by extension, $\beta_1^1 = 0, \beta_2^1 = 0, \delta_1^0 = 0$, and $\delta_2^0 = 0$. That is, the increase in the marginal effect of UNSC voting with prior UNGA alignment on U.S. aid holds only during periods of undivided government and the decrease in the marginal effect of UNSC voting with prior UNGA alignment on World Bank lending holds only during periods of divided government.[12]

The full specification includes country and year fixed effects, GDP, and population (logged). We include the latter two because Dreher et al. (2014) find that, in addition to an exogenous norm of turn-taking, election to the UNSC in the group of aid-receiving countries we analyze depends on income and population.[13] So that the key variables identified above are compared against appropriate alternatives, we also include prior UNGA alignment with the U.S. (un-interacted), a dummy variable reflecting UNSC membership when the country voted against

[12] Appendix A also reports tests comparing coefficients across equations.
[13] That is, we include these two variables to avoid the omitted variable bias that could arise since these variables are both correlated with election to the UNSC and with our dependent variables, U.S. aid and World Bank lending.

the U.S. at least once during the year, and the interaction of these two variables. All specifications cluster standard errors by country to account for possible within-country correlations and heteroskedasticity.[14]

5. Findings

Our empirical results support the hypotheses laid out above. Concerning the role of divided government, the findings confirm the pattern reported in Kersting and Kilby (2021), namely that the aggregate results of Dreher et al. (2022) for U.S. bilateral aid are driven by years with undivided U.S. government and for World Bank lending are driven by years with divided U.S. government. Furthermore, the mediated effects predicted by the dirty work hypothesis unfold as the divided government effect predicts. The U.S. delivers additional bilateral aid to U.S. friends that vote with the U.S. in the UNSC only when the same party controls the U.S. executive branch and both chambers of Congress. Conversely, the World Bank provides additional funding to countries not friendly with the U.S. that nonetheless vote with the U.S. on the UNSC only when the U.S. government is divided.

Table 1 presents the first set of results. These do not yet distinguish between types of countries (U.S. friends versus others). In columns 1 to 3, the dependent variable is U.S. bilateral aid. Column 1 reports results for the entire sample (equivalent to Dreher et al. (2022) Table 1, column 3). The positive and statistically significant coefficient on voting all with the U.S. indicates that, *ceteris paribus*, a country receives 33% more U.S. bilateral aid than normal when it both holds a seat on the UNSC and does not vote against the U.S. position.[15] For years with undivided U.S. government (column 2), the effect is 62% more U.S. bilateral aid than normal, again

[14] See Appendix A for detailed variable definitions and descriptive statistics for the various estimation samples.

[15] Table 1 reports coefficient estimates $(\hat{\beta})$. For this log-linear specification, the associated marginal effect is $e^{\hat{\beta}} - 1$.

statistically significant. Conversely, when the U.S. government is divided (column 3), the effect is small (3%) and not statistically different from zero. This finding is consistent with the hypothesis that the U.S. executive branch faces greater obstacles to using bilateral aid for geopolitical purposes when it faces strong opposition in Congress.

[Table 1 here]

Columns 4 to 6 repeat the analysis for World Bank lending. The estimate for column 4 indicates that, *ceteris paribus*, a country receives 49% more World Bank funding than normal when it votes in line with the U.S. in the UNSC; this effect is again statistically significant. For years with undivided U.S. government (column 5), the effect falls to 6% and is not statistically different from zero. Looking instead at years where the U.S. government is divided, the effect increases to 67% and is again statistically significant. As with U.S. bilateral aid, this difference across years, depending on whether the U.S. government is divided, follows the pattern predicted by the divided government effect.

Turning to the mediating effect of prior UNGA alignment with the U.S. (the core of the dirty work hypothesis), it is helpful to explore results graphically to present both the marginal impact and its level of statistical significance as prior UNGA alignment with the U.S. ranges from 0 to 1.[16] Figure 3 presents this for U.S. bilateral aid. The specification estimated is the same as in Table 1 above, except that the UNSC voting variables now interact with the mediating variable, prior UNGA alignment with the U.S. In this specification, the latter serves to distinguish between countries that are not historically close to the U.S. (low values of prior UNGA alignment) and countries that are historically close to the U.S (high values of prior UNGA alignment). It is the

[16] See appendix table A4 for the full estimation results.

former group where influencing voting with U.S. bilateral aid is "dirty work" that we expect the U.S. administration to delegate to an IFI (the World Bank, in this case).

[Figure 3 here]

The top panel of Figure 3 presents results for U.S. bilateral aid across the full sample. As predicted by the dirty work hypothesis (and as pictured in Dreher et al. (2022)), when countries vote with the U.S. on the UNSC, we see additional U.S. bilateral aid flows, but only to countries that are historically close to the U.S., i.e., only in cases where such payments would not appear "dirty." The histogram at the bottom of the graph indicates the distribution of observations according to their historical alignment with the U.S.; the effect is statistically significant for alignment values above 0.45, which account for 36% of the sample.

The bottom two panels separate years based on whether the U.S. government was undivided (bottom left) or divided (bottom right). The graph for years of undivided government closely resembles the overall graph, though with a slightly larger effect and slightly wider confidence intervals, partly reflecting that fewer than half the years were under undivided rule. The marginal effect is again not significantly different from zero for those countries that do not traditionally align with the U.S. but is significantly greater than zero for those countries that do traditionally align with the U.S. The higher level of U.S. bilateral aid is statistically significant when prior alignment is greater than 0.5, which accounts for about 40% of the sample.[17]

The graph for years of divided government (bottom right) is markedly different. The marginal effect is substantially smaller across the range of prior alignment values and never approaches statistical significance. [18] In short, during periods of divided government we do not see

[17] Referring back to Figure 1 (the $2 \times 2 \times 2$ breakdown), the lefthand side this graph corresponds to row 1 (zero effect predicted) and the righthand side to row 2 (positive effect predicted).
[18] Again relating this to Figure 1, the lefthand side corresponds to row 3 and the righthand side to row 4 (both with zero effect predicted).

an increase in U.S. bilateral aid for countries voting with the U.S. in the UNSC, even when those countries are close U.S. allies.

Figure 4 repeats this exercise but examines lending by the World Bank. The top panel uses all years in the overall sample. Again, consistent with the dirty work hypothesis and with Dreher et al. (2022), when countries vote with the U.S. on the UNSC, we see additional World Bank commitments, but only to countries not historically aligned with the U.S. The effect is statistically significant for alignment values below 0.45, which account for about two-thirds of the sample.

[Figure 4 here]

The bottom left panel is the graph for years with undivided government. In this case, the effect disappears, dropping substantially in magnitude and never significantly different from zero regardless of the country's ties with the U.S.[19] In short, there is no clear evidence of the World Bank doing the U.S.'s dirty work during years when the same party controls both the White House and the Congress.

Finally, the bottom right panel of Figure 4 presents results for years with divided government. The graph closely resembles the overall graph, with a statistically significant response to voting with the U.S. in the UNSC for the 70% of observations where prior UNGA alignment with the U.S. falls below 0.47.[20]

These empirical patterns are fully consistent with the hypotheses and expectations derived from simultaneously accounting for IOs' dirty work function and the impact of divided government. The U.S. administration uses bilateral aid to reward UNSC votes from friends but only when it has the ability to do so because its party also controls the Congress. When an

[19] From Figure 1, the lefthand side corresponds to row 5 and the righthand side to row 6 (both with zero effect predicted).
[20] The lefthand side corresponds to row 7 in Figure 1 (positive effect predicted) and the righthand side to row 8 (zero effect predicted).

uncooperative legislature blocks this channel, the administration instead uses informal influence in the World Bank to reward UNSC votes from otherwise unfriendly countries. Appendix B explores the robustness of these findings across a wide range of specifications and variable definitions. The pattern shown here is remarkably stable across these variations.

6. Conclusion

This paper combines two approaches to understand why hegemonic powers choose to exert informal influence over international organizations. Stone (2011) explains informal influence as the outcome of an implicit bargain between the hegemon and other IO members; the success of the IO requires the hegemon to participate, and the hegemon is only willing to participate if it can ignore the strictures of IO governance on the rare occasions when it has an overriding interest to do so. In the context of international financial institutions, Dreher et al. (2022) explore one such overriding interest, "dirty work." For reasons of domestic or international politics, some foreign policy actions are viewed as inappropriate for the government to undertake and so it instead tasks the IFI with these actions. In the same IFI context, Kersting and Kilby (2021) explore cases where the executive branch cannot act when it lacks the requisite support from the legislative branch due to political divisions. Again, it tasks the IFI to act in its stead.

Taken together, these considerations imply the hegemon will intervene to override normal IO governance only when other avenues are closed off, i.e., to do dirty work when faced with domestic political divisions. We test this hypothesis in the case of U.S. bilateral aid and U.S. influence over the World Bank. We select the World Bank because its loans are a close substitute for bilateral aid and because there is already substantial evidence of U.S. influence over World Bank lending (Dreher et al. 2009A). Following Dreher et al. (2022), we examine how countries that vote with the U.S. in the UNSC are rewarded, either with bilateral aid or with World Bank

loans. Here, dirty work is conceived as providing aid to countries that are not historically close to the U.S. Following Kersting & Kilby (2021), we compare these outcomes under divided and undivided U.S. governments. Our empirical results support the joint hypothesis. Voting with the U.S. in the UNSC increases U.S. bilateral aid but only for countries historically close to the U.S. and only in periods when the U.S. government is not divided. Voting with the U.S. in the UNSC increases World Bank lending but only for countries historically distant from the U.S. and only in periods when the U.S. government is divided.

Understanding when the U.S. administration uses different forms of development finance as a foreign policy tool is important because it helps to illuminate what drives this behavior. The key determinant for both channels (in whole or in part) is domestic politics. The U.S. exercises its informal influence in this setting when bilateral aid is ruled out, both because it is inappropriate ("dirty") and because it is unavailable. This domestic linkage is interesting both theoretically and empirically. These mechanisms can explain variation over time, as both are impacted by the degree of political polarization. They also suggest variation in the degree of informal influence across IOs. Where IOs act as close substitutes for bilateral policy instruments, we can expect to see informal influence exercised more regularly and in ways linked to hegemon domestic politics. Such behavior is a threat to IO credibility and may undermine the collective benefits of multilateralism. In addition, we should expect differences across IOs based on the characteristics of the dominant member.

In the case of the Asian Development Bank, there is considerable evidence of Japanese domination (Lim and Vreeland 2013; Fjelstul et al. 2025) and China clearly leads the Asian Infrastructure Investment Bank (which was founded by China, has a Chinese president, gives China formal veto power in the selection of the president and is located in Beijing, and where

China holds nearly a 30 percent share). Differences between these countries may well impact when and whether they choose to exercise informal influence. Japan's parliamentary system implies a very different domestic political dynamic. China's one-party rule eliminates a divided government scenario. Its tightly controlled domestic political environment and limited public information on foreign aid commitments narrow the range of activities that might be considered "dirty work," at least from the domestic perspective.[21] In both cases, dominant shareholder informal influence is likely to be less frequent than in the U.S. case.

[21] There are cases where recipient country politics would make direct aid from China problematic while indirect aid via a proxy like the AIIB would be unproblematic. India is a natural example.

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				Divided Gov. Effect	Dirty Work	No Over-riding Interest	High Baseline
1	Bilateral	Undivided	non-Ally		✗		
2	Bilateral	Undivided	Ally				
3	Bilateral	Divided	non-Ally	✗	✗		
4	Bilateral	Divided	Ally	✗			
5	Multilateral	Undivided	non-Ally			✗	
6	Multilateral	Undivided	Ally			✗	✗
7	Multilateral	Divided	non-Ally				
8	Multilateral	Divided	Ally				✗

Figure 1: Two-by-two-by-two representation

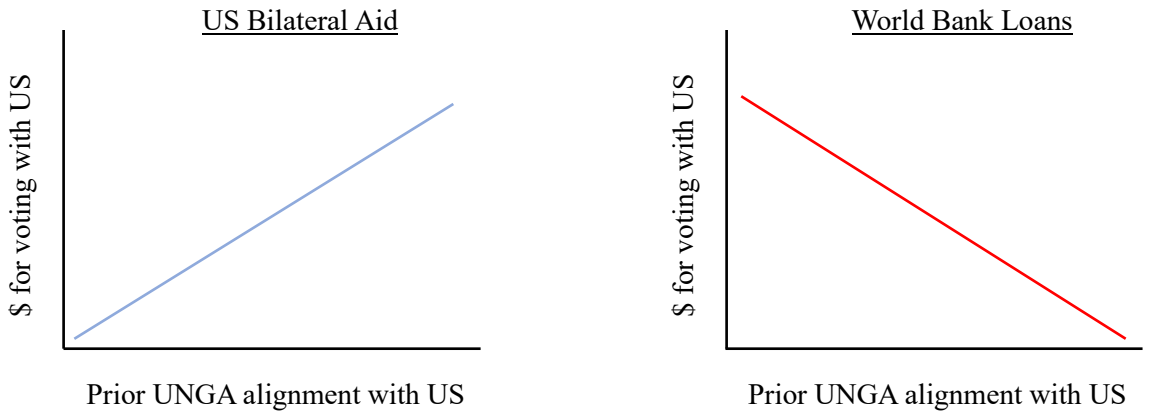


Figure 2: Implications of Dirty Work Hypothesis

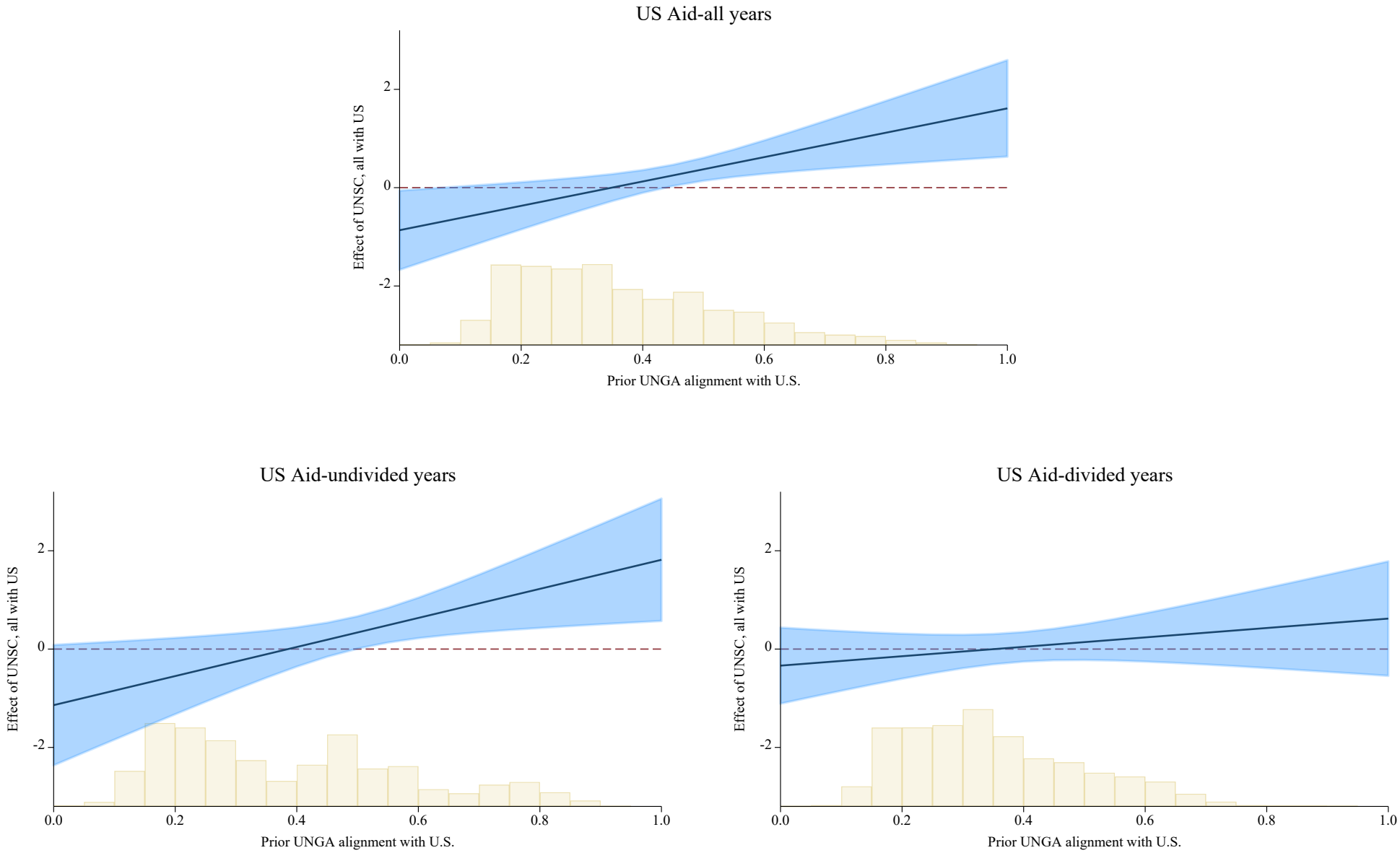


Figure 3: U.S. Aid, Dirty Work and Divided Government

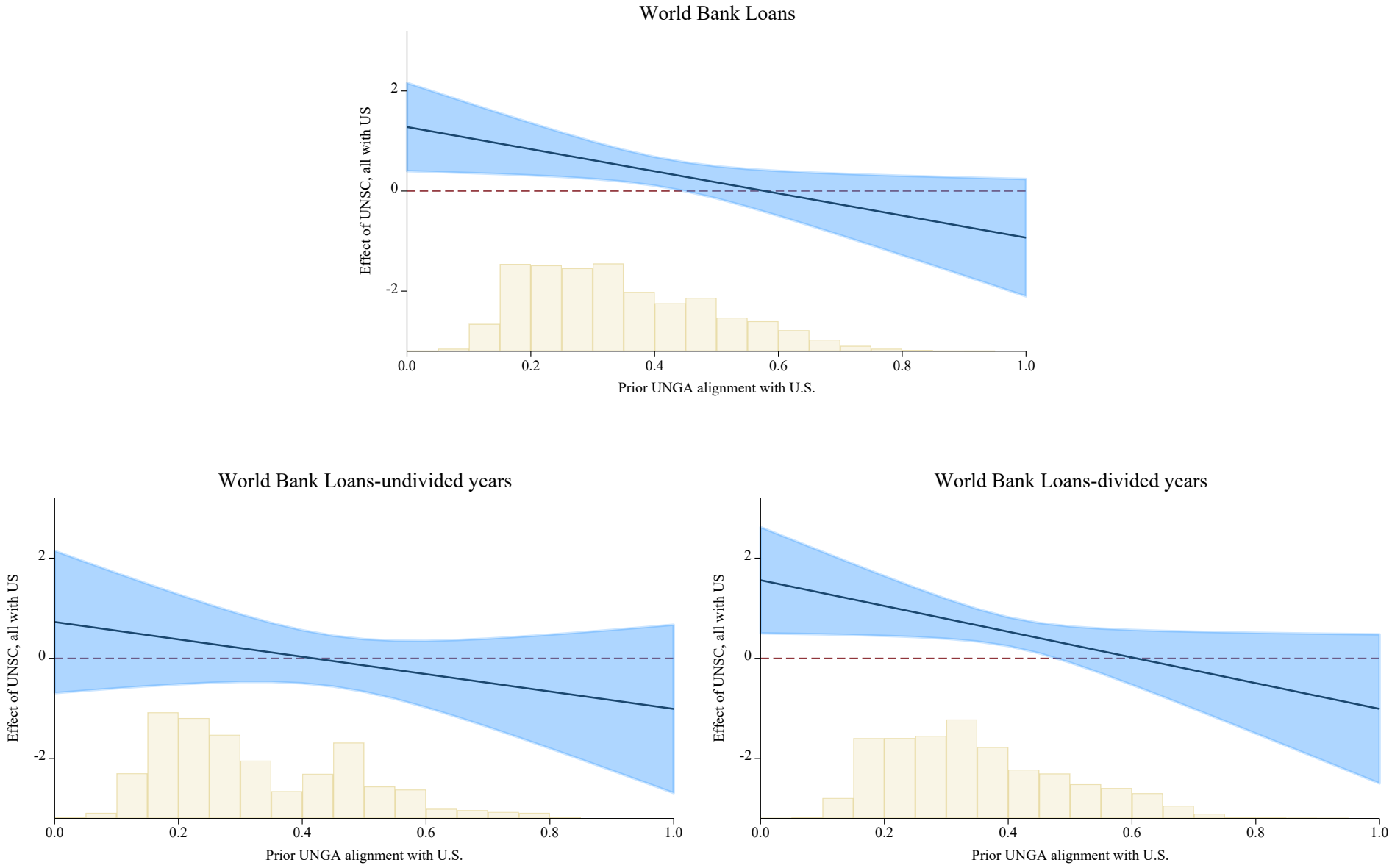


Figure 4: World Bank Lending, Dirty Work and Divided Government

Table 1: UNSC voting & Divided Government

	(1)	(2)	(3)	(4)	(5)	(6)
UNSC member, voted all with US	0.282***	0.481**	0.0293	0.397***	0.0578	0.513***
	(2.63)	(2.50)	(0.18)	(2.75)	(0.21)	(3.40)
UNSC member, voted not all with US	-0.00563	-0.0776	0.00938	0.175	0.107	0.229*
	(-0.04)	(-0.26)	(0.07)	(1.48)	(0.34)	(1.73)
GDP/capita (ln, t-1)	-0.744***	-1.040***	-0.586***	-0.272	-0.326	-0.273
	(-3.77)	(-3.78)	(-3.05)	(-1.29)	(-1.13)	(-1.19)
Population (ln)	1.888***	2.239***	1.762***	-0.134	0.0409	-0.134
	(3.74)	(3.91)	(3.31)	(-0.26)	(0.07)	(-0.24)
Dependent Variable	US aid	US aid	US aid	World Bank	World Bank	World Bank
Sample	Full	Undivided	Divided	Full	Undivided	Divided
Observations	5631	1806	3825	5296	1471	3825
R^2	0.158	0.179	0.149	0.093	0.100	0.094

t-stats in parentheses based on country clustered SEs. * 0.1 ** 0.05 *** 0.01. All specifications include country & year fixed effects, as well as lagged UNGA alignment variable.

Appendix A: Variable Definitions, Descriptive Statistics, and Core Estimation Results

Table A1: Variable Definitions

Variable	Definition	Source
US aid_{it}	Net U.S. bilateral ODA disbursements to country i in year t (non-negative, in millions of 2015 USD, plus 1, logged) [22]	Dreher et al. (2022)
WB $lending_{it}$	World Bank commitments to country i in year t (in millions of USD, plus 1, logged) [23]	
UNSC member, voted all with US_{it}	=1 if country i was a nonpermanent member of UNSC in year t and did not vote against the U.S. in year t	
UNSC member, voted not all with US_{it}	=1 if country i was a nonpermanent member of UNSC in year t and did vote against the U.S. in year t	
UNGA voting $alignment_{it-2}$	0 to 1 voting alignment between country i and U.S. based on all draft resolution related votes in plenary sessions of the UNGA between years t-5 and t-2	Fjelstul et al. (2022, 2025)
GDP per $capita_{it-1}$	GDP per capita in country i, year t-1 (log)	Dreher et al. (2022)
$Population_{it}$	Population in country i, year t (log)	
$DivGov_t$	=1 if President's party does not control both chambers of Congress in year t	

Dataset is country-year panel. Estimation sample matches Dreher et al. (2022), i.e., includes countries eligible to receive ODA by Dreher et al.'s criteria, except that we include 1965-1969 in US aid estimations.

[22] Negative values set to 0 before adding 1.

[23] World Bank commitments are nominal values. This does not impact results since the World Bank variable is logged and all specifications include year dummies. Switching to constant dollar values would only impact the coefficient estimates for the year dummies.

Table A2: Descriptive Statistics, US Aid Samples

Full sample:

	mean	sd	min	max
US aid	2.666	2.029	0	9.505
UNSC member, voted all with US	0.029	0.167	0	1
UNSC member, voted not all with US	0.032	0.177	0	1
UNGA voting alignment	0.404	0.165	0	1
GDP per capita	7.560	1.121	4.811	10.041
Population	15.503	1.937	9.160	20.993
year	1992.686	14.623	1961	2015
Observations	5631			

Undivided government sample:

	mean	sd	min	max
US aid	2.879	2.056	0	9.505
UNSC member, voted all with US	0.042	0.200	0	1
UNSC member, voted not all with US	0.022	0.145	0	1
UNGA voting alignment	0.426	0.192	0	0.981
GDP per capita	7.531	1.119	5.012	10.009
Population	15.542	1.880	9.187	20.931
year	1990.218	17.079	1961	2010
Observations	1806			

Divided government sample:

	mean	sd	min	max
US aid	2.565	2.008	0	8.461
UNSC member, voted all with US	0.022	0.148	0	1
UNSC member, voted not all with US	0.038	0.190	0	1
UNGA voting alignment	0.394	0.149	0	1
GDP per capita	7.574	1.122	4.811	10.041
Population	15.485	1.963	9.160	20.993
year	1993.851	13.150	1969	2015
Observations	3825			

Table A3: Descriptive Statistics, World Bank Lending Samples

Full sample:

	mean	sd	min	max
WB lending	2.787	2.397	0	8.761
UNSC member, voted all with US	0.026	0.160	0	1
UNSC member, voted not all with US	0.034	0.182	0	1
UNGA voting alignment	0.388	0.153	0	1
GDP per capita	7.584	1.124	4.811	10.041
Population	15.487	1.967	9.160	20.993
year	1994.498	13.111	1968	2015
Observations	5296			

Undivided government sample:

	mean	sd	min	max
WB lending	2.836	2.408	0	8.761
UNSC member, voted all with US	0.036	0.186	0	1
UNSC member, voted not all with US	0.026	0.159	0	1
UNGA voting alignment	0.373	0.160	0	0.981
GDP per capita	7.612	1.129	5.012	10.009
Population	15.493	1.978	9.187	20.931
year	1996.179	12.864	1968	2010
Observations	1471			

Divided government sample:

	mean	sd	min	max
WB lending	2.768	2.393	0	8.567
UNSC member, voted all with US	0.022	0.148	0	1
UNSC member, voted not all with US	0.038	0.190	0	1
UNGA voting alignment	0.394	0.149	0	1
GDP per capita	7.574	1.122	4.811	10.041
Population	15.485	1.963	9.160	20.993
year	1993.851	13.150	1969	2015
Observations	3825			

Note: To match Dreher et al. (2022), UNGA voting alignment variable listed above (and used as an unreported control variable in Table 1) is based on votes in prior year only (year t-1). The UNGA voting alignment variable in Figures 3 & 4 is the average over years t-2 to t-5. The main effect of this is to drop 1964 from the US aid samples reported above but not from the sample used in the figures. Results are essentially the same whether using the slightly smaller sample and voting alignment in t-1 or the full sample and average voting alignment in t-2 to t-5.

Table A4: Estimations behind Figures 3 & 4

	(1)	(2)	(3)	(4)	(5)	(6)
UNGA voting alignment	2.689***	2.476*	2.756**	2.447***	0.335	2.881***
	(2.79)	(1.96)	(2.60)	(3.06)	(0.37)	(3.14)
UNSC member, voted all with US	-0.865**	-1.140*	-0.336	1.279***	0.725	1.560***
	(-2.10)	(-1.82)	(-0.85)	(2.84)	(1.00)	(2.88)
× UNGA voting alignment	2.477***	2.956**	0.957	-2.211**	-1.736	-2.571**
	(2.80)	(2.43)	(1.02)	(-2.20)	(-1.16)	(-2.03)
UNSC member, voted not all with US	-0.405	-0.938	-0.292	-0.0481	-0.528	0.0170
	(-0.89)	(-0.86)	(-0.64)	(-0.10)	(-0.57)	(0.03)
× UNGA voting alignment	1.082	2.085	0.831	0.607	1.633	0.579
	(1.06)	(0.90)	(0.79)	(0.56)	(0.80)	(0.44)
GDP per capita	-0.697***	-0.934***	-0.570***	-0.242	-0.281	-0.234
	(-3.73)	(-3.85)	(-3.04)	(-1.14)	(-1.00)	(-1.02)
Population	1.975***	2.266***	1.889***	-0.0332	0.213	-0.0345
	(4.10)	(4.24)	(3.64)	(-0.06)	(0.34)	(-0.06)
Observations	5676	1827	3849	5310	1461	3849

Dependent variable: (1)-(3) log of US bilateral aid; (4)-(6) log of World Bank lending. Samples for (1) & (4) are all years; samples for (2) & (5) are years with undivided US government; samples for (3) & (6) are years with divided US government. All specifications include country fixed effects & year dummies. t-stats in parentheses based on country clustered SEs. * 0.1 ** 0.05 *** 0.01.

Note: To match figures in Dreher et al. (2022), this table uses UNGA voting alignment from t-1 rather than the average of t-2 to t-5. This accounts for small differences in sample sizes relative to Tables A2 & A3.

Testing Difference Between Coefficients (parallel to notes in Figure 3 of Dreher et al. (2022))

Results in the paper report if coefficient estimates are statistically significant, i.e., statistically different from zero. Dreher et al. (2022) also examine if coefficients are statistically different from each other. For example, is the U.S. bilateral aid response to friends voting with the U.S. in the UNSC significantly different from the World Bank lending response? Here we present results of a similar test but differentiating between periods of divided and undivided government.

In addition to looking at specific subsamples, our test differs from that in Dreher et al. (2022) in three ways. First, rather than using a Seemingly Unrelated Regression (SUR) framework, we stack the data and run a single regression that generates separate estimates via interactions with dummy variables.[24] This approach allows each underlying regression to have different samples, a feature not possible with the SUR framework. Second, we limit the sample to ODA-eligible countries that did not hold a permanent seat on the UNSC; due to a coding error, Dreher et al. do not impose this restriction. Third, we cluster standard errors by country within each stacked regression.

Following Dreher et al., we report one-sided t-tests:

Comparing the slope in Figure 3, Panel B (lower left) with the slope in Figure 4, Panel B (lower left):

$$H_0: \beta_2^0 \leq \delta_2^0 \;\; v. \;\; H_1: \beta_2^0 > \delta_2^0$$

We reject the null hypothesis (that during undivided government, the bilateral increase for friends is not greater than the multilateral increase) in favor of the alternative hypothesis (that during undivided government, the bilateral increase for friends is greater than the multilateral increase) based on a p-value of 0.0104.

Comparing the slope in Figure 4, Panel C (bottom right) with the slope in Figure 3, Panel C (bottom right):

$$H_0: \delta_2^1 \geq \beta_2^1 \;\; v. \;\; H_1: \delta_2^1 < \beta_2^1$$

We reject the null hypothesis (that during divided government, the multilateral increase for non-friends is not greater than the bilateral increase) in favor of the alternative hypothesis (that during divided government, the multilateral increase for non-friends is greater than the bilateral increase) based on a p-value of 0.0144.[25]

[24] The stacked data set has one column for the dependent variable (which is first US aid and then World Bank lending) and columns for all the explanatory variables. It also includes a column that is a dummy variable for being in the US aid regression (=1 if the row corresponds to a US aid data point, 0 otherwise) and a column that is a dummy variable for being in the World Bank loan regression (=1 if the row corresponds to a World Bank data point, 0 otherwise). Finally, we generate separate country identifiers, one set for US aid observations and one set for World Bank lending observations. The regression equation includes all the explanatory variables twice, once interacted with the US aid observation dummy and once interacted with the World Bank lending observation dummy. This set-up assumes the error terms in the two equations are uncorrelated (the opposite of the SUR approach) but allows for differences between samples, a key issue as we subdivide the samples into divided and undivided years.

[25] The description appears the reverse of the formal hypothesis statement because the coefficients give results in terms of US-friends rather than non-friends. We could make the two more comparable by correcting this:

$$H_0: -\delta_2^1 \leq -\beta_2^1 \;\; v. \;\; H_1: -\delta_2^1 > -\beta_2^1$$

Appendix B: Robustness and Placebo Tests

We estimate the impact of voting alignment with the U.S. on lending flows from the Islamic Development Bank and the European Bank for Reconstruction and Development (EBRD), respectively. We find no effect, consistent with our hypothesis that the dividedness of U.S. government changes the relative costs of bilateral aid and informal influence in IFIs, but only for IFIs where the U.S. has significant influence.

Table B1: Placebo Tests (compare to Dreher et al. (2022) Appendix F)

	[1]	[2]	[3]	[4]	[5]	[6]
UNSC member, voted all with US	0.084	-0.096	0.345	0.043	-0.087	0.195
	[0.281]	[0.262]	[0.434]	[0.210]	[0.159]	[0.473]
UNSC member, voted not all with US	0.262	-0.192	0.405	0.122	-1.562	0.082
	[0.227]	[0.258]	[0.286]	[0.165]	[1.198]	[0.177]
UNSC member, voted all with US x Political proximity to US	-0.244	0.477	-1.009	0.007	0.504	-0.498
	[0.554]	[0.562]	[0.929]	[0.566]	[0.619]	[0.947]
UNSC member, voted not all with US x Political proximity to US	-0.657	0.385	-0.983	-0.166	6.306	-0.506
	[0.561]	[0.501]	[0.717]	[0.644]	[4.928]	[0.572]
Political proximity to US	-0.078	-0.27	-0.09	0.668	0.084	0.786
	[0.497]	[0.545]	[0.526]	[0.501]	[0.772]	[0.648]
Country FE, Year FE, Controls	Yes	Yes	Yes	Yes	Yes	Yes
Observations	4668	1394	3274	3112	1071	2041
R-squared	0.173	0.232	0.161	0.04	0.11	0.032
Dependent Variable	IsDB loans	IsDB loans	IsDB loans	EBRD loans	EBRD loans	EBRD loans
Divided	Full sample	No	Yes	Full sample	No	Yes

Figure B1: Effect of UN Voting with the US on Islamic Development Bank Lending (compare to Dreher et al. (2022) Figure A4)

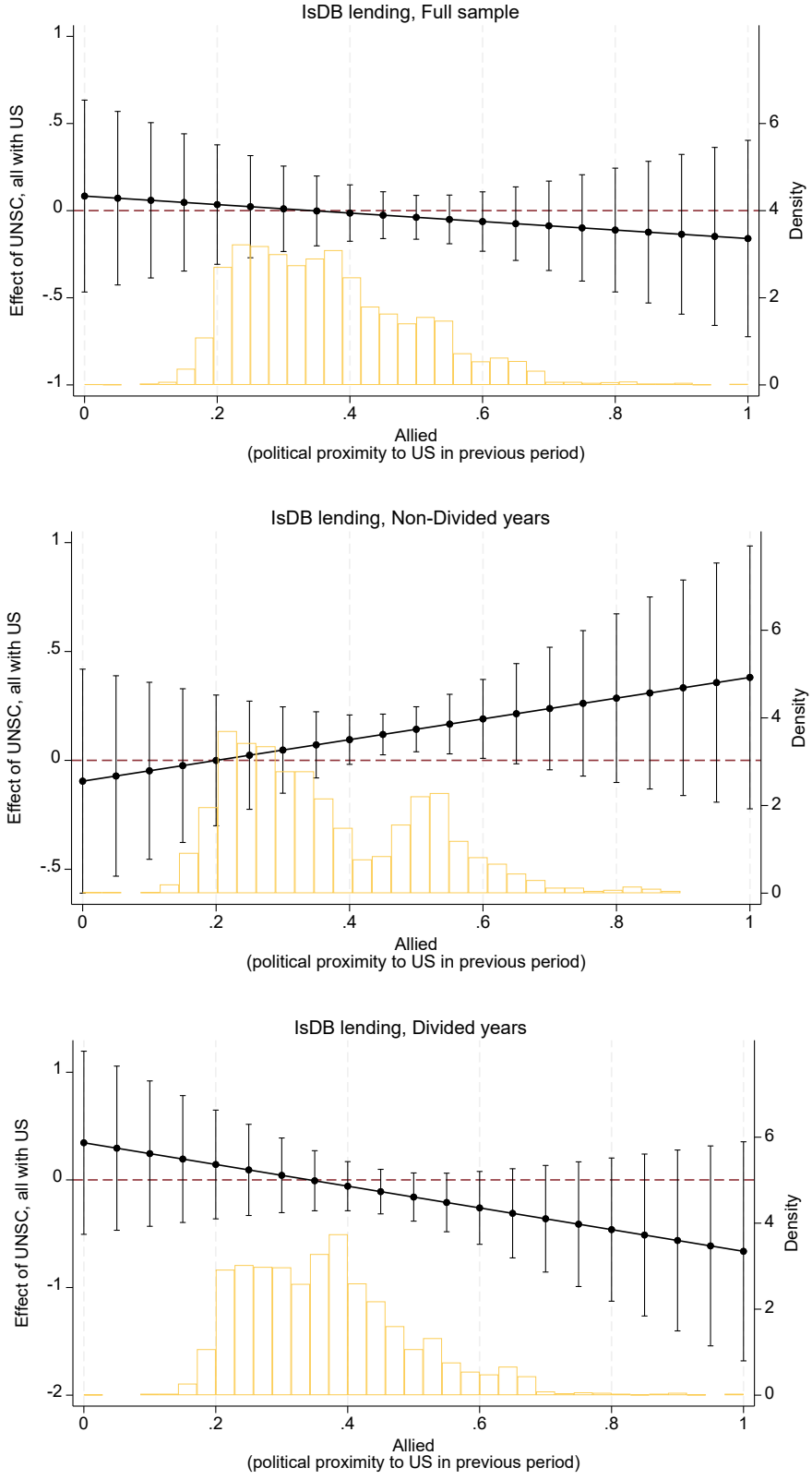
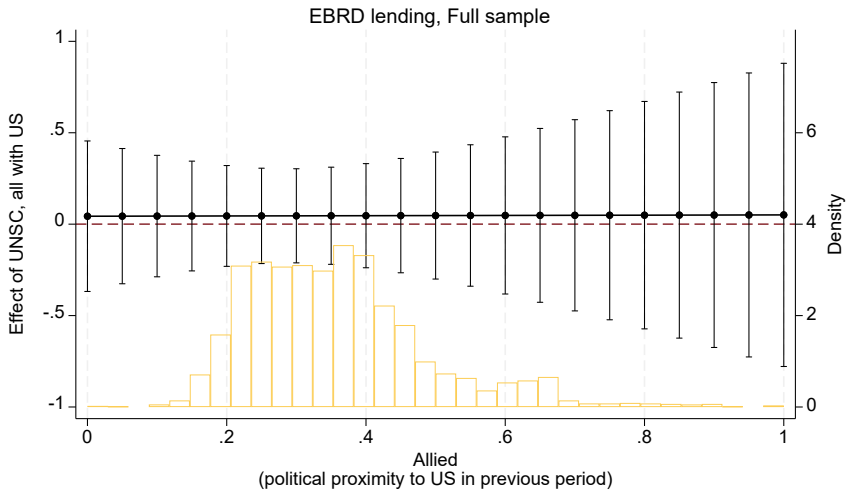
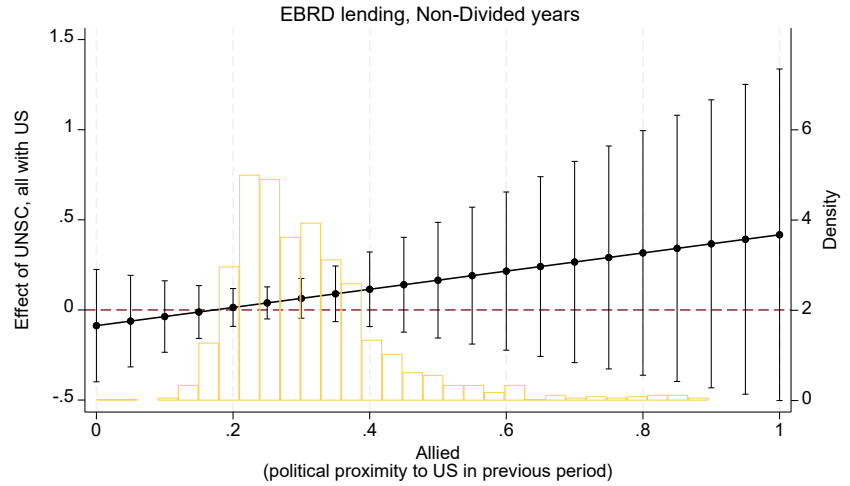
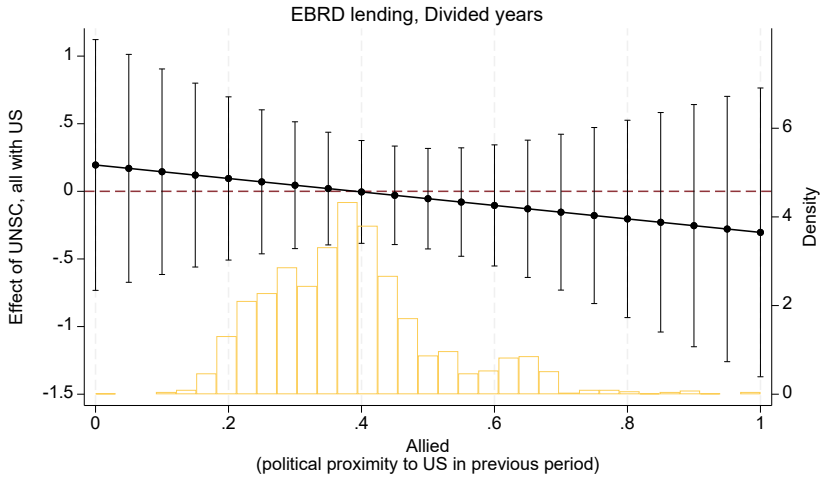


Figure B2: Effect of UN Voting with the US on EBRD Lending (compare to Dreher et al. (2022) Figure A5)







Alternative Measures of UNSC Salience

Following Dreher et al. (2022), we repeat the analysis with alternative measures for UN Security Council salience. The first is a year-specific measure of the number of mentions of the UNSC in the *New York Times* (also used in seminal work by Kuziemko and Werker (2006)). The second is based on *Google* search data in order to categorize resolutions as 'important.' Third, we only consider resolutions that concern the key U.S. ally Israel (based on text analysis of draft resolution titles). Finally, we use the share of UNSC resolutions where a country voted *against* rather than with the U.S.

Table B2: Alternative Measures of UNSC Salience (compare to Dreher et al. (2022) Table A7)

All specifications include lagged UNGA alignment with the US (matching Table 1 in the main text); Dreher et al. (2022) Table A7 excludes this variable, accounting for the difference in sample sizes.

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
UNSC in important year, voted all with US	0.822***				-0.227				0.028				0.512**			
	[0.239]				[0.401]				[0.168]				[0.222]			
UNSC in unimportant year, voted all with US	0.053				0.37				0.036				0.514			
	[0.261]				[0.296]				[0.261]				[0.340]			
UNSC in important year, voted not all with US	0.043				-0.08				0.356*				0.132			
	[0.369]				[0.391]				[0.205]				[0.222]			
UNSC in unimportant year, voted not all with US	-0.424				0.615*				-0.102				0.261*			
	[0.553]				[0.328]				[0.155]				[0.155]			
UNSC, voted all with US (only Google important)		0.424**				0.081				0.029				0.513***		
		[0.192]				[0.267]				[0.160]				[0.151]		
UNSC, voted not all with US (only Google important)		0.018				0.075				0.009				0.229*		
		[0.287]				[0.313]				[0.136]				[0.133]		
UNSC, voted all with US (only Israel related)			0.560*				-0.45				0.168				0.564**	
			[0.292]				[0.420]				[0.204]				[0.223]	
UNSC, voted not all with US (only Israel related)			0.078				0.088				0.066				0.063	
			[0.265]				[0.425]				[0.158]				[0.200]	
UNSC member				0.344*				0.025				0.053				0.355***
				[0.180]				[0.257]				[0.151]				[0.128]
UNSC member # Share of votes against US				-3.107				2.577				-0.418				-0.243
				[3.289]				[3.789]				[0.851]				[0.918]
Observations	1806	1806	1434	1806	1471	1471	1101	1471	3825	3825	2618	3825	3825	3825	2618	3825
R-squared	0.183	0.178	0.187	0.177	0.102	0.1	0.11	0.1	0.15	0.149	0.113	0.149	0.094	0.094	0.105	0.094
UNSC Votes	all	Google	Israel	all	all	Google	Israel	all	all	Google	Israel	all	all	Google	Israel	all
Dependent Variable	US aid	US aid	US aid	US aid	WB loans	WB loans	WB loans	WB loans	US aid	US aid	US aid	US aid	WB loans	WB loans	WB loans	WB loans
Divided	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Standard errors clustered on the country-level are in brackets. Significance levels: * p < 0.1; ** p < 0.05; *** p < 0.01

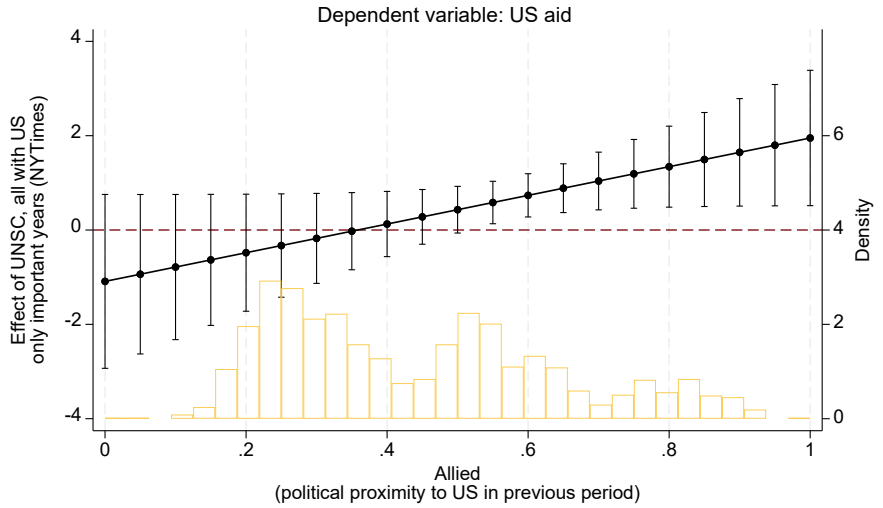
All specifications include lagged UNGA alignment with the US (matching Table 1 in the main text); Dreher et al. (2022) Table A7 excludes this variable, accounting for the difference in sample sizes.

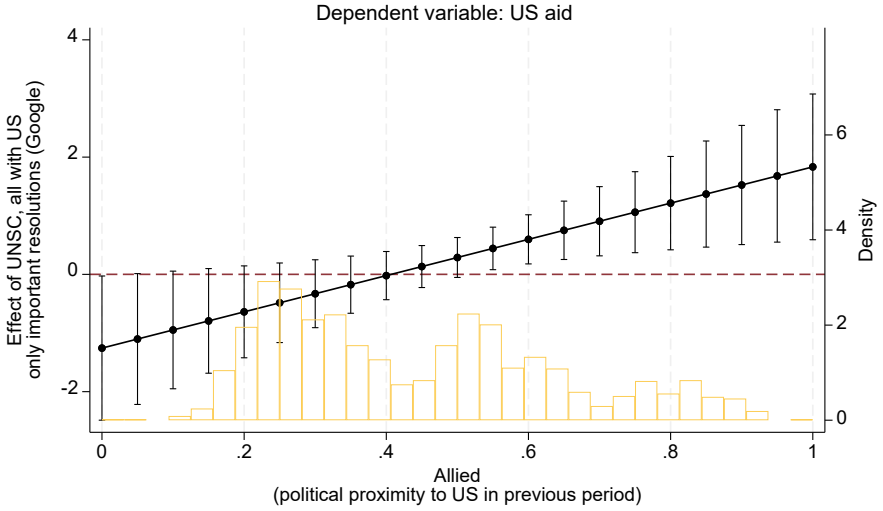
Table B3: Alternative Measures of UNSC Salience × Political Proximity to US (compare to Dreher et al. (2022) Table A8)

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
UNSC in important year, voted all with US	-1.089			0.095			0.437			1.633**		
	[0.940]			[1.228]			[0.436]			[0.642]		
UNSC in important year, voted not all with US	-1.389			-0.856			-0.063			-1.270**		
	[1.444]			[1.172]			[0.645]			[0.520]		
UNSC, voted all with USA (NYTimes) × Political proximity to US	3.040*			-0.848			-1.082			-2.975*		
	[1.608]			[2.329]			[1.010]			[1.547]		
UNSC, voted not all with USA (NYTimes) × Political proximity to US	3.656			2.042			1.196			3.901***		
	[3.068]			[2.786]			[1.529]			[1.278]		
UNSC, voted all with US (only Google important)		-1.257**			0.755			-0.337			1.561***	
		[0.627]			[0.721]			[0.395]			[0.541]	
UNSC, voted not all with US (only Google important)		-0.78			-0.578			-0.291			0.016	
		[1.104]			[0.925]			[0.454]			[0.570]	
UNSC, voted all with USA (important) × Allied (= political proximity to US)		3.091**			-1.752			0.957			-2.572**	
		[1.213]			[1.493]			[0.938]			[1.267]	
UNSC, voted not all with USA (important) × Allied (= political proximity to US)		1.931			1.676			0.829			0.58	
		[2.316]			[2.046]			[1.048]			[1.304]	
UNSC, voted all with US (only Israel related)			-1.632*			-0.167			-0.249			1.789***
			[0.985]			[1.143]			[0.524]			[0.599]
UNSC, voted not all with US (only Israel related)			-1.289*			-0.019			-0.318			-0.915
			[0.736]			[1.443]			[0.536]			[0.597]
UNSC, voted all with USA (Israel) × Political proximity to US			3.790**			-0.761			1.035			-2.903**
			[1.649]			[2.165]			[1.130]			[1.165]
UNSC, voted not all with USA (Israel) × Political proximity to US			3.630**			0.277			1.087			2.551**
			[1.629]			[3.279]			[1.226]			[1.287]
Political proximity to US	2.536**	2.478*	2.428*	0.315	0.335	0.918	2.804***	2.754**	2.919**	2.805***	2.881***	2.610***
	[1.280]	[1.263]	[1.264]	[0.911]	[0.913]	[0.967]	[1.052]	[1.059]	[1.123]	[0.912]	[0.917]	[0.906]
GDP/capita (ln, t-1)	-0.935***	-0.934***	-0.999***	-0.281	-0.281	-0.232	-0.571***	-0.570***	-0.750***	-0.223	-0.234	-0.403
	[0.243]	[0.242]	[0.256]	[0.281]	[0.282]	[0.266]	[0.187]	[0.187]	[0.212]	[0.232]	[0.230]	[0.267]
Population (ln)	2.257***	2.267***	2.423***	0.229	0.213	0.613	1.888***	1.889***	1.921***	-0.02	-0.035	-0.693
	[0.540]	[0.535]	[0.559]	[0.635]	[0.636]	[0.680]	[0.519]	[0.519]	[0.522]	[0.547]	[0.542]	[0.643]
Observations	1827	1827	1400	1461	1461	1092	3849	3849	2631	3849	3849	2631
R-squared	0.199	0.2	0.211	0.101	0.101	0.11	0.153	0.153	0.115	0.094	0.095	0.106
Votes	NYTimes	Google	Israel	NYTimes	Google	Israel	NYTimes	Google	Israel	NYTimes	Google	Israel
Dependent Variable	US aid	US aid	US aid	WB loans	WB loans	WB loans	US aid	US aid	US aid	WB loans	WB loans	WB loans
Divided	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Standard errors clustered on the country-level are in brackets. Significance levels: * p < 0.1; ** p < 0.05; *** p < 0.01

Figure B3a: Marginal Effects of UNSC on US Aid, All with US (Non-divided Years)
(compare to Dreher et al. (2022) Figure A6)





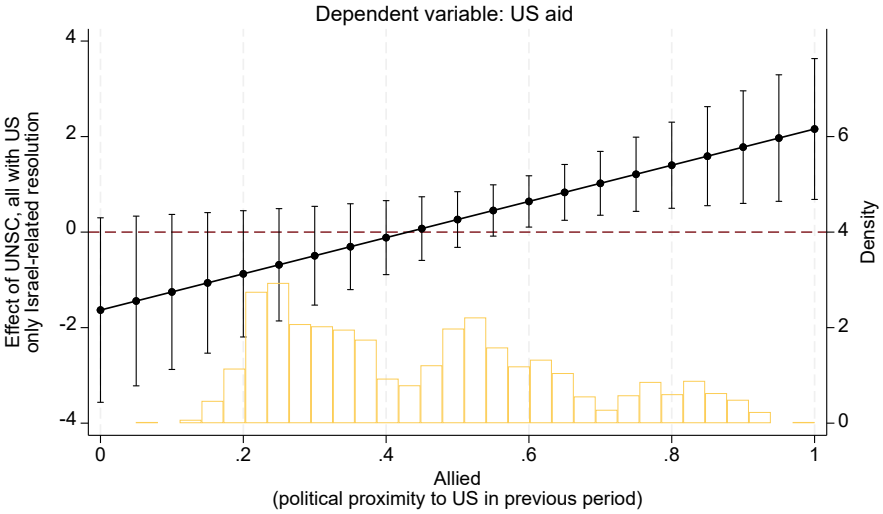


Figure B3b: Marginal Effects of UNSC on WB Loans, All with US (Non-divided Years)
(compare to Dreher et al. (2022) Figure A6)

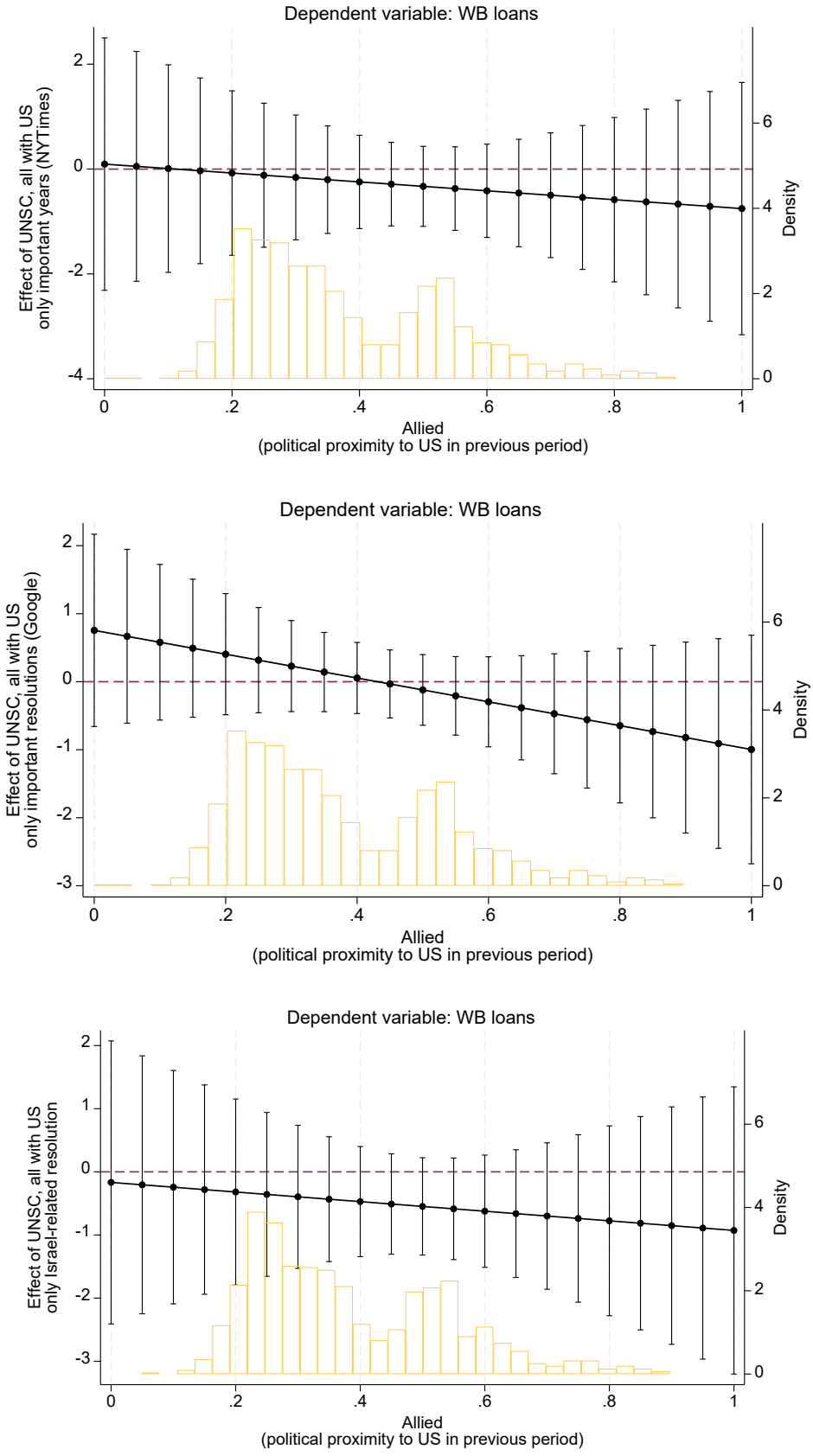


Figure B3c: Marginal Effects of UNSC on US Aid, All with US (Divided Years)
(compare to Dreher et al. (2022) Figure A6)

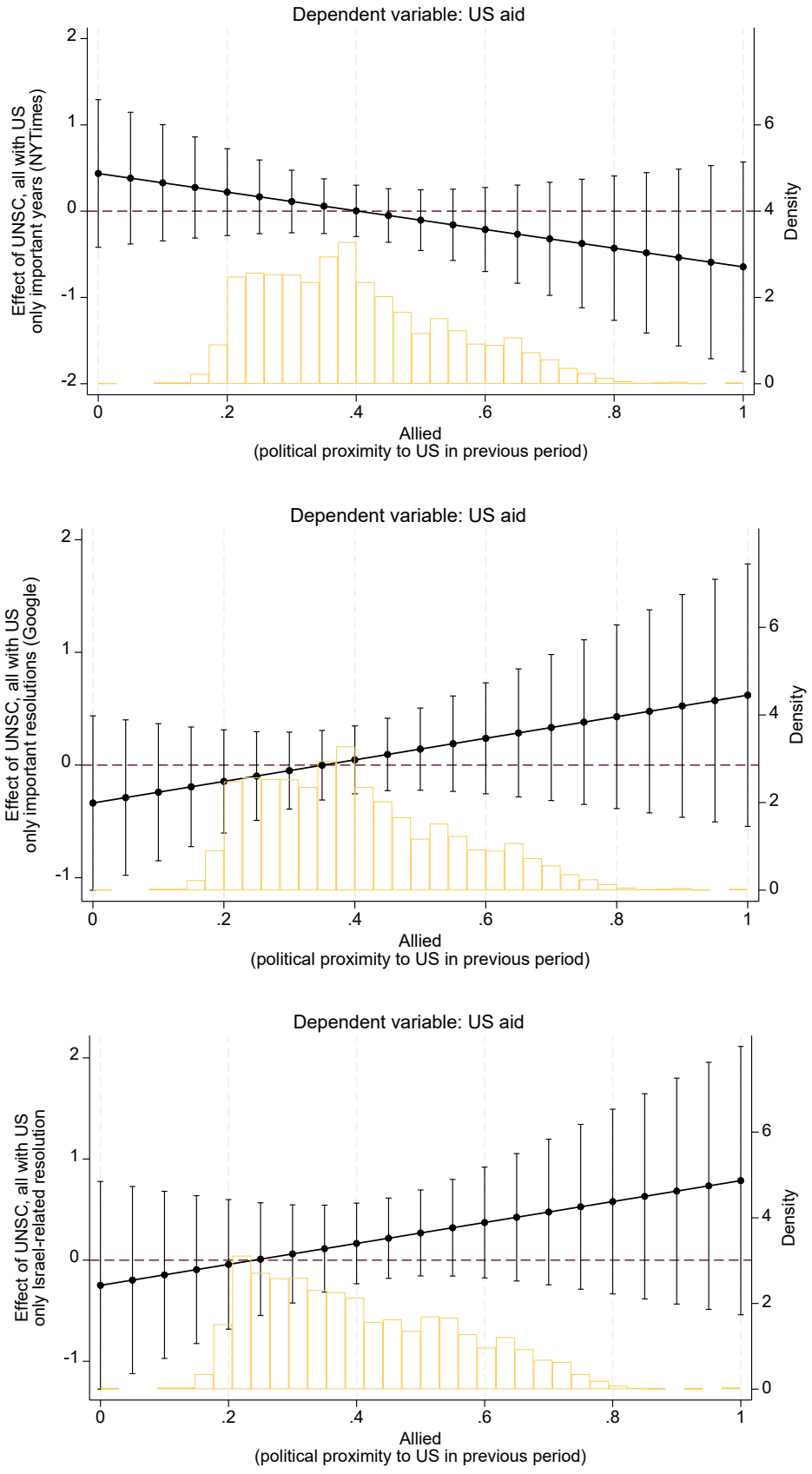
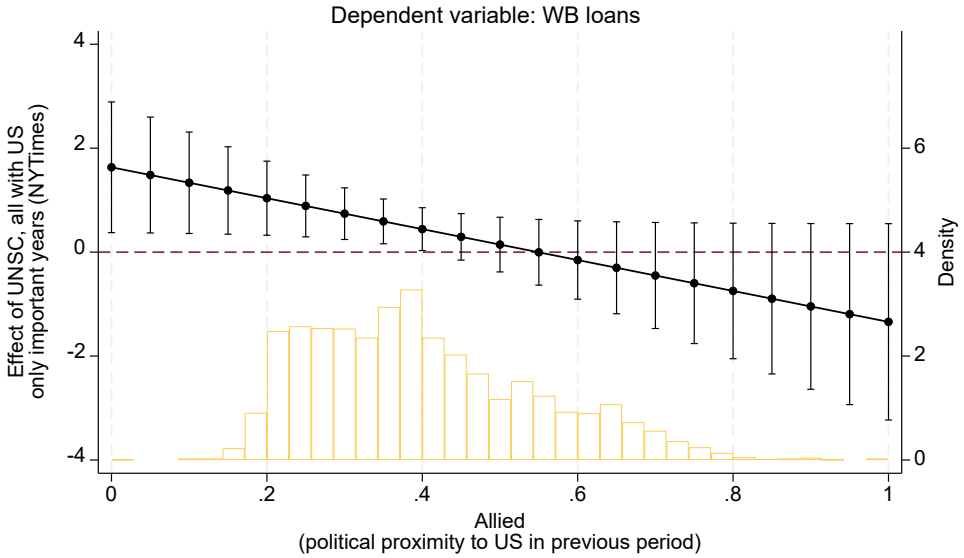
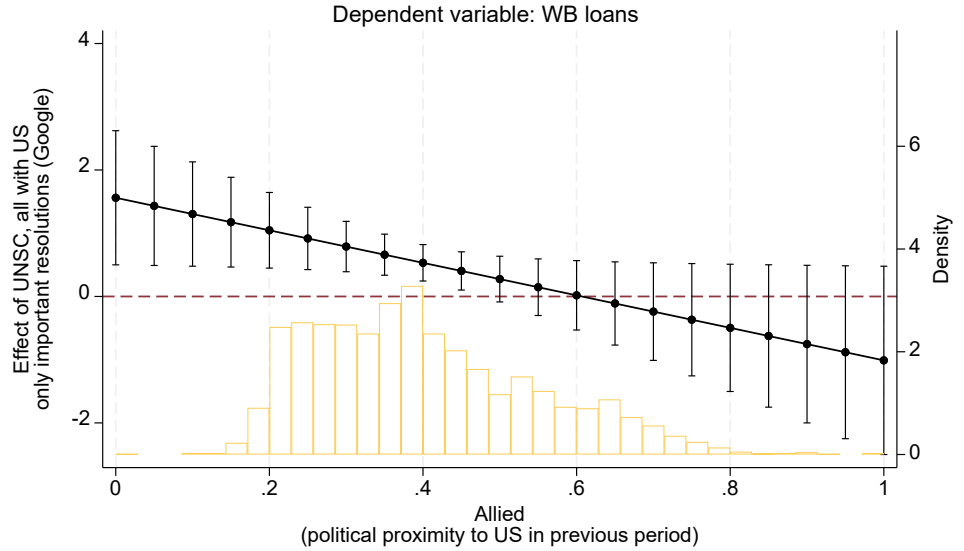
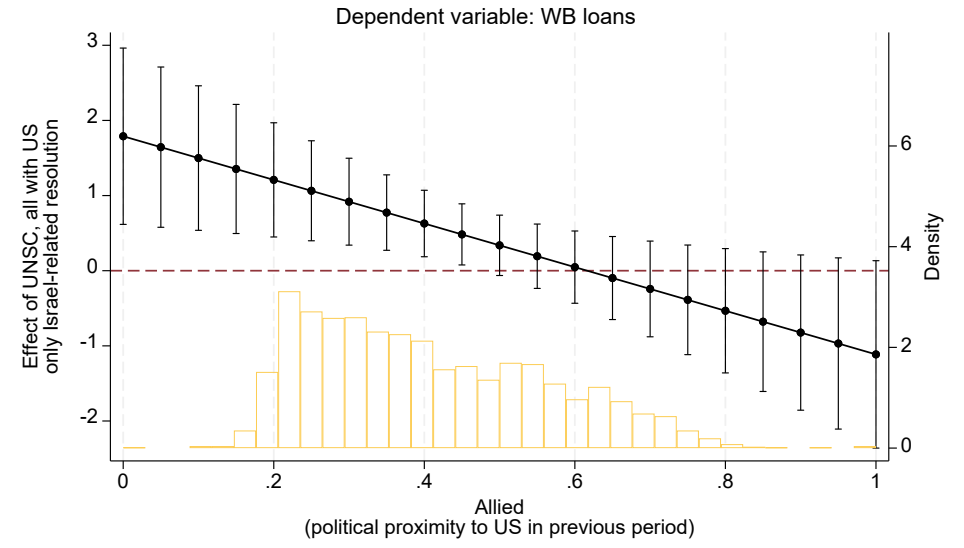


Figure B3d: Marginal Effects of UNSC on WB Loans, All with US (Divided Years)
(compare to Dreher et al. (2022) Figure A6)







Excluding Resolution Topics (compare to Dreher et al. (2022) Table A9)

Table B4a: Non-divided Years

	[A1]	[A2]	[A3]	[A4]	[A5]	[A6]	[B1]	[B2]	[B3]	[B4]	[B5]	[B6]
UNSC, voted all with the US	0.481**	0.379**	0.481**	0.341	0.481**	0.481**	0.058	0.07	0.058	0.066	0.058	0.058
	[0.193]	[0.148]	[0.193]	[0.207]	[0.193]	[0.193]	[0.271]	[0.242]	[0.271]	[0.267]	[0.271]	[0.271]
UNSC, voted not all with the US	-0.078	-0.376	-0.078	0.17	-0.078	-0.078	0.107	0.13	0.107	0.098	0.107	0.107
	[0.299]	[0.602]	[0.299]	[0.219]	[0.299]	[0.299]	[0.311]	[0.441]	[0.311]	[0.320]	[0.311]	[0.311]
Observations	1806	1806	1806	1806	1806	1806	1471	1471	1471	1471	1471	1471
R-squared	0.179	0.179	0.179	0.177	0.179	0.179	0.1	0.1	0.1	0.1	0.1	0.1
Excluding Resolutions on:	Admissions	Israel	Lebanon	Cyprus	Sanctions	Extensions	Admissions	Israel	Lebanon	Cyprus	Sanctions	Extensions
Dependent Variable	US aid	US aid	US aid	US aid	US aid	US aid	WB loans	WB loans	WB loans	WB loans	WB loans	WB loans

This table reports results of regressions that replicate the baseline regressions but exclude various categories of resolutions. Standard errors clustered at the country level in brackets. Significance levels: * p<.1; **p<.05; ***p<.01. All specifications include lagged UNGA alignment with the US (matching Table 1 in the main text); Dreher et al. (2022) Table A9 excludes this variable, accounting for the difference in sample sizes.

Table B4b: Divided Years

	[A1]	[A2]	[A3]	[A4]	[A5]	[A6]	[B1]	[B2]	[B3]	[B4]	[B5]	[B6]
UNSC, voted all with the US	0.029	-0.005	0.029	0.029	0	0.021	0.513***	0.379***	0.513***	0.513***	0.507***	0.509***
	[0.160]	[0.174]	[0.160]	[0.160]	[0.155]	[0.159]	[0.151]	[0.136]	[0.151]	[0.151]	[0.143]	[0.149]
UNSC, voted not all with the US	0.009	0.036	0.009	0.009	0.028	0.014	0.229*	0.295**	0.229*	0.229*	0.221*	0.230*
	[0.136]	[0.144]	[0.136]	[0.136]	[0.139]	[0.137]	[0.133]	[0.137]	[0.133]	[0.133]	[0.126]	[0.134]
Observations	3825	3825	3825	3825	3825	3825	3825	3825	3825	3825	3825	3825
R-squared	0.149	0.149	0.149	0.149	0.149	0.149	0.094	0.094	0.094	0.094	0.094	0.094
Excluding Resolutions on:	Admissions	Israel	Lebanon	Cyprus	Sanctions	Extensions	Admissions	Israel	Lebanon	Cyprus	Sanctions	Extensions
Dependent Variable	US aid	US aid	US aid	US aid	US aid	US aid	WB loans	WB loans	WB loans	WB loans	WB loans	WB loans

This table reports results of regressions that replicate the baseline regressions but exclude various categories of resolutions. Standard errors clustered at the country level in brackets. Significance levels: * p<.1; **p<.05; ***p<.01. All specifications include lagged UNGA alignment with the US (matching Table 1 in the main text); Dreher et al. (2022) Table A9 excludes this variable, accounting for the difference in sample sizes.

Additional Control Variables

Following Dreher et al. (2022), we add additional control variables to address potential concerns that the need for external financing may both cause countries to vote with the U.S. and receive more aid.

Table B5a: Additional Control Variables (compare to Dreher et al. (2022) Table A10)

	[1]	[2]	[3]	[4]
UNSC member, voted all with US	0.442**	0.04	0.081	0.455***
	[0.199]	[0.294]	[0.159]	[0.152]
UNSC member, voted not all with US	-0.174	0.082	0.002	0.215
	[0.257]	[0.320]	[0.150]	[0.131]
GDP/capita (ln, t-1)	-0.699**	-0.034	-0.263	-0.09
	[0.344]	[0.324]	[0.233]	[0.240]
Population (ln)	2.299***	-0.487	2.199***	0.301
	[0.495]	[0.666]	[0.502]	[0.543]
War	0.169	-0.800**	0.044	-0.583***
	[0.315]	[0.338]	[0.272]	[0.201]
Total ODA received (% GDP)	0.045***	0.020*	0.033***	0.026***
	[0.014]	[0.012]	[0.012]	[0.007]
Trade (% GDP)	-0.002	-0.003	0	-0.001
	[0.003]	[0.004]	[0.002]	[0.003]
FDI (% GDP)	0.006	0.017	-0.001	0.012
	[0.011]	[0.015]	[0.006]	[0.009]
Domestic private credit (% GDP)	-0.006	-0.009	-0.005	-0.005
	[0.007]	[0.006]	[0.006]	[0.004]
Observations	1595	1320	3374	3374
R-squared	0.233	0.114	0.177	0.11
Dependent Variable	US aid	WB loans	US aid	WB loans
Divided	No	No	Yes	Yes

Notes: Standard errors clustered on the country-level are in brackets. Significance levels: * p < 0.1; ** p < 0.05; *** p < 0.01
All specifications include lagged UNGA alignment with the US (matching Table 1 in the main text); Dreher et al. (2022) Table A10 excludes this variable, accounting for the difference in sample sizes.

Table B5b: Additional Control Variables – Interactions with Political Proximity (compare to Dreher et al. (2022) Table A11)

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
UNSC member, voted all with US	0.442**	-0.511	0.04	0.359	0.081	-0.036	0.455***	1.164***
	[0.199]	[0.378]	[0.294]	[0.644]	[0.159]	[0.245]	[0.152]	[0.366]
UNSC, voted all with USA × Political proximity to US		2.586**		-0.786		0.488		-2.847**
		[1.151]		[2.145]		[0.887]		[1.399]
UNSC member, voted not all with US	-0.174	-0.446	0.082	-0.876	0.002	-0.177	0.215	0.109
	[0.257]	[0.662]	[0.320]	[0.734]	[0.150]	[0.338]	[0.131]	[0.456]
UNSC, voted not all with USA × Political proximity to US		2.197		4.699		0.902		0.558
		[3.015]		[3.011]		[1.287]		[1.823]
Political proximity to US	1.773*	3.938***	1.922**	-0.448	1.859*	2.936*	1.580**	2.234***
	[1.060]	[1.480]	[0.860]	[1.755]	[0.999]	[1.495]	[0.696]	[0.831]
GDP/capita (ln, t-1)	-0.699**	-0.732**	-0.034	-0.276	-0.263	-0.257	-0.09	-0.11
	[0.344]	[0.336]	[0.324]	[0.403]	[0.233]	[0.233]	[0.240]	[0.249]
Population (ln)	2.299***	1.806***	-0.487	-0.51	2.199***	2.319***	0.301	0.267
	[0.495]	[0.545]	[0.666]	[0.729]	[0.502]	[0.531]	[0.543]	[0.565]
War	0.169	0.494*	-0.800**	-0.668**	0.044	0.013	-0.583***	-0.631***
	[0.315]	[0.262]	[0.338]	[0.288]	[0.272]	[0.245]	[0.201]	[0.208]
Total ODA received (% GDP)	0.045***	0.032**	0.020*	0.016	0.033***	0.045***	0.026***	0.032***
	[0.014]	[0.013]	[0.012]	[0.013]	[0.012]	[0.009]	[0.007]	[0.007]
Trade (% GDP)	-0.002	0.001	-0.003	-0.001	0	0.001	-0.001	-0.002
	[0.003]	[0.003]	[0.004]	[0.005]	[0.002]	[0.002]	[0.003]	[0.003]
FDI (% GDP)	0.006	0	0.017	0.009	-0.001	-0.005	0.012	0.025***
	[0.011]	[0.009]	[0.015]	[0.018]	[0.006]	[0.008]	[0.009]	[0.008]
Domestic private credit (% GDP)	-0.006	-0.006	-0.009	-0.005	-0.005	-0.004	-0.005	-0.004
	[0.007]	[0.006]	[0.006]	[0.007]	[0.006]	[0.006]	[0.004]	[0.004]
Observations	1595	1385	1320	1197	3374	3207	3374	3207
R-squared	0.233	0.245	0.114	0.053	0.177	0.194	0.11	0.106
Dependent Variable	US aid	US aid	WB loans	WB loans	US aid	US aid	WB loans	WB loans
Divided	No	No	No	No	Yes	Yes	Yes	Yes

Notes: Standard errors clustered on the country-level are in brackets. Significance levels: * p < 0.1; ** p < 0.05; *** p < 0.01. Dreher et al. (2022) Table A11 Columns (1) and (3) exclude Political proximity to US, accounting for the difference in sample sizes.

Figure B4a: Marginal Effect of UNSC on US Aid (Non-divided Years)

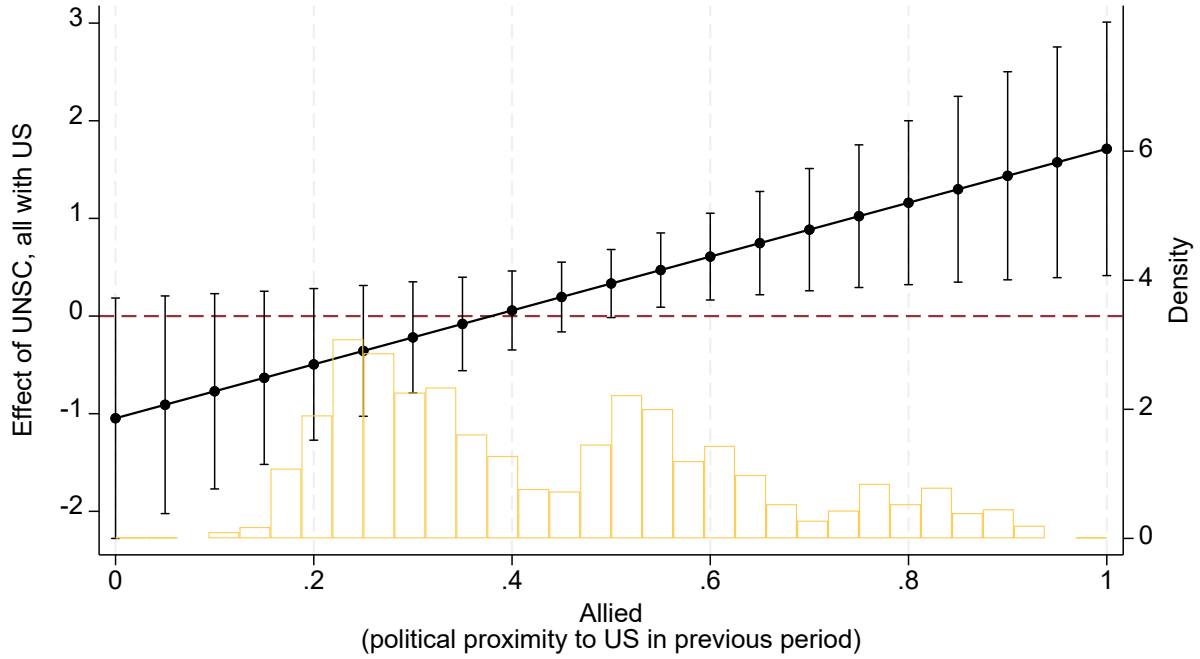


Figure B4b: Marginal Effect of UNSC on US Aid (Divided Years)

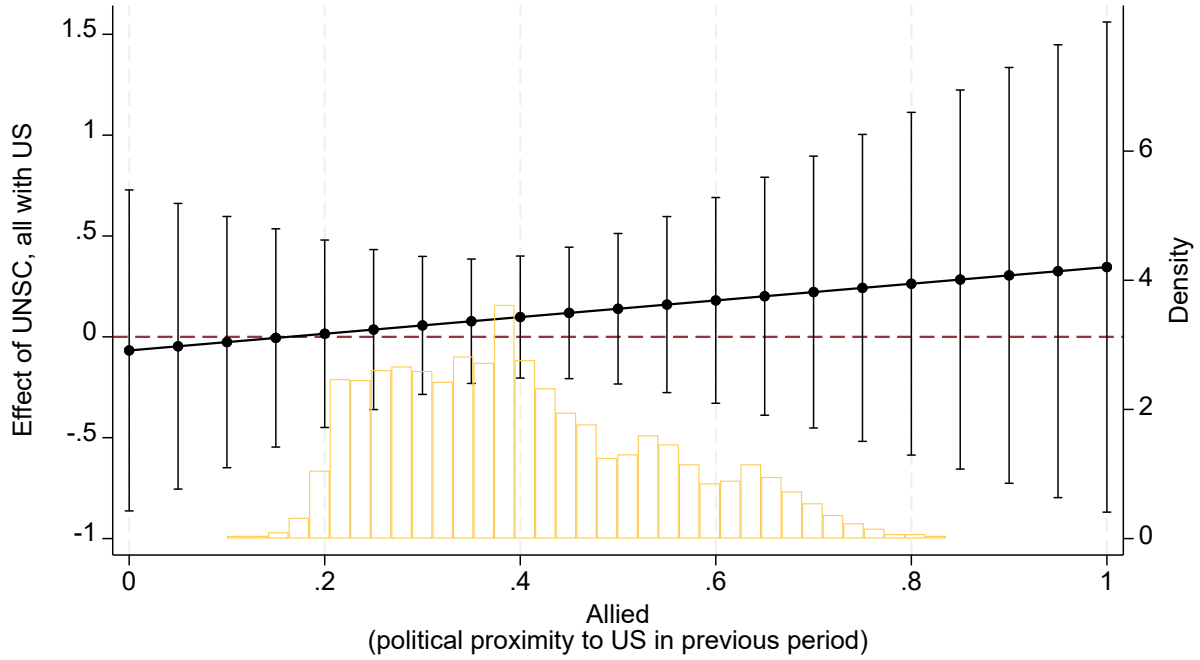


Figure B4c: Marginal Effect of UNSC on WB Loans (Non-divided Years)

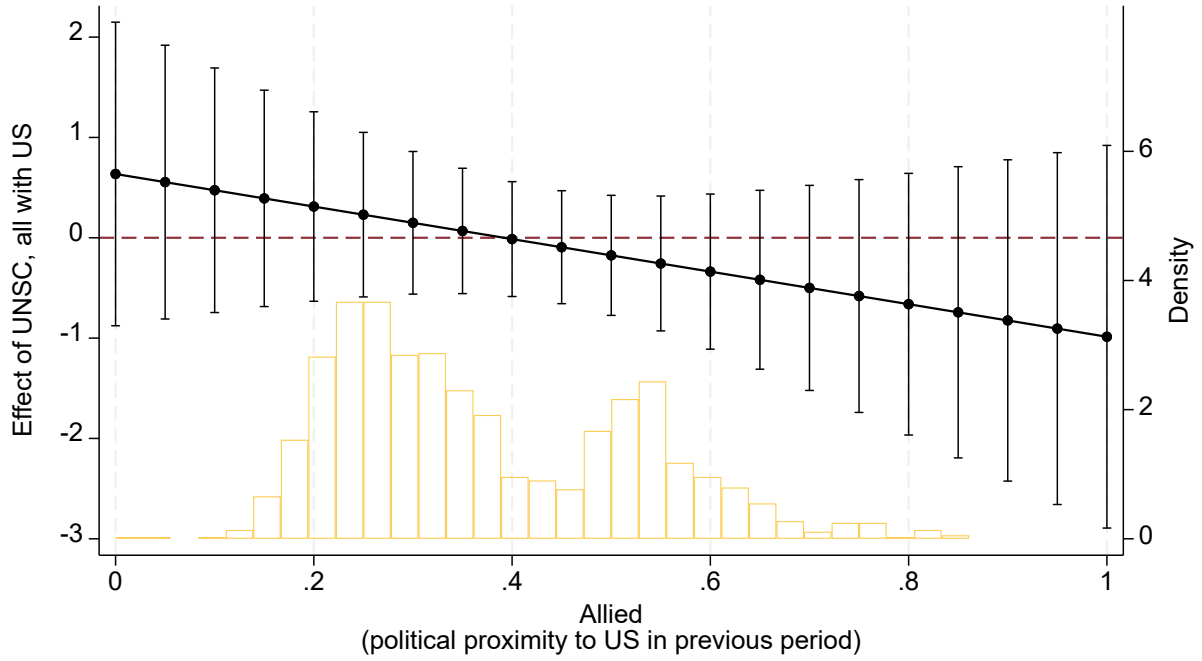


Figure B4d: Marginal Effect of UNSC on WB Loans (Divided Years)