

Latin American Immigration as a Determinant of US Foreign Aid Allocation

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INTRODUCTION

Despite the prominence of foreign aid in policy debates and media discussion, foreign aid only accounts for one percent of the US Budget (Center for Global Development 2015), and only 0.2 percent of US Gross National Income (OECD 2013; Center for Global Development 2015). One might expect aid to go to the neediest or the poorest or the most deserving of countries, but scholars know it is not that simple. We know that some things matter very much in aid allocation, such as strategic ties between donor and recipient governments, development, and wars or disasters. However, these known determinants do not account for all of the variation in aid from year to year, and I endeavor to further the knowledge on determinants of foreign aid.

This is a thesis that explains how the US allocates foreign aid to Latin America, with a special emphasis on the factor of immigration as an explanatory variable in aid distribution. In an effort to further the academic knowledge of the politics of foreign aid, I have isolated one factor that I believe to be under-examined and unexplored—immigration. There are an estimated 41 million immigrants living in the US, or about 13 percent of the total US population (Migration Policy 2014). In 2013 alone, almost 402,000 people immigrated to the US from Latin America.¹ With a few important exceptions, immigration remains largely unaddressed in the literature on foreign aid allocation,² but I argue that it is a factor in the United States' considerations of aid distribution. Politicians are concerned about how to respond to the large numbers of immigrants coming to the US through legal and extralegal means. I contend that since policymakers assume that economic conditions in the country of origin are a push factor for migrants leaving their country of origin, and since a sufficient number of policymakers

¹ From my data set, as constructed from Department of Homeland Security data on immigrant origin countries.

² The recent work of Sarah Bermeo (2008, 2010) and David Leblang (2010) does look at immigration and aid on a global scale, and I discuss their work in my literature review. Gaytán-Fregoso and Lahiri (2000) and Berthélemy et al. (2009) take a theoretical look at the connection between aid and migration, but both these studies look at the effects of aid rather than its determinants.

believe foreign aid sometimes spurs growth, policymakers will utilize economic foreign assistance as a means of decreasing the need for further migration. As such, I expect there to be a statistically significant relationship between the flow of migrants from each Latin American country and aid allocation to that country in the subsequent years. My research fills an important niche in the literature on foreign aid. I use the work of other scholars as a starting point, but I aim to take a multi-method, process-oriented approach that traces the mechanism by which migration and aid are connected. I test my theory through a series of semi-structured elite interviews, an analysis of congressional hearings, and a statistical analysis of US foreign aid to Latin America in the years 1990-2012.

I choose to focus my research on Latin America. If there is a relationship between immigration and US foreign aid allocation, the causal mechanism should be particularly evident in aid to Latin America. Pew Research Center data shows that in 2012, 52.2 percent of immigrants in the US were from Latin America, and that the Mexico-to-US migration link was the most popular in the world (Brown and Patten 2014; Inkpen 2014). The United States' colonialist and imperialist tendencies led to much intervention in Latin America during the twentieth century, and the regions have become further entangled in the past few decades. In the post-Cold War context, Latin America remains a recipient of US development aid because of the geographic proximity and trade networks between the US and Latin America. Compared to US programs in other regions, US aid programs in Latin America focus less on peace and security concerns or unexpected humanitarian need, and more on good governance and economic growth.³ For these reasons, as well as for the practical reason of limiting the scope of data to

³ As discerned by my analysis of congressional hearings

investigate it more deeply, I have chosen to limit this project to the sphere of US-Latin American relations.

All else being equal, I find that immigration to the US leads to increases in US aid to the immigrant-sending country. An analysis of congressional hearings as well as a series of interviews finds that immigration is a relevant part of the aid discussion in Congress. The Committee on Appropriations and the aid-implementing agencies use the economic and political conditions of underdevelopment (that may cause migration) as justifications for increased development aid. My statistical results support the hypothesis that increased immigration leads to increased aid, especially in low-income recipients and in the second half of the years sampled.

I begin with a description of how foreign aid decisions are made by the federal government, so as to outline the important actors and give a sense of the decision-making timeline. Then, I review the existing literature on foreign aid determinants and the politics of aid. In the theory section, I introduce the idea that immigration is an additional determinant of aid allocation, and I trace the causal pathway by which the two are connected. After the theoretical outline, I give an overview of my analysis of congressional hearings and report upon a series of statistical tests that explore numerically the importance of various factors in aid allocation. I end with a discussion of the conclusions and implications of my study.

THE FOREIGN AID PROCESS

To analyze the factors that influence allocation, we must first have a firm understanding of the process itself. It is particularly pertinent to consider when and how policymakers' concerns about immigration might affect aid allocation. Before beginning a theoretical discussion on why immigration may affect foreign aid allocation, I will discuss the aid allocation

process, emphasizing the points at which I expect immigration and similar country-specific concerns to be evident.

Official Development Assistance, or ODA, is defined by the Organization for Economic Cooperation and Development (OECD) as grants or loans to countries, territories, and multilateral institutions provided by official agencies, including state and local governments. These monetary flows must be administered with the objective of promoting economic development and welfare in developing countries, and loans must be concessional in nature (having a below-market interest rate or an extended interval of repayment) (OECD 2013). This definition generally excludes resources sent as military aid, peacekeeping enforcement, and programs that directly combat terrorism.

The current US concept of international development assistance emerged after World War II in concordance with the Marshall Plan's goal to help Europe recover by sending economic assistance. The primary vehicle through which the United States now distributes economic foreign assistance is the federal budget category of Foreign Affairs, or the Function 150 account, one of 20 budget categories to which the Committee on Appropriations Committee allocates funds. Major agencies, such as the Department of State, the United States Agency for International Development (USAID), and the Millennium Challenge Corporation (MCC) are a part of this function. Oversight of this account belongs to the Subcommittee on State, Foreign Operations, and Related Programs of the House and Senate Committees on Appropriations.⁴

USAID was formed in 1961 during the Kennedy administration, and MCC was created in 2004 during the George W. Bush administration. Both USAID and MCC are independent agencies of the executive branch (and separate in administration from the Department of State),

⁴ Until 2008, this subcommittee was referred to as the Subcommittee on Foreign Operations, Export Financing, and Related Programs.

but the legislative branch has significant influence in determining which specific programs receive funding. USAID is responsible for about half of US foreign assistance, considerably more than MCC (\$17.2 and \$0.8 billion respectively in 2013, out of a total aid budget of \$33.1 billion)(ForeignAssistance.gov 2014). In contrast, the Department of Defense was responsible for \$12.7 billion of foreign assistance that year.

To become better informed about the aid allocation process and specific concerns in Latin America, I conducted six interviews with policy insiders. I sent meeting requests to 26 members of the Subcommittee on State, Foreign Operations, and Related Programs of the Committee on Appropriations from the 112th and 113th Congresses. I chose to use these two Congresses as my sample because most members of earlier Congresses are no longer serving (and therefore very hard to contact), or also served in one of these two Congresses. The 29 remaining members of the Subcommittee that I could not contact were either retired, deceased, or would not accept correspondence from my zip code.⁵ I was able to schedule three interviews via these requests, and three more interviews through professional connections. Of the six people I interviewed, two are members of Congress, two are current Congressional staffers, and two have past experience as staff members with the Subcommittee. I conducted all of these interviews between January 20 and January 23, 2015, each one lasting 30 to 60 minutes. The interviews were semi-structured and open response. I asked about the appropriations process itself, specific regional concerns in Latin America, and the perceived effectiveness of aid.

⁵ Because most members of Congress do not provide an email address, I used the online meeting request forms on each member's website. Some of these forms, due to a high volume of requests, do not accept requests from a zip code outside of their district. For these members, I tried unsuccessfully to contact staffers directly. The responses to online requests that I received were all from staffers, some willing to connect me to the member of Congress, and others offering to meet with me themselves. Further information on the interview process and respondents is in Appendix C.

At the beginning of each year, the President submits a budget request to Congress, and by April the Committee on the Budget sets a cap for Appropriations spending. The chair of the Committee on Appropriations decides upon the 302(b) allocations, which establish a limit for each of the subcommittee bills. Following the 302(b) allocations, the twelve subcommittees in both the House and the Senate allocate funds to various projects and departments. As mentioned above, foreign aid falls under the directive of the Subcommittee on State, Foreign Relations and Related Programs. The Committee's final requests often mirror the President's overall request very closely, but per-country considerations begin at the Committee level (Interviews 1, 6). The budget is then subjected to a set of hearings and input from related organizations. It is during this step, in the Congressional Budget Justifications and Committee Hearings, that various groups petition the needs and interests of specific countries. After the hearings, the chair and ranking members of the Subcommittee send a letter inviting other members to submit their views, a step referred to as the "member requests" (Interview 6). The House and Senate must reconcile their requests and approve the Appropriations Bill before the funds can be appropriated or spent.

Several of my interviewees (3, 6) noted that the appropriations process is not very transparent, and that a lot of give-and-take happens behind closed doors. Though the published reports may not entirely reflect the final distribution of all assistance funds, the reports are the best indicator of where aid was intended to go (Interview 1). Additionally, several people mentioned that since most members of Congress are on multiple committees (Interview 5, 6), the appropriations process is long and tedious, and is often behind schedule. Some respondents (3, 6) mentioned that the process is very political, and said it is affected by the partisan divide within the Subcommittee and the fiscal situation of the year. A few people said there was bipartisan

cooperation in foreign aid appropriations (Interviews 2,3,5), but others described it as a divisive topic (1, 6).

The final Appropriations Bill specifies that certain amounts be spent on specific programs, sectors, and countries, but it also gives some leeway to the implementing agencies to decide exactly how to deliver the funds (Center for Global Development 2014). Several interview respondents expanded upon this. Two people specifically described the variation in oversight towards different countries (Interview 1, 3). They remarked that for some countries and programs, the money is directly earmarked and itemized by the Subcommittee, for others there are strong (but not law-bound) suggestions, and for others still, there is little more than an expressed preference on behalf of Congress as to how the funds should be spent. Another said that “although the agencies have some power on the ground, there is a strong tradition of Congressional oversight” (Interview 1). Congress also has oversight power once the bill has been passed, in the form of asking for reports by the agencies on how the money is being spent in various regions. In the past, there was a big emphasis on regular reporting by the implementing agencies, but now Congress is less concerned with specific program reporting (Interview 3). Nonetheless, Congress is a primary actor in the appropriations process, and the ultimate agent of oversight for foreign assistance.

USAID allocates money to recipient governments, agencies, and organizations in the form of grants and contracts. First, USAID puts together a Country Development Cooperation Strategy for each country. After establishing a Development Plan for a certain nation, USAID decides whether a contract or direct assistance would best suit the needs of the country. Under a contract, the US purchases goods and services as a means of furthering development, but with direct assistance the US transfers funds for the implementation of programs by the receiving

country. Direct assistance can either be in the form of a grant or cooperation agreement, the latter of which involves more terms of conditionality. Once USAID has decided which countries will receive assistance, they ask for proposals, negotiate with NGOs and other assistance providers within the recipient nations, and award the grants (USAID 2014b).⁶

According to USAID, the main development concern in Latin America is “improving security and economic and political inclusion” (USAID 2014b). The agency notes that violence resulting from turmoil affects the US when it “penetrates our borders” (USAID 2014a). As a way to address the overarching development concerns, USAID has specified several ways in which foreign assistance funds can be used in Latin America. These include mitigating the drug trade, supporting civil society groups, and protecting natural resources (USAID 2014b). Additionally, my interviewees spent significant time discussing the regional priorities in Latin America. Some of the most commonly mentioned issues were the drug trade, regional health concerns such as AIDS and malaria, educational programs, good governance, economic capacity building, free trade, and illegal immigration.

What, then, are the implications of the way this process works? As the Appropriations Bill moves through the above-enumerated process, it is pushed and pulled from all sides by Congress and the implementing agencies alike. Frequently mentioned issues for the area of Latin America combine humanitarian, strategic and economic concerns. It is important to consider how this process reveals the specific determinants of aid to Latin America, and whether immigration is among them, as I move into a more theoretical discussion.

⁶ The Millennium Challenge Corporation distributes foreign assistance intended for the achievement of the Millennium Development Goals. Eligibility of receiving countries for MCC contracts is based upon good governance, economic freedom, and investment in citizen life. MCC awards compacts (large, multi-year grants), and threshold programs (smaller grants for targeted individual policy reforms in ineligible countries). In practice, many MCC grants are administered by USAID (Millennium Challenge Corporation 2015).

LITERATURE REVIEW

In this section, I outline some of the recent research on US-Latin American relations and the determinants of foreign aid in order to preface the discussion of immigration as an additional factor in aid allocation. With a couple of important exceptions, this body of literature largely fails to mention international flows of people as a factor in allocation decisions. I begin this overview with a general discussion of the determinants of bilateral foreign assistance, especially geostrategic and economic motivations of donor nations. Then, I examine in more detail the specific bilateral aid relationship between the US and Latin America, both in terms of motivating factors and trends over time. Lastly, I consider those scholars who discuss a connection between migration and aid, and how their writing acts as a starting point for my research.

Determinants of Aid

The next section will discuss in more detail the specific determinants of US aid to Latin America, but first I will outline the broader literature on aid allocation. Governments have geopolitical and economic self-interests, which I define as follows. Geopolitical self-interest is a country's need for allies, strategic world partners, and good diplomatic relations with its neighboring countries. Economic self-interest is the desire of governing officials for their country to prosper economically, in both domestic and global markets. The US is motivated by the desires to assist other countries, to foster geopolitical stability, to expand economic opportunities, and, as I propose, to influence the migration decisions of people in the aid-receiving country.

Humanitarian concern often dominates public discussions on foreign aid (and was mentioned by all six of my interview respondents), but it is not often found to be significantly

associated with aid allocation. Berthélemy (2006) remarks that the US is more egoistic than many countries, and puts their interest before humanitarian altruism. A few scholars mention humanitarian concern as a factor in global studies of aid allocation (Adams 2000) or as an outcome rather than a motivation (Bermeo 2010), but for the most part the literature on global aid allocation focuses on more self-interested factors, and for the purposes of my theoretical discussion, so will I. In development initiatives, there is a tension between redistribution of wealth and efficient development—the choice between giving to the poorest nations because they face the greatest disadvantage, and giving to nations that have a high capacity for development (Little and Clifford 2006). Several interviewees mentioned this tension. They remarked that there is a trade-off between the objective needs of a recipient and the extent to which it is “worth it” for the US to invest in that nation if it is corrupt, unstable, or does not have good diplomatic ties with the US (Interviews 1, 2, 4, 6). In an effort to make aid most effective, donor nations have recently paid attention to institutional consolidation, good governance, closing the information gap, and avoiding corruption as goals of international aid and development (Hout 2007). Specifically, government effectiveness is positively correlated with aid allocation (Chong and Gradstein 2007; Bandyopadhyay and Wall 2007).

Whereas the US previously considered aid a key way to contain the spread of Communism, contemporary geopolitical concerns differ from the broad Cold War era goal of gaining allies to fight communism (Coleman 2007; Hout 2007). Since the Cold War, strategic motivations include using aid to cultivate beneficial political relations, alleviate global security concerns or crises, and achieve favorable policy in aid-receiving nations. Alesina and Dollar (2000) describe the importance of “friend variables” in US aid allocation, meaning that the US is likely to give aid to countries with similar interests or a history of bilateral diplomacy. The

people I interviewed also mentioned investing in diplomatic capital as one reason to give aid to some countries and not others—giving aid so as to foster good relations and avoid conflict in the future (Interviews 2, 3, 5). Alesina and Dollar (2000) also note that specific concerns/events in a region (such as in the “war on terror” or “war on drugs”) draw the attention of aid donors to that area while the issue persists. A final geopolitical motivation of aid is the use of foreign assistance to influence policy in the recipient nation, under the assumption that a needy country that receives aid will be more likely to support policies favorable to the leaders of the donor country (Bueno de Mesquita and Smith 2009).

Aid is also employed for economic self-interest, or development of the recipient nation for the economic benefit of the donor nation. Donor governments often favor open economies and significant trading partners when distributing aid, giving to those countries whose economic growth will benefit the donor country most, or whose markets they want to access (Alesina and Dollar 2000; Berthélemy 2006; Hout 2007). Bearce and Tirone (2010) note that even “altruistic” aid often gives donors the benefit of opening export markets in the recipient countries for donor products.

US Foreign Aid to Latin America

I have limited my study to Latin America because I expect that the United States’ bilateral aid allocation to Latin America is different from allocation to other regions of the world. In this section I enumerate some of the specific aid trends in the region. Because Latin America is so close to the US geographically, there is distinctive concern for the stability of the region (Interview 2). During the Cold War period, Latin American was considered a priority for preventing the spread of Communism, and though promoting stability is still an important goal

for the region, the US no longer considers Latin America to be the region in most need of security assistance. Other regions receive most of the United States' security-oriented aid, but Latin America is a lead recipient in the categories of "governing justly" and "economic growth and prosperity" (Tarnoff and Lawson 2011). Therefore, I expect that Latin America, as an aid recipient, is subject to a different set of determinants than the regions that currently receive the most security aid or have highly-publicized civil conflict. For many years, the US was the hegemon in the Latin American region, and as such, the US presumed final influence in many areas of Latin American governance and economics. US aid to Latin America as a proportion of total US aid has decreased in recent years as global security priorities have shifted to eastern regions of the world (Meyer and Sullivan 2012), but the assumption that the US is among the most important outside influences in Latin America remains.

The 1990s and early 2000s in Latin America were a time of structural adjustment, political transition, and recovery from the debt crises of the 1980s. This era was characterized by the adoption of free trade and neoliberal policies (after much external pressure), the war on drugs, and the suppression of revolutionary and counterinsurgency groups in some nations (Council on Foreign Relations 2008). The period is also marked by the creation of free trade agreements such as NAFTA (1994) and CAFTA-DR (2004), though many of these efforts were met with heavy criticism (Eguizábal 2010). President George W. Bush's foreign policy towards Latin America involved a strong emphasis on self-defense and preemptively combating security concerns, such as the counternarcotic and counterinsurgency strategy of Plan Colombia (Campos and Prevost 2007).

Though the specific literature regarding US aid to Latin America since 1991 is relatively small, it provides useful insight into the process at hand. Latin America received the most

foreign aid attention during the 1960s with Kennedy's Alliance for Progress, but it has remained an important area of concern for foreign assistance. Adams (2000) presents three paradigms in US foreign assistance to Latin America: developmental or humanitarian motivations, political motivations, and economic motivations. Developmental or humanitarian concerns in the region stem from a moral concern for improving the human condition, and often lead to good governance initiatives that encourage the support of good human rights practices (Blanton 1994; Adams 2000). Contrary to the previously discussed literature on global determinants of aid, Blanton (1994) finds that human rights are an important indicator of US aid to Latin America. Political motivations in Latin America have included supporting strategic allies, distributing aid according to US national security priorities, and working towards political stability as many of the governments in the region transitioned out of authoritarian regimes. Adams defines economic motives as the promotion of the specific interests of multinational corporations in the donor country, but others (Valenzuela 2005; Viellette et al. 2007) more broadly discuss economic motives in terms of opening trade markets and fostering global economic growth. In Latin America, this involves protecting foreign investment and enhancing the capacity for trade (Adams 2000).

Viellette (2007) discusses how Latin American trends mirror global interests in other regions. This includes the shift of objectives towards good governance and development rather than direct military involvement (Viellette 2007; Myer & Sullivan 2012), incorporating a more participatory approach to assistance in Latin America, and working towards sustainable development and capacity building (Haugaard 1997). In describing the 1990s, Adams (2000) notes how humanitarian concerns were still present, but USAID's programs in the Latin American region were more characterized by political motivations of regional stability through

“democratic peace,” as well as neoliberal economic motives (on behalf of MNCs) of enhancing the region as a trading partner and good environment for Foreign Direct Investment. Valenzuela (2005) notes that security motives have not disappeared; they have simply shifted from containing communism to promoting regional stability and combating drug violence. In my interviews, several people touted the success of Plan Colombia as a flagship example of how to address security issues in the region (Interviews 1, 2, 3, 5, 6). Interestingly, Adams (2000, p.107) notes that one of the goals for aid during this time period was to decrease immigration, but primarily migration generated by political repression rather than immigration generated by economic need. This sentiment was echoed in three of the interviews I conducted (Interviews 1, 2, 4). Meyer (2012, 2014) states that since 2000, assistance in the Latin American and Caribbean region is shifting away from military-based security aid and towards democracy promotion, environmental conservation, and development aid. Additionally, Adams (2000) notes a shift towards using economic measures such as sanctions and the interests of private institutions to garner change in Latin America.

The characteristics of US bilateral aid to Latin America set an important backdrop in the context of regional priorities. Moving forward, I will focus my attention on the specific factor of immigration and how it operates as a determinant of aid even after we account for other significant determinants.

Immigration as Aid Determinant

Very little has been said about the role of immigration in foreign aid allocation, but what has been written provides a starting point for my study. I posit that Latin American immigration to the US functions as an additional motive for the US to give foreign aid to certain countries. In

this case, politicians care about the economic development of the aid recipient because they want to keep potential migrants in that country. Through this mechanism, donors use foreign aid to strengthen the economic capacity of recipient countries in the long-term, so that migrants are not forced to migrate for lack of economic opportunity. According to economic theories of migration, prosperity at home decreases the need for migrants to move (Massey, et al. 1998). Ideally, in a model where aid decreases migration, the receiving country will experience growth as a result of aid, and the perceived disparity of wages and economic opportunities between the two nations will decrease, lessening the incentive for migration.

There is evidence of a relationship between migration and foreign aid on a global scale. Bermeo (2008), as an unexpected finding in her larger work on foreign aid determinants, discovered that countries with more migration to the donor nation receive more aid.⁷ She notes that “industrialized countries are increasingly worried about migration, particularly the arrival of low-skilled, undocumented individuals” (Bermeo 2010, 18). She then asserts that national governments aim to improve economic conditions in immigrant-sending countries as a way to decrease immigration, quoting USAID’s goal of “addressing the underlying causes of large-scale illegal migration by promoting regional stability” (18). Bermeo finds that donors may choose to give more aid to countries whose immigrants are a large foreign presence in the country in an attempt to decrease migration push factors (2010). The argument leaves an excellent opportunity for me to explore in more detail the effect of immigrants within the specific context of US foreign aid to Latin America.

Bermeo has loosely established that a connection exists between aid and migration, but she does not focus on Latin America, and she does not look qualitatively at the allocation process

⁷ David Leblang (2010) also addresses the connection between the international political economy and migration politics, though he focuses on the power of diaspora communities to influence decisions of foreign direct investment.

to determine whether it involves the concerns about migration that she assumes exist. By narrowing the scope to Latin America during the years 1991-2012, I can focus on one region specifically, thereby eliminating some of the factors that may vary between regions but not over time. This is a practical consideration, but there are also theoretical reasons for limiting my study to Latin America. In the US, when politicians or popular media discuss “immigration,” most people think about immigration from Latin America, as 52.2 percent of migrants in the US are from Latin America (Brown and Patten 2014). Since Latin America is the focus of public opinion on immigration, I expect that this is where the causal mechanism between immigration and aid would exist most clearly and most strongly. In the next section, I discuss why this should be the case, and I trace the causal mechanism that connects Latin American immigration to US foreign aid allocation. Then I look qualitatively for evidence that this is a plausible claim. Finally, I test my hypotheses quantitatively to see if a statistically significant relationship exists.

THEORY

I argue that there is a causal relationship between migration flows and aid allocation; one that should be evident in a statistical analysis. Below, I suggest that stemming the flow of immigration to the US is an additional US goal of development aid to Latin America, and that foreign aid is used as an attempt to reduce the need for immigration by addressing the root cause of underdevelopment in the immigrant-sending nation.

The following causal process is my argument for why Latin American immigration to the US affects foreign aid allocation. Immigrants move from their home country to more developed countries to improve their individual or community economic situation, or to flee conflict or disaster. As more and more immigrants come to the US, there is a general public concern about

immigration, and policymakers are apprehensive about how to respond to the immigrant flows. To address concerns of immigration, policymakers sometimes use a “root causes” approach (Castles and Van Hear 2011) to address the structural situation that propels migration. In a root causes approach where underdevelopment is a target root cause, aid is one channel through which policymakers hope to address migration from Latin America.⁸ At this time, I will discuss each of these steps in fuller detail.

My first working assumption is that policymakers are concerned about immigration to the US. Whether policymakers consider immigration in terms of the cumulative number of immigrants or the changing flows of incoming people, they are compelled to address immigration. Two people I interviewed mentioned immigration as a policy concern in the Latin American region even before I asked, and a third mentioned that even if policymakers are not “worried” about immigration, they respond to the concern expressed by their constituents (Interviews 1, 2, 6).

Next, I assume that politicians at several points along the ideological spectrum tend to agree that reducing immigration is desirable, though their underlying motives might be quite different.⁹ There is strong disagreement as to whether immigrants in the US are helping or hurting the US economy. Generally, more conservative politicians and constituents contend that immigrants are generating costs for the US by using collective resources (such as jobs and healthcare), while more liberal people view immigrants as contributing to the United States’

⁸ Other regional concerns for Latin America, such as repression or drug-related violence, might also be root causes of migration. These root causes, however, merit a different strategy, one that does not use development as a solution and probably not one that directly involves foreign aid. For my theory, I focus on the assumption that many migrants (though not all) migrate for economic improvement, making underdevelopment one (but not the only) root cause that policymakers can target.

⁹ Though popular media most often refers to unauthorized migration, it is not clear that the public opinion on immigrants distinguishes between those who are documented and those who are not. For this reason (as well as for practical data reasons), my study discusses the two together. In my data analysis, I try one unit of measurement that accounts for some of the undocumented population, as a test of robustness. For my theory, however, the two are not distinguished.

culture and economy, especially in the agriculture and construction industries. Considerations of future immigration, however, lead both conservative and liberal politicians towards the conclusion that reduced immigration is desirable. The more conservative group favors a decrease in Latin American immigration to the US (specifically, unauthorized immigration) because they view it as negative for the US—both for border security concerns and reasons of economic protectionism for native citizens. For them, immigration is a threat to the nation-state, and it is something to be controlled (Castles 2000). The more liberal group, however, may also support reduced Latin American immigration to the US, inasmuch as it signals a decrease in “push factors.” Emigration often results from poor conditions at home, and is sometimes referred to as an “externality of underdevelopment” (Massey et al. 1998; Sassen 1989; Bermeo 2010). For example, one person whom I interviewed noted that people are often pushed out of their country because of negative factors such as drug violence (Interview 5). Whatever the motivation, both sides of the political spectrum have a reason for wanting to decrease the factors that cause immigration.

The neoclassical or “push-pull” migration theory emphasizes the individual’s decision to migrate based on economic motivations (Castle and Miller, 2009). According to this theory, wage disparities are the most important influence upon migration, and as the perceived wage gap between the sending and receiving nations narrows, immigration will decrease (Massey et al., 1998; Davis et al. 2000; Vargas-Silva 2011). A second economic theory of migration, the segmented labor market model, takes into consideration the demand-side of the flows of migration, arguing that opportunities, or the perception of opportunities, in the receiving country are of paramount importance. This model, while still highlighting the importance of wage disparities, also incorporates considerations of institution, race, gender, and other segmentations

in the market, as well as employers and governments.¹⁰ In these models, the economic motivations of individual migrants, migrant families, and larger communities are founded in the notion that prosperity and a higher income level can be achieved in the destination country (Böhning 1994). It is important to remember that there are also migrants fleeing repressive regimes, and migrants seeking refuge after political or environmental crisis, but I focus on economically motivated migration, under the assumption that policymakers believe that the bulk of migrants from Latin America to the US are driven by economic factors.

Given that members of Congress are assumed to want to decrease further immigration, using a “root causes” approach is one way to respond to immigration. This approach consists of addressing the supposed driving factors of migration such as violence, wealth disparity, or human rights violations, as an indirect means to curb migration through development (Castles & Van Hear 2011). Foreign aid provides one way to address the “underdevelopment” root cause. This approach differs from securing the border by decreasing the need of migrants to come at all. De Haas (2010) notes that there has been resurgence in optimism regarding the ability of development to reduce migration. While de Haas is skeptical about the ability of programs to be effective, he recognizes that it is a popular policy approach.

Evidence that policymakers favor a “root causes” approach emerged in my interviews. One person I interviewed expressed the need to help immigrant sending countries build economic capacity so that these countries can better employ their own citizens, using the paradigm of “teaching them to fish” (Interview 1). Because immigration has long-term consequences, interviewees noted that there are incentives to address the root cause of the

¹⁰ A third model, the World Systems or Historical Structure Theory, revolves around the idea of international migration systems, and the way that countries become increasingly entangled. Though this theory has less to do with my analysis, it is important to acknowledge it in the discussion of migration theory (Massey et al 1998; Castles & Miller 2009).

problem rather than just minimizing the short-term effects. Especially in Latin America, immigration has continued for many years, and border security approaches have not eliminated the inflow of people. Several respondents remarked that in the short term, immigration may call for a security-based approach of training law enforcement or discouraging migration at the border, but in the long term, the way to address this challenge is through building economic capacity in Latin America (Interviews 1, 2, 4).

Davis et al. (2000) finds that sustained growth decreases migration. Related literature notes, however, that there is not a linear relationship between level of development in a sending-country and level of emigration. Castles and Van Hear (2011) discuss a “migrant hump”—as a country grows economically, initially this growth will lead to an increase of emigration because people will have more resources to use for transportation.¹¹ The effect of development on migration depends on the wealth of the country in consideration. For poorer countries, development may initially increase migration, but as the countries continue to develop, migration again decreases. The idea of a “migrant hump” describes why people migrate at different levels of development, and is important for understanding how politicians might consider immigration. Immigration is highest in middle-income countries, but it may level off with higher development, which could lead policymakers to decide that in the long-term it is worth giving development aid to help decrease migration.

I next assume that a sufficient number of policymakers believe that aid can sometimes be used as a means of promoting development in the recipient country. Though none of the writings on aid effectiveness claim aid to be effective all of the time, neither do they claim that aid has never been or can never be effective. The contrasting ideas of aid optimists such as Sachs (2004)

¹¹ Mahendra (2014) found, however, that in the case of NAFTA, this was a short-term effect, and seems to have evened out.

and aid pessimists like Easterly (2003) continue to be debated. Theoretically, Easterly (2003) is concerned that receiving governments have little incentive to use aid money well, and that donors do not hold them accountable to the original conditions. Empirically, Rajan and Subramanian (2004) finds no robust empirical evidence that aid is effective, and claim that even under a very optimistic model, the returns are of small magnitude. Others counter that argument with scenarios in which aid can in fact have a positive effect on economic growth (Wright and Winters 2010; Bearce and Tirone 2010; Burnside and Dollar 2000). Bearce and Tirone (2010) describe a process of growth in which aid leads to economic reform or policy change, and these policies then lead to economic growth and development. They find that this mechanism works in the Post-Cold War era, because once the strategic security motive of gaining allies against communism is removed, donor countries can credibly threaten to withdraw aid if conditionality is not met. If governments are prudent in deciding which countries and which sectors receive aid, development aid can spur growth through increased resources and institutions (Wright and Winters 2010; Burnside and Dollar 2000).

Even if there are mixed reviews on whether aid actually improves development, what is essential for my theory is that a sufficient number of policymakers believe it can be effective. Several interviewees (1, 3, 5) mentioned that aid can be effective, but it must be continually reevaluated to better refocus the process and invest in programs that have been successful. Interviewee 2 talked about the great success of aid to improve conflict and security concerns in recipient countries. Even in an atmosphere of aid skepticism, it is still important to understand how existing aid is allocated. I contend that Congress and the relevant agencies proportionally allocate the available amount to those countries where aid can make the most difference, or where it is thought that aid funds will affect migration patterns.

If policymakers in the US want to target development and growth goals in Latin America, they may use foreign aid as one way to do so. In Interview 2, the person with whom I spoke said, “some people say that immigration is bad, so let’s punish them by cutting their aid. But I say that doesn’t make any sense—why are you going to make the poor countries poorer?” In terms of migration-motivated development, the US will give more aid to countries that send more immigrants in hopes that immigrant-sending countries will develop and the perceived benefit of migrating will decrease. Berthélemy (2009) finds that increasing aid reduces migration pressure in all sending countries above a certain income per capita threshold. Similarly, Gaytán-Fregoso and Lahiri (2000) create a theoretical economic model, demonstrating that addressing unauthorized immigration via aid should work when the economic benefit of aid received is sufficient to eliminate the economic need to migrate.

As a mechanism to reduce the number of immigrants coming to the US from Latin American countries, I predict that US politicians will allocate aid among Latin American countries to reflect the flow of migrants by sending-country. I expect to see a positive and statistically significant correlation between immigration to the US from a certain country, and the amount of aid sent to that country, all else being equal. I expect that immigration is a factor in foreign aid allocation to Latin America because policymakers hope foreign aid and the resulting economic development will decrease the factors that push migration.

***Hypothesis 1:** The number of immigrants coming from a Latin American country in a given year will positively affect the amount of economic aid given to that country by the US in subsequent years.*

I also expect that the effect of immigration on aid allocation is contingent on the level of development in the aid-recipient country. I propose that policymakers in the US view migration from low-income and high-income countries as originating from different root causes. Flows of immigration from low-income countries may be attributed to the effects of underdevelopment, while flows of immigration from high-income countries may be attributed to other causes such as political repression or a desire for further educational or social opportunities. If this is the case, the US as a donor country will give more aid to low-income immigrant-sending nations because theirs is the type of immigration that is likely caused by underdevelopment, and as such it could be addressed by stimulating development through aid. The paradox of this, due to the “migrant hump,” is that aiding these nations could first increase immigration before decreasing it, so policymakers would must be willing to first send the country through a period of higher immigration before it decreases, if this is to transfer to policy decisions. Though it is often assumed that politicians have only short-term interests in mind, several of my interview respondents (Interviews 1, 2) said that they favor a long-term sustainable solution to immigration rather than a short-term approach. Despite the paradox of the migrant hump, I expect that policymakers will use aid to address migration (especially in low-income countries), because that is where the migration is most likely a symptom of underdevelopment. This leads me to my second hypothesis.

***Hypothesis 2:** The effect of immigration on aid is conditional upon the level of development in the receiving country, and is stronger at lower levels of development*

Before testing my theory qualitatively, I will look at congressional hearings for qualitative evidence that my assumptions about the allocation process are plausible. Independent of the statistical results, I wish to determine if there is qualitative evidence that the process of foreign aid responds to immigration. I am interested in determining when in the decision making-process immigration is considered, and what iteration of the immigration debate is most important to members of Congress. The following sections flesh out my methods of analysis and presents the key findings.

ANALYSIS OF CONGRESSIONAL HEARINGS

I now examine the qualitative context of foreign aid allocation through congressional hearings on the Foreign Operations Appropriations Bill. To bring some credibility to the causal nature of my theory, I collected and analyzed subcommittee hearings for the Foreign Operations, Export Financing, and Related Programs Appropriations Bills from the years 1991 to 2012. When compiled, this is a total of 130 documents.¹² I chose to analyze the subcommittee hearings rather than the final Appropriations Bill to get a better sense of what is discussed and prioritized on the floor, and to understand the concerns of the important agencies and interested groups beyond that which is published in the final bill. For each year, there are six or seven compiled documents of hearings from the House and Senate Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs. The first two documents of the House hearings are generally budget justifications of big donor agencies, such as the Department of State and USAID, as well as organizations such as the Inter-American Fund, the Export-Import Bank, the US Trade and Development Agency, the Peace Corps, and the Secretary of State. The

¹² I examined each of the 130 hearings to get a sense of the format, trends, and priorities in the conversation on aid to Latin America. The hearings from which I quote directly in this section are cited along with the rest of my sources. However, more complete information on my sample can be found in the Appendix A.

remaining documents from the House of Representatives and Senate may be testimonies from related individuals and organizations, subject-specific appendices, or transcripts of the on-the-floor hearings. I looked through each of the documents to get a sense of the main concerns for Latin America, and to see if immigration is among the reasons given to request aid for Latin American countries.

Because this is a foreign aid bill and not an immigration bill, the purpose of the hearings is to determine which countries need the most aid or represent the biggest US interests, not to decide how respond to immigration. As such, most of the immigration discussion in these hearings revolves around the causes of immigration. In this sense, immigration is a part of the aid discussion both to signify that the situation in the home country is compelling people to come to the US, and to imply that the US should pay attention to that country because it sends many immigrants. From within this framework, three main schemas for immigration emerge: instability in the sending country, public health or environmental concerns, and economic issues. The first two of these are almost exclusively discussed as push factors of migration, while the third (economic) straddles the divide between “push factor” and “response mechanism.” I have outlined the three themes as distinct in order to display the dominant ideas that I found while reading the hearings, though they are often intertwined. The language with which immigration is discussed also changes over time, as the conversation in Latin America mirrors foreign policy concerns in other parts of the world.

Relevant organizations prepare tables and descriptions of how they are going to spend the money on specific programs, and they present this plan to the Subcommittee as part of a request for the funds necessary to carry out these programs. Immigration is most frequently mentioned by USAID and the Department of State, although the topic arises in statements by the Inter-

American Foundation and the Peace Corps as well. Latin American immigration is mentioned in at least one of the documents from every year in my sample.¹³ Immigration and the concerns of immigrants are most evident as the Subcommittee is presenting and considering individual country specifications. Often (especially for Guatemala, El Salvador, Honduras, Haiti, Mexico, Ecuador, and Colombia) immigration is stated very early in the country descriptions as a concern or motivation for the programs supported. The desire to change the patterns of Latin American migration is expressed through phrases such as “controlling flows of immigration” (FOEFRPA, FY1992 Part 3),¹⁴ “reducing immigration pressures” (FOEFRPA FY1994, Part 1), “the immigration problem” (FOEFRPA, FY1999 Part 3) and “stemming the flow” of migrants (FOEFRPA, FY2008 Part 2).

The mention of immigration in the hearings and justifications for the Foreign Operations Appropriations Bill brings credibility to the idea that the connection between immigration and allocation is causal. I do not purport that other determinants are being replaced or overshadowed by considerations of immigration, but rather that immigration is another one of many factors considered in deciding the United States’ interests in Latin America. Most times that Latin American migration is discussed, it is framed as “illegal immigration,” but there are also many instances in which “migrants” or “immigration” are discussed without any specification of legality or lack thereof, and it can be concluded that some of the same “push factors” influence legal and illegal immigration alike. The main topics that arise in regard to Latin American aid allocation are combatting narcotics, strengthening the competitiveness of the region in global

¹³ Though it relates less to my theory on aid allocation to Latin America, post-Soviet Jewish migration to Israel is discussed copiously in these hearings as a reason to give more aid to Israel (so that they might better be equipped to absorb the immigrant population). This is an argument for aid to the immigrant-receiving country rather than the immigrant-sending country, but it shows that global immigration is considered in the allocation process.

¹⁴ The hearings from each year are titled, “Foreign Operations, Export Financing, and Related Programs Appropriations,” and will be abbreviated hereafter as FOEFRPA. In 2008, this subcommittee changed its name to be the “Subcommittee on State, Foreign Operations, and Related Programs,” but for consistency, and because the majority of quotations in this section are from before 2008, I will use the same acronym for all internal citations.

markets, strengthening institutions, preventing environmental degradation, responding to international migration, and instilling democratic norms. Of these, counter-narcotics, environmental protection, and the creation of economic opportunities are consistently the biggest concerns. Immigration is mentioned less than drugs or economic stability, but often is a part of both of those discussions, as well as being an independent concern for the region.

Latin American immigration sometimes emerges in the on-the-floor hearings, but it is more evident in the pre-prepared budget justifications. On-the-floor discussion mostly surrounds current world events in other regions, especially in Middle Eastern and Eastern European nations, during the time period of my analysis. However, there are some years when on-the-floor hearings are dominated by Latin American concerns, such as after the Haitian earthquake (2010) and at the beginning of the Andean Counterdrug Initiative (2001). In those years, immigration is mentioned either as a symptom of one of these problems or as an independent policy concern in the region.

First, immigration is often posed as a result of insecurity and instability in the country of origin. The framework is security-oriented, as repression and internal conflict in the sending country drive immigration to the US, but also because there is sometimes the implication that such immigration threatens the security of the US border. In these cases, the testifying agency will request more funds so as to decrease the pressures that lead people to migrate. Sometimes, this framework corresponds with a specific event in the immigrant-sending nation. In the case of Cuba, the Department of State notes that a “breakdown of order in a post-Castro Cuba could threaten the United States with massive, uncontrolled illegal immigration, leaving us with difficult options to control U.S. borders” (FOEFRPA FY2001, Part 1A, 896).

A slightly different expression of security concerns in the sending country is the rhetoric of drugs and immigration—either linking one causally to the other, or mentioning them simultaneously as co-symptoms of poverty and instability. Sometimes, members of Congress or federal agencies note that the agricultural and trade aspects of narcotics in Latin America operate in tandem with illegal migration. USAID states that “[an] important objective with respect to [Latin America and the Caribbean] is halting the migration of illegal immigrants and narcotics into the United States” (FOEFRPA FY2001, Part 3, 101), thereby connecting the two as parallel concerns. In the following excerpt from Ecuador’s program description, USAID again exhibits this narco-security orientation towards immigration:

“Ecuador's chronic instability is a major source of illegal immigration and drugs transiting to the United States. Border areas in particular lack the political stability, security, and alternative development necessary for their vulnerable populations to resist the corrupting power of drug smugglers.” (FOEFRPA FY2009, Part 2, 704).

A second schema by which immigration is mentioned as part of the budget justifications is through the topic of public health and environmental concerns. Latin American immigration is mentioned within the conversation of HIV/AIDS prevention, the spread of tuberculosis and polio, and the broader health concerns that face migrants. In 1999, USAID wrote that

“Communicable diseases such as cholera, HIV/AIDS, malaria, dengue fever, chagas and measles may cause problems in this country if they are not addressed in the region. . . . In view of current migration and travel patterns, the epidemic in LAC threatens not only to thwart the region's development but also to aggravate U.S. control efforts” (FOEFRPA FY1999, Part 1B, 2589).

In this model, more aid is requested towards public health organizations so as to avoid the spread of diseases through migration. Environmental concerns are linked to immigration because natural disasters or episodes of environmental degradation cause people to leave their place of residence. For example, it is noted that a hurricane “which devastated Honduras and

Nicaragua, affected Costa Rica in the form of increased illegal immigration and collateral environmental damage” (FOEFRPA FY2001, Part 1A, 895). In both the public health and environmental examples, immigration is expressed as a symptom of something larger, as part of the argument that the region needs increased US aid for environmental protection and disease control.

Thirdly, immigration is framed alongside economic reasoning for foreign aid allocation. Until now, I have been considering the ways that the hearings conceptualize the causes of immigration. Economic strife is believed by politicians to be a push factor of immigration, but economic development is also framed as a potential solution. There are several mentions of the idea that development will decrease the incentives for people to migrate. For example, in describing the assistance program in Haiti in 2007, the Department of State reports that “US programs to reduce poverty, foster broad-based economic growth, and mitigate environmental degradation will address conditions that contribute to instability and illegal immigration” (FOEFRPA FY2007, Part 1A, 920). The Department of State report from the 2006 hearings combines the interests of market expansion and immigration reduction in its claim that “Broad-based economic development in El Salvador will improve prospects for US exports and help reduce the pressures driving illegal immigration” (FOEFRPA FY2006, Part 1, 1002). The following passages further display the link between economic problems that cause migration and economic solutions that can slow immigration to the US.

“Broad-based economic growth, open markets, and more jobs in Nicaragua not only offer an expanding market for U.S. exports and investment but also help stem the flow of illegal immigration to the United States” (FOEFRPA FY2001, Part 1B, 2369).

“By promoting prosperity in El Salvador through USAID programs and mechanisms such as CAFTA, the United States can help strengthen the

Salvadoran economy, thereby reducing the flow of economic migrants to the United States, as well as the country's vulnerability to narcotics trans-shipment and trafficking in persons" (FOEFRPA FY2004, Part 1B, 535).

"This would develop a dynamic entrepreneurial class that will in turn employ many more people and ultimately, increase Mexico's workforce and competitiveness and reduce incentives for migration" (FOEFRPA FY2007, Part 1B, 1789).

The conversation surrounding immigration in foreign aid hearings shifts over time. During the early 1990s, the primary foreign aid concerns were to encourage post-Soviet democratic transitions, to assist new countries in establishing capitalist economies, and to enhance regional stability and rule of law. Immigration of Soviet Jews to Israel is a very prevalent topic, but Latin American migration is mentioned as well. In the 1990s and early 2000s, the implication that decreased immigration is good for US interests, and therefore a justification for more aid, is made often and very clearly. In the later 2000s, unauthorized migration is still mentioned as a foreign aid concern, but the direct connection between immigration and aid is not as clear. This could be due to an increased veil of jargon or the changing political debate on immigration in the US, or it could be that immigration was more pertinent to the aid conversation in earlier years (despite the total level of Latin American immigration to the US remaining about the same throughout the examined time period).

In the previous chapter, I theorized that immigration would be an additional motive for aid, specifically that politicians would focus on decreasing economic push factors of migration by allocating development aid to immigrant-sending nations. Here, I conclude that this schema is present in the examined congressional hearings, but immigration is not discussed only in the context of economic push factors of migration. Aid for immigrant-sending countries is also

discussed as a response to the other challenges in the region, namely narcotics and environmental concern. In addition to the “give aid so fewer economic migrants come” narrative, the congressional hearings imply that there is also a “give aid so that society will stabilize (and secondarily, this will make fewer migrants come)” narrative. There is disagreement over which societal ill causes emigration (economic hardship or sociopolitical strife), but immigrant-sending countries still attract the attention of relevant policymakers during the allocation process. It is clear that immigration is a regional concern, and in the context of foreign aid hearings, presumably it is mentioned because it justifies the allocation of more funds to the region.

Moving forward into a quantitative statistical analysis, I operationalize these concepts to test my hypotheses, but the implications of the qualitative investigation are important. It is plausible that the connection between aid and migration is causal, since immigration is mentioned fairly often alongside other known aid determinants in the congressional hearings. Additionally, since it is clear that immigration is a regional concern for Latin America, I expect it to be a significant statistical determinant.

DATA AND METHODS

To test my hypotheses, I use a multivariate regression model in which the expected determinants of US foreign aid allocation are incorporated as independent variables, and foreign aid is measured as the dependent variable. My data is a country-year panel dataset, so I use a Prais-Winsten regression model fit for panel data. I start my analysis with data from 1991, and most of the variables I use are available through the year 2012. I begin with 1991 to eliminate the Cold War period, as aid was allocated much differently during this time period, with a strong emphasis on containing Communism. Though there are many indicators that could conceivably

affect aid allocation or account for a perceived relationship between immigration and foreign aid, I have picked those that represent the determinants of aid discussed in the literature, as well as those that are specifically of interest for my theory. Some of the variables that I collected to act as controls were highly collinear with other control variables, so I have selected a subset of variables that represents the important factors, without any two having a bivariate collinearity above 0.50.¹⁵

My dependent variable is annual foreign aid from the US to each of the countries in Latin America, measured as total ODA commitments in constant 2012 US dollars. Although USAID Greenbook data is often used as a measure of foreign aid from the US, I decided to use ODA figures because they report USAID spending as well as other Department of State and Executive Branch agencies that receive federally allocated funds. I have scaled ODA to GDP to account for the size each country.

The independent variable of primary interest is the annual flow of immigrants from each Latin American country to the US. Though unauthorized immigration is a large policy concern in the US, it is very difficult to estimate due to its clandestine nature. In the US, an estimated 28% of the total immigrant population, and 58% of Mexican immigrants to the US, are undocumented (Migration Policy Institute 2015; Baker and Rytina 2013). I have operationalized immigration by using data on legal migration to the US as reported by the Department of Homeland Security, because it is the best per-country estimate of migration, though it does not account for unauthorized immigration. I also collected data on immigrant stock (total immigrant population) as provided by the OECD, which accounts for some (but not all) of the undocumented immigrant population. There is a bivariate correlation of 0.95 between this

¹⁵ More complete information on each of these variables, their sources, and transformations applied to each variable can be found in the Data Appendix (Appendix B).

measure and the legal migration measure. The coverage for the stock variable, however, is very poor, so I use it only as a robustness check. These should work as valid proxies for the political response to flows in migration, in part because public opinion and media rhetoric tend to group all immigrants together rather than distinguishing between those with and without documentation.

Using the absolute number of immigrants per country-year (taken as a natural log) reflects the notion that policymakers are concerned with which countries send the most number of immigrants in a given year. Change in migrant stock also reflects the absolute number of immigrants, but in terms of the net change of migrants residing in the US, hopefully capturing some of the undocumented immigrants. A different way to scale the immigration variable is by measuring immigration per capita, or immigration as a percentage of the sending country's population. This, different from the absolute number of immigrants, corresponds to the idea that politicians are most concerned with immigration as a reflection of the political and economic situation in the sending country. I estimate several regression models, one with each measurement of immigration flow. I decided to use flows of immigrants rather than cumulative stock of migrants residing in the US,¹⁶ because I expect that yearly foreign aid allocation responds to the number of incoming migrants rather than the existing migrant population in the US.

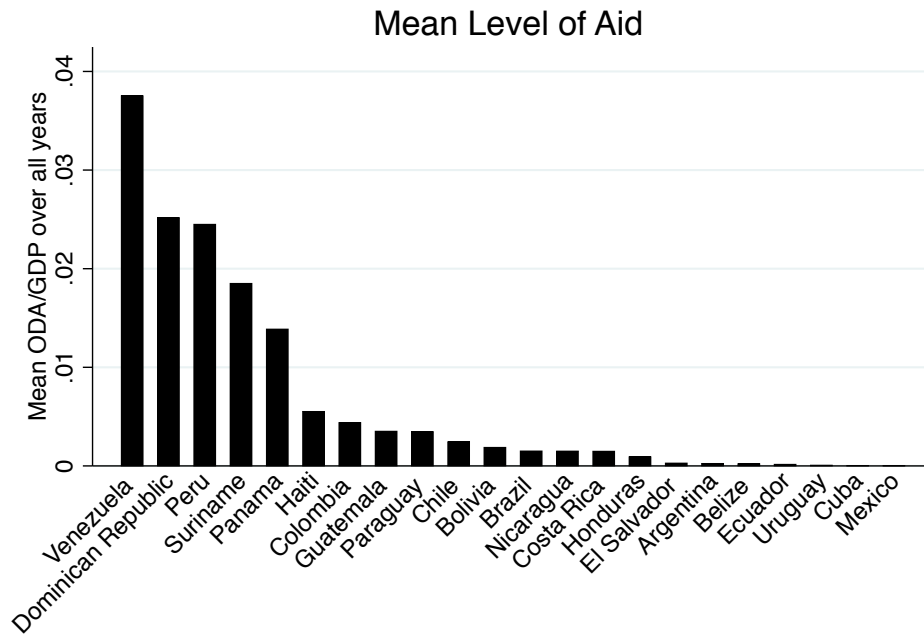
The following figures illustrate ODA allocated to and immigration from the countries in my dataset, averaged over all years in the dataset.¹⁷ Figure 1 displays the variation in levels of

¹⁶ Here, my use of "cumulative stock" should not be confused with my use of "change in immigrant stock." Change in immigrant stock, though the data is from the same source, measures the yearly flow of immigrants through net change in cumulative stock.

¹⁷ In several of these measurements (immigration per capita, as well as ODA/GDP), Guyana presents itself as an outlier. I have omitted Guyana from the bar charts so that the distribution of the other observations is better illustrated. The implications of this outlier are further discussed in the Results section.

aid received by countries in my dataset. Venezuela and Dominican Republic receive the highest amount of ODA scaled to GDP, but Mexico (a large source of immigrants), receives very little in comparison. Figures 2 and 3 illustrate the different ways to scale immigration. Mexico, though it has the largest amount of absolute migration, falls towards the middle of the dataset in terms of immigration per capita. Belize and Guyana, though sending a small number of migrants, have very high immigration per capita measurements. For this reason, I use each measure in a separate model as a means of checking robustness.

Figure 1: Mean Level of Aid, All Years



*Guyana= 0.41, omitted from graphic for better display

Figure 2: Immigration Per Capita, All Years

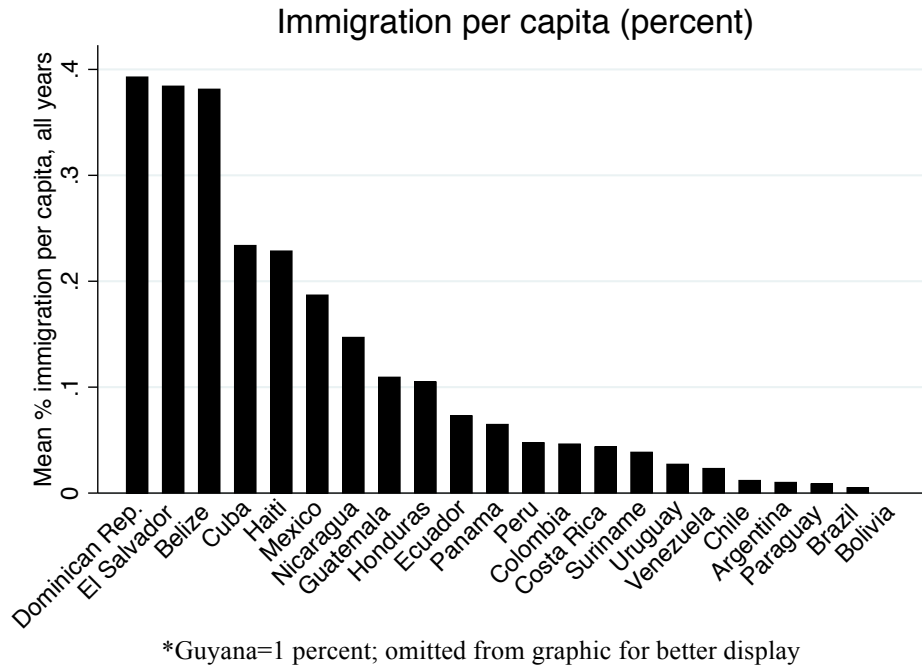
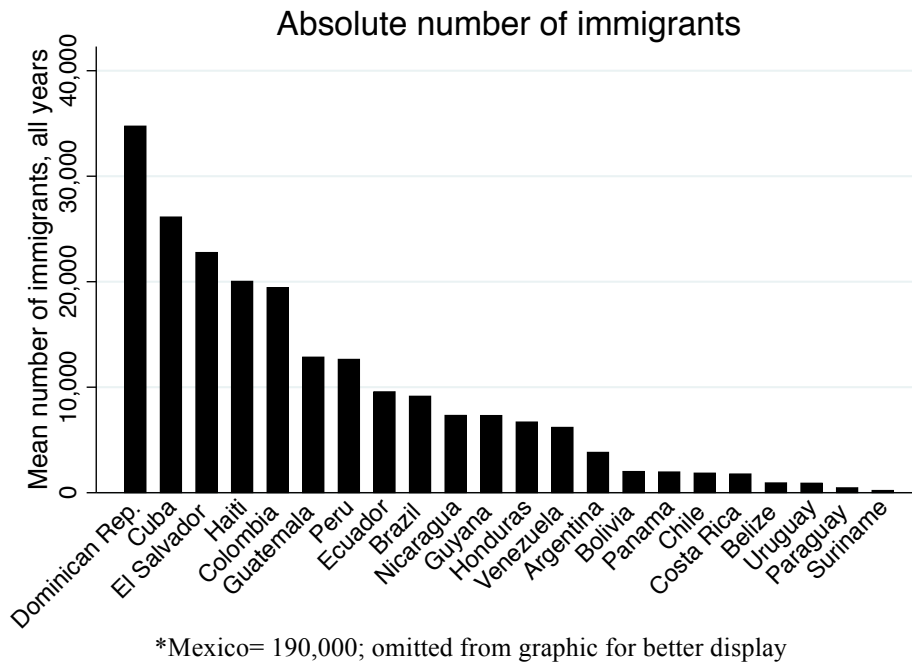


Figure 3: Absolute Number of Immigrants, All Years



I include the following explanatory variables in my model as an operationalization of the previously identified influences on aid allocation. To measure development and country size, I include the natural log of World Bank measures of GDP per capita and population. I measure geographic proximity to the US with information from the GeoDist database on the distance from each country's capital to the US capital (taken as a natural log), because scholars have suggested that countries closer to the donor get more aid. To represent the type and quality of the aid-receiving government, I use Polity IV scores of democracy as well as the CIRI Human Rights project indicator of physical integrity rights, which represents the extent to which torture, disappearance, extrajudicial killings, and political imprisonment occur. I expect there to be a positive relationship between Polity score (or human rights, as a high score for this measure means more respect for rights) and aid, as an indication that the US rewards democratic or well-governing countries. Polity Score and the CIRI physical integrity rights measure have a bivariate correlation of only 0.31, so I include them both in the model. I use Voeten's UN Voting Affinity S-scores to measure similarity of interests.¹⁸ As markers of the US export market and the bilateral trade relationship between the US and each recipient, I use the IMF direction of trade statistics to compute the percent of total US exports that go to each Latin American country. A dummy variable for whether or not the US has a preferential trade agreement with each country in a given year is another measure of the economic relationship between each country and the US (and has a bivariate correlation with US Exports of only 0.43). To measure natural disasters, I use data from the EM-DAT database, specifically a sum of the "total affected" and "total killed" categories (of which I take the natural log), which signifies the absolute number of people affected by the event in a given year. Because several interviewees noted that Congressional

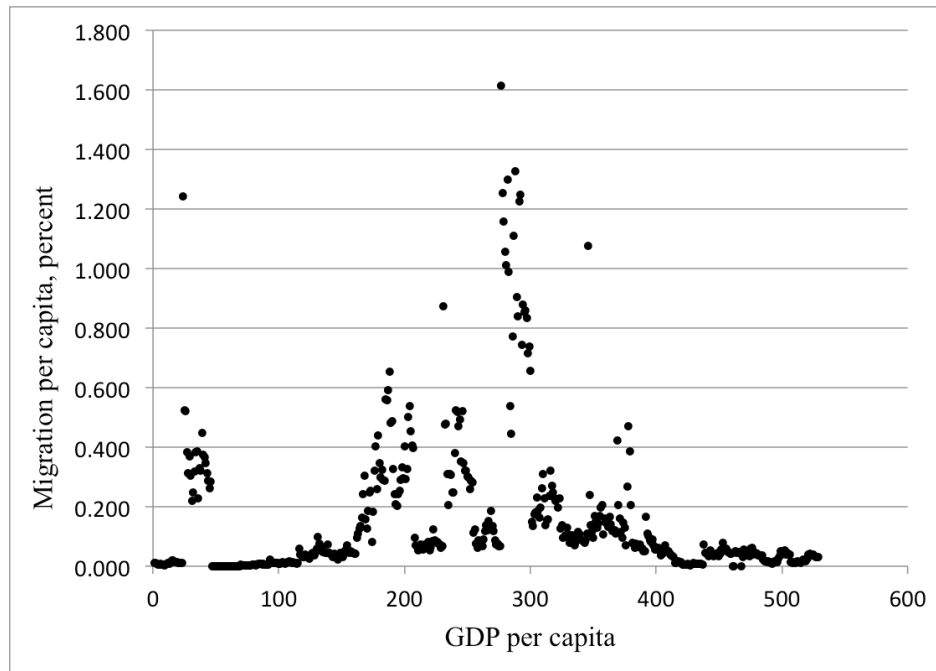
¹⁸ Though Alliance S-scores are often considered the better measure of global affinity between nations, most of the Latin American countries are involved in the same alliances, so I use UN data in this instance. More information on how this indicator is calculated is available in the Data Appendix (Appendix B).

politics greatly color the aid process, I have included a dichotomous variable to signify whether there was a Democratic or Republican majority in the US House of Representatives each year. I also create a similar dichotomous variable that signifies the political party of the President as an alternative to the House partisanship measure, though primary tests use the Congressional majority variable since the aid process is Committee-based. In a further effort to account for US public opinion of immigration in each year, I use information on the percent of Gallup respondents each year that answered that they would like to see a decrease in immigration.

There were several variables that I originally collected but have not included in my primary models. Among the stability indicators—CIRI physical integrity rights, Polity Major Episode of Political Violence, PRIO civil war data, and WGI political stability—the CIRI indicator of physical integrity rights had the best coverage for the time period under consideration, and it best measures the human rights abuses that result from political unrest, but the other measures are used in checks of robustness. Because these variables correlate highly with other measures that I did include, there is little concern for omitted variable bias.

Among my dataset, there appears to be a curvilinear “migrant hump” (Figure 4) reflecting Castles and Van Hear’s writing, which suggests that as an immigrant-sending country develops, emigration will initially increase before possibly decreasing (2011). This emphasizes the need to understand how politicians consider immigration in relation to economic development. If the data points beyond the “hump” show that high levels of development are associated with less migration, politicians may be likely to consider development as a way to decrease immigration—that is, if they can get low- and middle-income countries “past the hump” via development aid, then immigration will decrease.

Figure 4: Migration and GDP per Capita (“Migrant Hump”)



These descriptions illustrate important trends, but a multivariate analysis is needed in order to draw any conclusions or begin to establish causation. After looking at the methods of scholars such as Bermeo (2009) and Berthélemy et al (2009), I decided to use a Prais-Winsten panel regression to test my hypotheses.

The Prais-Winsten is a useful estimation because it accounts for the observations of the previous year, and incorporates panel corrected standard errors. I use the ar(1) correlation option for autocorrelation as an alternative to fixed or random effects, assuming that the output variable depends on its own previous values. I use pairwise selection to avoid dropping too many cases. Because I expect serial dependence in the dependent variable (that is, the amount of aid previously given to a country is a good indication of subsequent allocations), I also run the model with a lagged-dependent variable, including ODA/GDP as a one-year lagged independent variable.

The writings of Massey et al. (1998), Castles and Van Hear (2011), and Berthélemy et al. (2009) lead me to believe that migration operates differently at different levels of development. To test this, I run the model again, incorporating an interaction variable (immigration * aid) to test the effect of development upon the relationship between immigration and aid in a continuous sense. Then I split the set of observations into “high development” and “low development” by marking which fall below and above the median value of GDP per capita, and run the original model twice again, once with each half of the dataset.

RESULTS

The results from my statistical models are presented below. These results show that immigration does have a statistically significant effect on aid allocation to Latin America. This effect is not completely robust—immigration is statistically significant in most but not all models, and not every measure of immigration is consistently statistically significant. The effect of immigration is statistically significant in lower income recipients but not high-income recipients, and has a bigger magnitude in later years compared to earlier years. Table 1 presents the results of the first four models, which test my hypotheses in slightly differing ways.

TABLE 1: Aid Determinants, Overall Sample

	Model 1 Immigrants per capita	Model 2 Absolute number of immigrants (log)	Model 3 Lagged dependent variable	Model 4a Interaction variable	Model 4b Categorical Interaction Variable
ODA/GDP (t-1)			0.629*** (0.088)		
Immigration	0.199** (0.089)	0.006* (0.003)	0.050 (0.041)	0.390** (0.168)	0.326** (0.138)
GDP per capita (log)	-0.022** (0.010)	-0.056** (0.022)	-0.003 (0.004)	0.004 (0.009)	0.005 (0.005)
Immigration per capita * GDP per capita (log)				-0.0001** (0.000)	-0.132** (0.053)
Population (log)	-0.006** (0.003)	-0.018*** (0.007)	-0.001 (0.001)	-0.002 (0.002)	-0.002 (0.002)
Distance to US (log)	-0.008 (0.009)	-0.010 (0.008)	-0.001 (0.004)	0.012 (0.008)	0.015 (0.009)
Polity IV score	0.002** (0.001)	0.002** (0.001)	0.000 (0.001)	0.002*** (0.001)	0.002** (0.001)
Human Rights	-0.0003 (0.002)	0.0003 (0.002)	-0.001 (0.001)	-0.002 (0.002)	-0.002 (0.002)
UN Voting Affinity	-0.028 (0.023)	-0.031 (0.022)	0.011 (0.013)	-0.032 (0.024)	-0.035 (0.025)
US Exports	0.002 (0.002)	0.005** (0.002)	0.000 (0.000)	0.003** (0.001)	0.002* (0.001)
Natural Disaster (log)	-0.002** (0.001)	-0.002** (0.001)	-0.000 (0.000)	-0.002** (0.001)	-0.002** (0.001)
Democrat Majority in Congress	0.020** (0.010)	0.018** (0.009)	0.006 (0.005)	0.023** (0.009)	0.022** (0.009)
US public opinion on immigration	-0.001 (0.377)	-0.001 (0.001)	-0.001** (0.000)	-0.001 (0.001)	-0.000 (0.001)
Preferential trade agreement (dummy)	-0.030** (0.013)	-0.024* (0.013)	-0.007 (0.006)	-0.027** (0.010)	-0.023*** (0.009)
Constant	0.341** (0.165)	0.812** (0.333)	0.084 (0.052)	-0.098 (0.159)	-0.091 (0.111)
Number of Observations	385	385	381	385	390
Number of Countries	22	22	22	22	22
Prob>chi2	0.053	0.252	0.000	0.066	0.017

Significant at *0.10, **0.05, ***0.01

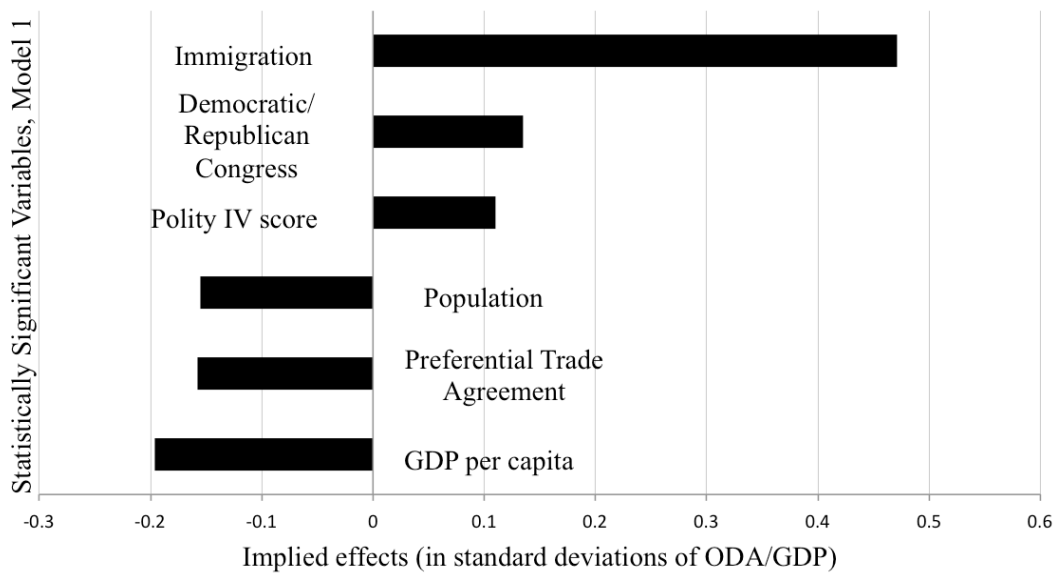
Table 1 includes the primary models that test Hypothesis 1 and Hypothesis 2. Models 1 through 3 pertain to Hypothesis 1, which states that immigration to the US has a positive effect on US aid to that country. In Model 1, immigration per capita has a positive and statistically significant effect, signaling that higher immigrant-sending countries receive more aid. The absolute number of immigrants (in Model 2) is not significant at the 0.05 level. In all remaining models, I use immigration per capita as the measure of immigration flows, but I also run each model with absolute number of immigrants and change in immigrant stock to check for robustness, as discussed below.¹⁹

My findings echo the findings of other literature on foreign aid. In both models, population, polity score, GDP per capita, disaster, Congressional majority, and preferential trade agreements are statistically significant. The percent of total US exports is positively and statistically significant, but only in Model 1. Interestingly, the natural disaster variable has a negative and significant coefficient, suggesting that countries with more people affected by natural disaster receive less aid. If countries experiencing natural disasters receive immediate aid rather than aid in the subsequent years, the effect of disasters on aid allocation might not be reflected in my one-year lagged model. Also interesting is that the preferential trade agreement term has a negative and significant coefficient, meaning that countries with trade agreements receive less aid. This could be a result of the push to replace aid with trade. It could be that politicians assume that having a trade agreement is good enough and no further assistance is needed, or that the kind of countries with which the US signs trade agreements tend to be more developed than others in the region. In these models, distance, physical integrity rights, voting affinity, and US public opinion have no significant association with aid.

¹⁹ I use change in immigrant stock as a robustness check to attempt to include some of the population of undocumented migrants. This model is not reported in Table 1 because there is poor coverage of the stock variable, but the implications are discussed later in this section.

Figure 5 displays the relative implied effects of each significant variable from Model 1, in terms of standard deviations of ODA/GDP. Immigration has the strongest implied effect on aid allocation, followed by the negative effect of GDP per capita on aid allocation.

Figure 5: Implied Effects on Aid Allocation (As Implied by Model 1)



Some methodologists suggest including a lagged dependent variable to account for serial dependence in time-series data. In Model 3, ODA scaled to GDP is included as an independent variable, with the same one-year time lag as the other variables. Unsurprisingly, when included as an independent variable, ODA/GDP is very significant, and most of the other variables lose their significance. US public opinion on immigration, although it is not significant in Model 1 or 2, has a negative and significant coefficient in this model. This variable is measured as “percent of respondents who said that they favor a decrease in migration,” so a negative coefficient implies that as negative public opinion on aid increases, the country receives less aid. This seems to contradict the idea that politicians want to send aid to immigrant-sending countries to keep immigrants out, for if there is more of a desire to keep immigrants out, there is more reason to

make staying at home an attractive option. But, considering that a negative opinion of immigrants may also reflect a negative view of their country, this negative coefficient is understandable. This variable does not vary by country, only by year, so it may only reflect other year-to-year trends rather than responses to immigration. Without the public opinion variable, results for this model remain otherwise consistent.

Model 4 tests the conditional effect of development on the relationship between immigration and aid. To test this hypothesis, I created an interaction variable that is the product of immigration per capita and GDP per capita. Polity score, percent of US exports, Congressional majority, and trade agreements remain statistically significant in this model. The coefficient for this interaction variable is negative and statistically significant, which suggests that the most developed, highest immigrant-sending nations get less aid. The immigration term is positive and statistically significant, implying that at a development level of zero (or very low), immigration has a positive effect on aid allocation. This model indicates that when development is high, immigration has less of an effect on aid, and when development is low, immigration has more of an effect on aid.

To graphically illustrate the interaction effect, I condensed GDP per capita into a categorical variable with four values (based on GDP per capita quartiles), and repeated Model 4 with this categorical development variable in place of the continuous variable (reported as Model 4b).²⁰ Though this collapses development into only 4 values, it allows for a graphical prediction of aid at each categorical value of development (Figure 5). For lower income countries (quartiles 1 and 2), higher immigration has a strong positive effect on predicted aid. For quartile 3, immigration has a smaller positive impact on the allocation of aid, and for the highest income

²⁰ Table 3 displays the distribution of country-years (excluding those dropped in Model 4 for missing data) across the 4 income levels and can be found in Appendix D.

level (quartile 4), increased immigration has a negative effect on the predicted amount of allocated aid. This further supports my second hypothesis that the relationship between immigration and aid is dependent on the level of development, and stronger in countries with low levels of developments.

Figure 6: Conditional Effect of Development on Aid (Migrants Per Capita and ODA, by income quartile)

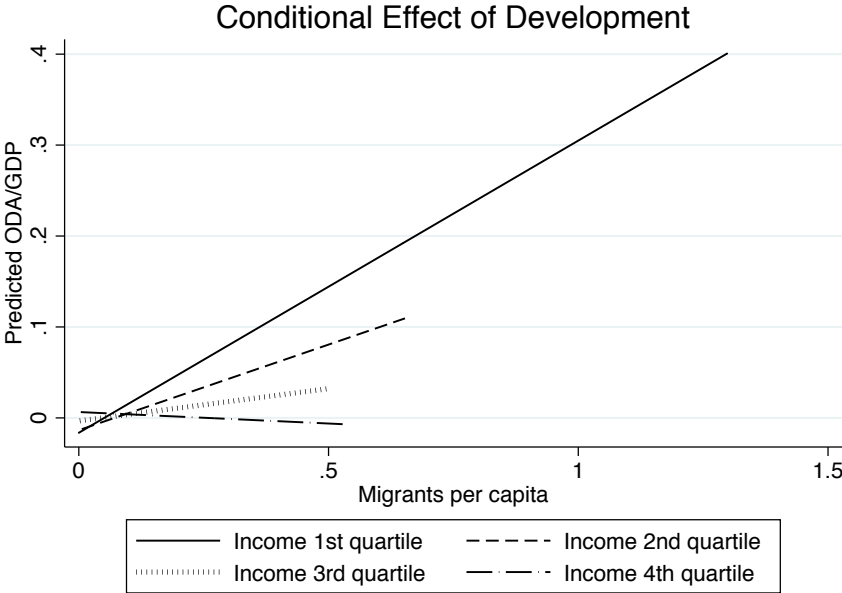


Table 2: Aid Determinants, Split Sample

	Model 5a (low-income recipients)	Model 5b (high-income recipients)	Model 6a (1991-2001)	Model 6b (2002-2012)
Immigration per capita	0.269** (0.118)	0.002 (0.004)	0.049** (0.021)	0.367** (0.170)
GDP per capita (log)	-0.057** (0.027)	-0.009** (0.004)	-0.007 (0.004)	-0.029** (0.014)
Population (log)	-0.008** (0.003)	-0.001 (0.001)	-0.003** (0.001)	-0.004 (0.003)
Geographic Proximity (log)	0.030 (0.018)	0.000 (0.004)	-0.003 (0.006)	0.003 (0.011)
Polity IV score	0.002 (0.002)	0.000 (0.000)	0.000 (0.000)	0.006** (0.003)
Human Rights	-0.003 (0.004)	-0.001* (0.001)	0.001 (0.001)	-0.002 (0.002)
UN Voting Affinity	-0.058 (0.053)	-0.002 (0.006)	-0.000 (0.008)	-0.009 (0.036)
US Exports	0.077 (0.051)	0.000 (0.000)	0.000 (0.001)	0.003* (0.002)
Preferential Trade Agreement	-0.059** (0.027)	-0.002 (0.002)	0.002 (0.015)	-0.054** (0.023)
Natural Disaster (log)	-0.004* (0.002)	-0.001*** (0.000)	-0.000 (0.000)	-0.005*** (0.002)
Democrat Majority in Congress	0.051** (0.023)	0.001 (0.002)	0.000 (0.003)	0.042** (0.019)
US Public opinion on immigration	-0.002 (0.001)	-3.13e-06 (0.000)	0.000 (0.000)	-0.000 (0.001)
Constant	0.370 (0.226)	0.111*** (0.043)	0.138 (0.067)	0.265 (0.214)
Number of Observations	187	196	174	211
Number of Countries	14	14	21	22
Prob>chi2	0.296	0.000	0.000	0.041

Significant at *0.10, **0.05, ***0.01

Table 2 displays a secondary set of tests, in which I split the dataset in half according to various indicators, to test whether perceived results are due to variations in development level or year rather than the chosen explanatory variables. Model 5 splits the dataset based upon the GDP per capita of each observation. The distribution of years in each income category is fairly even, though earlier years are slightly overrepresented in the low-income group. Some countries

move between categories in different years, so several observations get dropped (because the previous year's values are in the other group, and therefore the lagged values are "missing"), and the robustness of the results decreases.²¹ For Model 5 and 6 I ran the same Prais-Winsten regression as before, limited to one group of observations and then the other. Model 6 splits the dataset in half by year, to test whether different variables are statistically significant in both the earlier and later periods.

Immigration per capita is only significant for the "low income" model (Model 5a), supporting the results of the interaction variable in Model 4 (namely, that immigration has a stronger effect on aid in low income countries). Interestingly, the "physical integrity rights" variable is significant for the high-income group, though it is not significant in any of the other models. The coefficient is negative, signifying that countries with better human rights practices receive less aid. If a country has better human rights indicators, they may have a better political situation and therefore need less aid (or send fewer migrants), but it also contradicts the idea that the US government rewards good human rights practices with more aid.

For Model 6, I split the dataset into two time periods, to determine if the aid mechanism was different in the 1990s than in the 2000s. Immigration per capita is statistically significant for both time periods, though with a much bigger coefficient for the more recent subset. In the early time period, the only other statistically significant variable besides immigration is population. In the more recent years, polity score, GDP per capita, percent of US exports, disaster, Congressional majority, and trade agreements are significant, similar to the other models. Perhaps this means that my main model captures the aid process of the 2000's better than the process of the 1990s, and that other variables drove allocation in the 1991-2001 period.

²¹ Table 4 displays how many observations from each country fall into the "low income" category and can be found in Appendix D.

Possible omitted variables include military or security variables, and public health epidemics or events. The change in determining factors in these two time periods could also be due to the lingering effects of Cold War policy, or changes in foreign policy following September 11, 2001 (which falls right on the dividing line of the split dataset).

Additionally, I performed a series of robustness checks. If the logged absolute number of immigrants is used instead of immigrants per capita in Models 3 and 4, the immigration term is not statistically significant in either one. This is not surprising for Model 3, where the lagged dependent variable is included, because none of the other independent variables are significant. However, for Model 4, with the interaction variable, when absolute number of immigrants is used rather than immigrants per capita, neither the interaction term nor the immigration term is significant. In Models 5 and 6, with absolute number of immigrants, the results are consistent: immigration is statistically significant for low-income but not high-income recipients, and in more recent years but not earlier years. Thus, immigrants per capita is consistently statistically significant while absolute number of immigrants is not. This could signify that politicians conceptualize immigration relative to the size of the country—for example, it may be more important if a large percentage of the Colombian population migrates relative to the percent of the Mexican population that migrates, even if there are more Mexicans than Colombians in the US. Or, if one measure is consistently significant but the others are not, the effect of immigration on aid may not be very robust. I also try all the models with “change in immigrant stock” as the immigration variable, to account for some of the unauthorized immigrants. Change in immigrant stock is not statistically significant in any of the models. However, there is only about 50 percent coverage of this variable for the country-years I am testing, so this model has fewer observations, and it may tell us less about the overall pattern of aid allocation. My study

indicates the need for further research in order to understand how unauthorized immigration affects foreign aid, because the model with a “change in immigrant stock” variable is not strong enough to fully account for the undocumented population or draw conclusions about the effect of the undocumented population on foreign aid.

If Freedom House is used as an indicator of governance instead of Polity, immigrants per capita is still positive and statistically significant. The Freedom House coefficient is negative and statistically significant, but because a score of 0 is the “most free” in Freedom House, this has the same implications for aid as does the Polity Score variable. If US Presidential party is used rather than Congressional majority to account for US political atmosphere, immigration per capita remains statistically significant, and the Presidential Party dummy variable is statistically significant. Additionally, if Civil Violence, Civil War, or Political Stability is used to measure conflict and human rights instead of Physical Integrity Rights, immigration remains statistically significant, though none of these human rights measures have statistically significant effects. If the model is done in terms of “change variables” (ODA change, immigrant change, GDP per capita change), immigration growth is not significant at the 0.05 level. This suggests that the level of migrants in a given year is more salient to politicians than the year-to-year change. I tried the model with two- and three-year lags (as opposed to the baseline one-year lag), and immigration per capita remains significant. Because Guyana is an outlier in several senses, I removed it from the sample as a test of robustness. Without Guyana in the sample, total number of immigrants is significant but immigration per capita is not. Most other variables of statistical

significance do not change without Guyana in the sample.²² Migrant stock is sometimes statistically significant, but this alludes to a different causal mechanism (cumulative number of migrants) than the other measures of immigration (yearly flow of migrants), and leaves open the question of how politicians think about migration. This is a question that merits future research.

In summary, immigration, when operationalized as immigrants per capita, is consistently significant in my models. Other known factors of aid allocation remain statistically significant, but immigration functions as an additional determinant of aid allocation. If politicians are responding to the flow of immigrants, this could represent an interest for the situation in the home country. Even if immigration does not have a robust effect on aid allocation, we have enough evidence to reject the null hypothesis that immigration has no effect on aid.

CONCLUSION

My study finds that immigration is a factor in US foreign aid allocation to Latin America. I find a positive, statistically significant relationship between immigration and aid. Additionally, I consistently find that the relationship between immigration and aid is stronger in recipients with lower levels of development. My qualitative research supports these findings—in my interview research, politicians mention immigration as an important consideration and challenge in the Latin American region, one that necessitates a solution based upon long-term development. Additionally, the country-specific documents included in the congressional hearings frequently mention Latin American immigration. The discussion in the hearings mainly focuses on the push

²² As noted in the “Data and Methods” chapter, Guyana is an outlier in both ODA/GDP and Immigration per capita, likely because of the small size of the nation, the large Guyanese migrant communities in New York, and the impact of natural disasters in this nation during my time frame. Without Guyana in the sample, immigration per capita (in Model 1) is not statistically significant, but absolute number of immigrants (in Model 2) is positive and significant. Oddly, without Guyana in the sample, the lagged-dependent variable in Model 3 greatly decreases in significance. Models 4, 5, and 6 are consistent with the reported results.

factors of migration, how other important issues in the region (namely, instability, drug trafficking, and natural disasters) are inseparably related to immigration, and how development aid should work towards decreasing the root problems as well as the resulting migration. There are various perspectives on how to treat immigrants in the US and how to immediately respond to global flows of migration, but regardless of whether an economic or security-oriented approach is better in the short-term, there seems to be some consensus (in Congressional documents as well as interviews) that in order to address the problem in a sustainable fashion, long-term capacity building through economic development presents one potential solution.

These findings support my initial hypothesis that immigration is a determinant in aid allocation, and that immigrant-sending nations receive more aid, all else being equal. These findings, however, should be understood as an additional exploration of aid determinants and not an argument against other known aid determinants. In my study, other known factors of aid allocation (development indicators, disaster, trade variables, and domestic politics) remain significant. Qualitative evidence suggests that immigration is not the primary motivation for aid in the Latin American region, but neither can it be ignored as an important factor.

My theoretical mechanism is based upon the sending of aid to immigrant countries in order to decrease migration by decreasing the economic root cause. I theorized that more aid would be given to higher immigrant-sending countries because politicians assume that underdevelopment and economic hardship are one push factor of migration from Latin America to the US, and because a sufficient number of politicians view economic assistance as one way to spur growth (and therefore decrease immigration). Assuming that politicians want to decrease migration to the US, either because they think immigration is bad for the US or because they realize that less migration is indicative of better conditions at home, economic aid would be used

as a mechanism to reduce immigration through development. In addition to sending aid to increase development and decrease immigration, my qualitative research points to other (though similar) mechanisms at play. Aid is sent to decrease political instability, which in turn decreases immigration. Aid is sent to decrease public health concerns, which in turn decreases immigration. Aid is sent to help disaster recovery, which in turn decreases immigration. This supports my “root causes” theory, though it necessitates further research to better understand the relationship between each of the root causes of immigration and the effect on aid.

My study has several limitations. I limited my thesis to a study of Latin America, both because I believe that this is the place where immigration is most salient in US politics, and because I wanted to exclude the variation between regions, but it is hard to know if the same causal mechanism is at play in other regions. Bermeo (2010) finds a statistically significant relationship at the global level, but further research is necessary in order to establish causality and a qualitative understanding in other regions. Additionally, I had a very small sample size for my interview research, due to the availability of Washington elite. I was able to gain much understanding of the aid process, but as noted, the process is not very transparent. For my time period of interest, Latin America is not the United States’ global priority, so less on-the-floor time is given to Latin American concerns than to other regions, making it harder to know what is really motivating aid, and necessarily requiring some dependence on pre-submitted statements. Policymakers may be mostly concerned about unauthorized immigrants from Latin America, but because the undocumented population is extremely difficult to measure, my study could not fully account for their effect, nor could I separate the effect of authorized and unauthorized immigration. This highlights the need for more research and data about the undocumented population in the US. Lastly, my study ends with 2012, but in the US, immigration has remained

(if not increased as) a debated policy concern in the years since 2012. In fact, two interviewees (1, 6) said that immigration would be an explicit motive for aid in the 2015 Appropriations Bill, due to the recent surge of unaccompanied immigrant children.

In terms of policy, this study suggests that politicians are aware of the international implications of migratory flows, a finding that could change the way immigrant groups lobby for aid to their countries of origin. This knowledge is also important to the conversation on the politics of immigration. Immigration affects both the sending and receiving countries, so the policy debate should not be constrained to the continental US. Policymakers should be aware of the global implications of immigration (foreign aid and public flows of assistance being one of them), and expand the conversation on immigration beyond the US border. That is, rather than only examining surface-level solutions, they should look further into the root causes of migration and the links between migration and other developmental challenges.

When I began this project, I asked two questions. Does immigration affect aid allocation? And if so, what is the mechanism by which this relationship operates? To the first question, we can answer that immigration does affect aid. Though the process is hard to understand and the robustness of results depends upon the operationalization of immigration, I have enough evidence to reject the null hypothesis that immigration is not a factor at all. What is the mechanism? My narrative of aid allocation consists of sending aid for the purpose of solving problems in the recipient nation, immigration being one of those problems. Through sustained economic development, policymakers hope to support immigrant-sending countries—to make staying home a viable economic option, and to address the other sources of instability and hardship that pressure people to migrate to the US.

Going forward, scholars of foreign aid allocation should continue to consider flows of people as an important factor in aid allocation. In determining a donor's "interest" in recipient countries, scholars must recognize characteristics specific to the recipient country as well as the bilateral donor-recipient economic relationship, but they must also consider the transnational flows of people between donor and recipient nations. My findings are important for the continuing intersection of diaspora studies and studies of the international political economy. Beyond the specific variables of Latin American immigration and US foreign aid, the international economy is inextricably linked to diaspora lobbying, remittances, and immigration policy—links that each merit further investigation so as to better understand the connection between flows of people and flows of monetary resources.

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APPENDIX A: CONGRESSIONAL HEARINGS

To collect the sample of Congressional Hearings, I began with a list of public law citations for the Appropriations Bills from 1991-2012. For each year, the “Foreign Operations, Export Financing, and Related Agencies” Appropriations Final Legislation is given a number, which can then be used to find all the related hearings in a database such as ProQuest Congressional. Upon entering the public law citation into the database, the specific subcommittee hearings can be collected. I collected all of the hearings relating to the Foreign Operations, Export Financing, and Related Agencies Appropriations Bill, totaling 130 documents. These 130 hearings correspond to 22 public laws, and I have listed these public law numbers below.

Fiscal Year	Appropriations Legislation
1991	101-513
1992	102-266
1993	102-391
1994	103-87
1995	103-306
1996	104-107
1997	104-208
1998	105-118
1999	105-277
2000	106-113
2001	106-429
2002	107-115
2003	108-7
2004	108-199
2005	108-447
2006	109-102
2007	110-5
2008	110-161
2009	111-8
2010	111-117
2011	112-10
2012	112-74

APPENDIX B: DATA APPENDIX

Below is a comprehensive listing of the variables collected for my analysis along with information on their source.

Country-Years

The data were collected for each of the following countries for the years 1991-2013. Some small Caribbean nations were excluded from the dataset due to the lack of data on these countries in most of the databases used. For statistical purposes, I use the Correlates of War (COW) country codes.

Argentina	Guyana
Belize	Haiti
Bolivia	Honduras
Brazil	Mexico
Chile	Nicaragua
Colombia	Panama
Costa Rica	Paraguay
Cuba	Peru
Dominican Republic	Suriname
Ecuador	Uruguay
El Salvador	Venezuela
Guatemala	

Bilateral Trade

Bilateral Trade information comes from the International Monetary Fund's Direction of Trade Statistics. I use the indicators labeled "Value of Exports" and "Value of Imports," each measured yearly in US dollars. As described in the data source, "the Direction of Trade Statistics (DOTS) present current figures on the value of merchandise exports and imports disaggregated according to a country's primary trading partners. Area and world aggregates are included in the display of trade flows between major areas of the world. Reported data are supplemented by estimates whenever such data are not available or current." I have calculated a Total Trade Value by adding these two indicators, and Percent of Total US Trade by scaling the value of exports for a partner country to the total amount of US exports in that year. For some analyses I have taken the natural log of the total trade value. The Direction of Trade Statistics can be found online at <http://elibrary-data.imf.org/>.

Civil War

To account for civil conflict within each country, I use the PRIO armed conflict database. UCDP defines conflict as: "a contested incompatibility that concerns government and/or territory where the use of armed force between two parties, of which at least one is the government of a state, results in at least 25 battle-related deaths." I use the "intensity level" variable, defined as "the intensity level in the dyad per calendar year. Two different intensity levels are coded: minor armed conflicts (1) and wars (2)." For years in which no conflict is recorded, I give the variable a value of zero. The dataset is available online at http://www.pcr.uu.se/research/ucdp/datasets/ucdp_prio_armed_conflict_dataset/.

Civil Violence

I use the Polity Major Episodes of Political Violence dataset as another marker of internal violence. I use the measurement of Total Civic Violence (CIVTOT), which is scaled from 1-10 (10 being the highest magnitude of violence) for each country-year. This measure encompasses the total summed magnitude scores for civil violence, civil war, ethnic violence, and ethnic war. The dataset is available at <http://www.systemicpeace.org/inscrdata.html>.

Freedom House Score

As an indicator of regime type or democracy, I use the Freedom House Freedom In the World indicator. Data collected from the Country Ratings and Status file, available at <https://www.freedomhouse.org/report-types/freedom-world#.VG0EH1fF9tI>. To best illustrate the political environment, I use the arithmetic average of the Political Rights and Civil Liberties scores for each country-year. The Political Rights score evaluates electoral processes, political pluralism, and functioning of government; the Civil Liberties score represents freedom of expression and belief, associational and organizational rights, rule of law, and personal autonomy and individual rights.

Geographic Proximity to the US

The CEPII GeoDist database measures the distance from each country's capital to the US capital. Geodesic distances are calculated following the great circle formula, which uses latitudes and longitudes of the most important cities/agglomerations (in terms of population) for the dist variable and the geographic coordinates of the capital cities for the distcap variable. These two variables incorporate internal distances based on areas. I use the logarithmic transformation. The CEPII GeoDist database is available at http://www.cepii.fr/cepii/en/bdd_modele/presentation.asp?id=6.

Greenbook Foreign Assistance

As defined in the dataset: 'The annual update of the "U.S. Overseas Loans and Grants," informally known as the "Greenbook," contains data of United States Government (USG) foreign assistance since 1945. Foreign assistance is categorized as either economic assistance or military assistance. Foreign assistance is reported by recipient country and organized by geographic region, without distinction between developed and developing countries. Any country which has received cumulative economic or military assistance over \$500,000 since 1945 and is considered an "Independent State" by the U.S. Department of State merits an individual country reporting.' I collected both the total military and total economic aid for each country-year by aggregating the program totals, in constant 2012 US dollars. Prepared files available at <https://eads.usaid.gov/gbk/data/prepared.cfm>.

Gross Domestic Product (GDP)

GDP is measured in Constant 2005 US dollars, collected from the World Bank World Development Indicators databank. Defined as follows: GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. I use

GDP, GDP per capita, GDP growth, and GDP per capita growth indicators, transformed as the natural log of (1+x).

All World Bank Data collected from the WDI databank,

<http://databank.worldbank.org/data/views/variableSelection/selectvariables.aspx?source=world-development-indicators>.

Gross National Income (GNI)

GNI is measured in Constant 2005 US dollars, collected from the WDI databank. Defined as follows: GNI per capita (formerly GNP per capita) is the gross national income, converted to U.S. dollars using the World Bank Atlas method, divided by the midyear population. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. I use the GNI, GNI per capita, and GNI per capita growth indicators, transformed as the natural log of (1+x).

Human Rights

To measure human rights within the country, I collected data from the CIRI Human Rights Data Project. I use the Physical Integrity Rights Index, defined in the Codebook as “an additive index constructed from the Torture, Extrajudicial Killing, Political Imprisonment, and Disappearance indicators. It ranges from 0 (no government respect for these four rights) to 8 (full government respect for these four rights).” The dataset is available at

<http://www.humanrightsdata.com/p/data-documentation.html>.

Immigrant Stock, OECD

To measure total immigrant population in the US from each sending country (rather than flow of immigrants in a particular year), I use the OECD measure of immigrant stock. Immigrant Stock is the cumulative foreign-born population of a country, all persons who have that country as the country of usual residence and whose place of birth is located in another country. I use the “Stock of foreign-born population by Country of Birth” indicator, found at

<http://stats.oecd.org/index.aspx?r=313703>.

Natural Disasters

To account for disasters in a country year during the sample time period, I use the EM-DAT International Disaster Database. Per the database, for a disaster to be logged, it must meet at least one of the following criteria: ten (10) or more people reported killed, hundred (100) or more people reported affected, declaration of a state of emergency, or call for international assistance. I use data from all of the subsets (Complex Disasters, Natural Disasters, and Technological Disasters), and use the sum of the “total killed” and “total affected” categories. For country-years with no marked disaster, I code the variable as 0. I have transformed this variable as the natural log of (1+x). The dataset can be found at <http://www.emdat.be/>.

Number of Immigrants, Department of Homeland Security

Data on immigration to the US by sending country is compiled from the 2003 and 2014 versions of the Yearbook of Immigration Statistics. I use Table 3 from both yearbooks, titled “Immigrants Admitted by Region and Country of Birth.” For immigration per capita, I divide

this measure of immigration by the WDI measure of population. Tables are available at <http://www.dhs.gov/archives#1>. I use the natural log of (1+x) transformation.

Number of Immigrants, OECD

As a second measure of immigrant flows, I collect data from the OECD International Migration Database. I use the “inflows of foreign population by nationality” indicator for each country-year. Data in the International Migration Database is mostly taken from individual contributions of national correspondents appointed by the OECD Secretariat, and can be accessed at <http://stats.oecd.org/index.aspx?r=313703>

Official Development Assistance (ODA), OECD

Economic aid is measured in ODA, as available in the OECD Query Wizard for International Development Statistics (<http://stats.oecd.org/qwids/>) The DAC defines ODA as “those flows to countries and territories on the DAC List of ODA Recipients and to multilateral institutions which are:

- i. provided by official agencies, including state and local governments, or by their executive agencies; and
- ii. each transaction of which:
 - a) is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
 - b) is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent).”

I use ODA as Total Bilateral Aid to All Sectors, measured as commitments and given in constant 2012 USD. I use ODA scaled to GDP, as well as ODA growth, and for both of these I take the natural log of (1+x).

Political Stability

I have collected, as a measure of political stability, the World Bank World Governance Indicators data, for the years 1996-2013. I use the “Political Stability/No Violence” measure. As described by the authors, this indicator measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism. It is measured as an estimate of governance (ranges from approximately -2.5 (weak) to 2.5 (strong) governance performance). Data are available at <http://info.worldbank.org/governance/wgi/index.aspx#home>.

Polity Score

Polity scores are used to measure individual regimes on a 21-point authority spectrum. I use the POLITY2 Revised Combined Polity Score. This variable is a modified version of the POLITY variable. POLITY2 scores range from -10 (strongly autocratic) to +10 (strongly democratic). POLITY2 modifies the combined annual POLITY score by applying a simple treatment, or “fix,” to convert instances of “standardized authority scores” (i.e., -66, -77, and -88) to conventional polity scores (i.e., within the range, -10 to +10). Complete dataset can be found at <http://www.systemicpeace.org/inscrdata.html>

Population

As gathered from the “population, total” indicator in the World Bank WDI Database, defined as follows: Total population is based on the de facto definition of population, which counts all

residents regardless of legal status or citizenship—except for refugees not permanently settled in the country of asylum, who are generally considered part of the population of their country of origin. The values shown are midyear estimates. I use the natural log of (1+x) transformation of the data.

Preferential Trade Agreement

To account for trade agreements between the US and aid-recipient countries that may affect economic assistance allocation, I created a dummy variable. The variable is assigned a value of 1 if there is a trade agreement between the US and the recipient nation in a given year, and a value of 0 if there is no active trade agreement between the US and that nation. I code the variable according to when the trade agreement goes into force, rather than when it was signed. Information on trade agreements is available from the International Trade Administration at http://www.trade.gov/mas/ian/tradeagreements/fta/tg_ian_002421.asp.

Unemployment

Unemployment is measured as percent of the total labor force that is without work but available for and seeking employment. This WDI indicator is modeled after the estimates of the International Labor Organization. Data available in the World Bank World Development Indicators Databank.

UN Voting Affinity

As a measure of similarity in international security preferences between the US and each Latin American Country, I use Voeten's Affinity S-scores, specifically the measure labeled "s3un." A score of -1 represents least similar interests, and a score of 1 represents most similar interests. As defined by the author, values for the Affinity index use 3 category vote data (1 = "yes" or approval for an issue; 2 = abstain, 3 = "no" or disapproval for an issue.) The Affinity data are coded with the "S" indicator ("S" is calculated as $1 - 2*(d)/d_{max}$, where d is the sum of metric distances between votes by dyad members in a given year and d_{max} is the largest possible metric distance for those votes, see Signorino and Ritter 1999). I use the "Affinity scores, cow country codes" dataset, available at http://thedata.harvard.edu/dvn/dv/Voeten/faces/study/StudyPage.xhtml?studyId=38311&tab=file&studyListingIndex=0_cea38cfc2dfcc022817f39d68570.

US Congressional Majority

As an indicator of US domestic political context, I create a dummy variable for the majority party of the US House of Representatives in each year. When there is a Republican majority in the House, the variable takes on a value of 0, and when there is a Democratic majority the variable is assigned a value of 1.

US Presidential Party

As another marker of political atmosphere in the US for a given year, I use a dummy variable for the party of the US president. During years with a Republican president, the variable takes on the value 0, and the variable takes on a value of 1 in years with a Democratic President was in office. In election years, the variable is coded based upon the serving president, and changes in the following year to reflect when the inauguration of a new president.

US Public Opinion on Immigration

As a measure of US public opinion on immigration in each year, I use information from the Gallup Poll Historical Trends. I use their question, “in your view, should immigration be kept at its present level, increased, or decreased?” Because the percent of people who respond “decreased” has vacillated most in recent years, I use these percentages as a measure of public sentiment. A higher value for this variable represents a more negative public opinion towards immigration. In years with more than one response period, I use the mid-year July percentage, and in years with no data I linearly estimate the values base upon the nearest values. Data was collected from the charts at <http://www.gallup.com/poll/1660/immigration.aspx>.

APPENDIX C: INTERVIEWS

I sent meeting requests to 26 members of the Subcommittee on State, Foreign Operations, and Related Programs of the 112th and 113th Congress. I chose to use these two Congresses as a sample because most members of earlier Congresses are no longer serving (and therefore very hard to contact), or they also served in one of these two Congresses. Unfortunately, I was unable to request a meeting with 29 members on these Subcommittees, either because they are retired or deceased, or because my request was rejected for being outside of their district.

Because most members of Congress do not provide an email address, I used the online meeting request forms on each member’s website. Some of these forms, due to a high volume of requests, do not accept requests from a zip code outside of their district. For these members, I tried unsuccessfully, to contact staffers directly. Though all requests were addressed directly to members of Congress, the responses I received from the online meeting requests were all from staffers. Some were willing to connect me to the member of Congress with which they work, and others offering to meet with me themselves.

Of the 26 meeting requests I sent, I received 3 responses, and met with each of these people. Two staffers arranged for me a meeting with the member of Congress, while other staffers offered to meet with me themselves because the member of Congress was busy. The remaining three interviews were arranged via professional connections.

All interviews were conducted in person, ranging from 30 to 60 minutes. The interviews were semi-structured, starting with a list of questions but allowing for free responses and discussion of other relevant topics.

Interview 1

Member of Congress. January 20, 2015 at 11:00 AM. District Office

Interview 2

Member of Congress. January 22, 2015 at 10:00 AM. Washington, DC
Arranged via website request

Interview 3

Former Congressional Staff. January 22, 2015 at 11:15 AM. Washington, DC

Interview 4

Current Congressional Staff. January 22, 2015 at 1:00 PM. Washington, DC
Arranged via website request

Interview 5

Current Congressional Staff. January 23, 2015 at 10:00 AM. Washington, DC
Arranged via website request

Interview 6

Former Congressional Staff. January 23, 2015 at 2:00 PM. Washington, DC

APPENDIX D: ADDITIONAL TABLES

Table 3: Distribution of Country-Years Across Income Quartiles (if in Model 4b sample)

Country	4-Category Income Level				Total
	0	1	2	3	
Argentina	0	0	1	20	21
Bolivia	20	0	0	0	20
Brazil	0	0	13	8	21
Chile	0	0	0	19	19
Colombia	0	7	13	0	20
Costa Rica	0	0	13	6	19
Cuba	0	9	7	4	20
Dominican Republic	0	4	9	3	16
Ecuador	0	14	5	0	19
El Salvador	0	13	0	0	13
Guatemala	0	20	0	0	20
Guyana	8	0	0	0	8
Haiti	20	0	0	0	20
Honduras	19	0	0	0	19
Mexico	0	0	0	21	21
Nicaragua	20	0	0	0	20
Panama	0	0	11	7	18
Paraguay	10	6	0	0	16
Peru	0	16	5	0	21
Suriname	0	1	2	0	3
Uruguay	0	0	4	11	15
Venezuela	0	0	1	20	21
Total	97	90	84	119	390

Table 4: Number of Observations per Country in “low income” category (if in Model 5a sample)

Country	Frequency	Percent
Bolivia	20	10.70
Colombia	7	3.74
Cuba	9	4.81
Dominican Republic	4	2.14
Ecuador	14	7.49
El Salvador	13	6.95
Guatemala	20	10.70
Guyana	8	4.28
Haiti	20	10.70
Honduras	19	10.16
Nicaragua	20	10.70
Paraguay	16	8.56
Peru	16	8.56
Suriname	1	0.53
Total	187	100.00