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Development Minister Characteristics and Aid Giving[☆]ANDREAS FUCHS^a, KATHARINA RICHERT^b^aHeidelberg University, Germany^bHeidelberg University, Germany**Abstract**

Over 300 government members have had the main responsibility for international development cooperation in 23 member countries of the OECD's Development Assistance Committee since the organization started reporting detailed Official Development Assistance (ODA) data in 1967. Understanding their role in foreign aid giving is crucial since their decisions can influence aid effectiveness and thus economic development on the ground. Our study examines whether development ministers' personal characteristics are associated with aid budgets and aid quality. To this end, we create a novel database on development ministers' gender, political ideology, prior professional experience in development cooperation, education, and time in office over the 1967-2012 period. Results from fixed-effects panel regressions show that some of the personal characteristics of development ministers matter. Most notably, we find that more experienced ministers with respect to their time in the development office obtain larger aid budgets. Moreover, our results suggest that female ministers as well as officeholders with prior professional experience in development cooperation and a longer time in office provide higher-quality ODA.

JEL classification: D78, F35, H11, O19**Keywords:** development minister, leadership, foreign aid, Official Development Assistance, aid budget, aid quality, personal characteristics, gender, partisan politics, experience

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1. INTRODUCTION

During the run up to Germany's 2009 General Elections, the Free Democratic Party campaigned for the abolishment of the Federal Ministry for Economic Cooperation and Development. When Chancellor Angela Merkel formed a coalition with the Free Democrats later that year, it was a frontrunner of the Free Democratic Party who took office in the ministry: Dirk Niebel, then the party's General Secretary. Rather than sticking to the announcement to dissolve the ministry, the new minister asked for an increase in the ministry's budget.¹ Niebel did not have any professional experience in development cooperation when he took office, leading the German news magazine *Stern* to conclude: "Nobody can really say what actually qualifies Dirk Niebel as development aid minister."²

Does it matter who is in charge of development cooperation? Over 300 ministers responsible for development aid have entered (and left) office in 23 member countries of the OECD's Development Assistance Committee (DAC) since this institution started reporting detailed aid flows in 1967.³ 30 percent of the ministers are explicitly "Ministers for Development Cooperation" (or have similar titles), while in most cases development aid has been the responsibility of the foreign minister. 18 percent of the ministers have been women and a mere 16 percent possessed any professional experience in development cooperation when they took office. While it is highly disputed whether (and how) aggregate aid affects the economic growth of developing countries (e.g., Burnside and Dollar 2000; Easterly et al. 2004), there is evidence that certain types of aid have positive effects on development outcomes (Dreher et al. 2008; Clemens et al. 2011; Bjørnskov 2013; but see also Roodman 2015).⁴ Moreover, scholarship has shed light on some unwelcome side effects that aid might have on conflict, governance, and sustainable development in general (e.g., Bjørnskov 2010; Nunn and Qian 2014). Understanding the role played by development ministers in foreign aid is crucial since their decisions might influence both the quantity and the quality of aid and thus impact aid effectiveness and aggravate or mitigate the potential side effects of aid.

In order to study whether the personal characteristics of development ministers matter for donors' aid giving, we build a novel database covering all ministers of OECD-DAC countries

¹ DIE WELT, "Neuer Minister: Niebel verlangt mehr Geld für Entwicklungshilfe," *WELT.de*, 23 November 2009, available at <http://www.welt.de/politik/deutschland/article5297548/Niebel-verlangt-mehr-Geld-fuer-Entwicklungshilfe.html> (accessed 26 November 2014).

² Christ, Sebastian and Hans-Peter Schütz, "Entwicklungshilfeministerium: Dirk Niebel, Minister auf Bewährung," *stern.de*, 29 October 2009 (own translation), available at <http://www.stern.de/politik/deutschland/entwicklungshilfeministerium-dirk-niebel-minister-auf-bewaehrung-1517745.html> (accessed 26 November 2014).

³ As of the end of 2012, 23 countries (and the European Commission) were members of the OECD-DAC: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, South Korea, Spain, Sweden, Switzerland, the United Kingdom, and the United States. We only cover aid provided by DAC donors in order to analyze a comparatively homogenous set of donor countries, which have agreed to follow the same guidelines on the management of development aid. This is not to say that DAC donors would not show considerable variation with respect to their aid motives (see, for example, Doucouliagos and Manning 2009).

⁴ See Doucouliagos and Paldam (2008, 2010, 2011) for meta studies of the aid effectiveness literature.

responsible for development cooperation since 1967. The study covers all country-years for which detailed aid flows have been reported to the OECD-DAC (as of July 28, 2014). Using panel econometric models, we then estimate the link between development ministers' personal characteristics and (1) aid quantity, i.e., the size of aid budgets in terms of Official Development Assistance (ODA),⁵ as well as (2) aid quality, i.e., the share of aid budgets that is expected to be particularly conducive to achieving developmental goals as operationalized by the foreign-assistance component of the Commitment to Development Index (CDI) (Roodman 2012).⁶ Specifically, we test whether these two variables are associated with ministers' gender, ideology, prior professional experience in development cooperation, university education, and years in office.

Our paper combines two strands of the literature. First, it contributes to the empirical aid literature (e.g., Dudley 1979; Alesina and Dollar 2000; Kuziemko and Werker 2006) and to the scholarly work on aid budgets in particular (e.g., Bertoli et al. 2008; Tingley 2010; Dreher and Fuchs 2011; Brech and Potrafke 2014; Fuchs et al. 2014). Second, the paper adds to the burgeoning literature on the effects of political leaders' personal characteristics on economic outcomes. Previous research has focused on the role of gender (e.g., Chattopadhyay and Duflo 2004; Koch and Fulton 2011), political ideology (e.g., Neuenkirch and Neumeier 2015), educational and professional background (e.g., Göhlmann and Vaubel 2007; Spilimbergo 2009), regional and ethnic origin (e.g., Hodler and Raschky 2014; De Luca et al. 2015), socioeconomic status (Hayo and Neumeier 2012, 2014, 2016), and time in office (e.g., Jochimsen and Thomasius 2014; Moessinger 2014). Contributions cover the role played by country leaders (e.g., Dreher et al. 2009; Besley et al. 2011), foreign ministers and defense ministers (Koch and Fulton 2011), finance ministers (e.g., Moser 2007; Chatagny 2015), central bankers (e.g., Göhlmann and Vaubel 2007; Neuenkirch and Neumeier 2015), heads of subnational regions (Hayo and Neumeier 2012, 2014), and mayors (e.g., Ferreira and Gyourko 2014; Freier and Thomasius 2016), among others.⁷

The development minister offers a particularly interesting case to reinvestigate the role of leadership since this position receives relatively little (domestic) attention compared to other cabinet members, such as the head of government or the minister of finance, despite its global importance. Development ministers have a low profile at home, usually being either annexed to their respective

⁵ ODA is defined by the OECD (2008) as “those flows to countries and territories on the DAC List of ODA Recipients (available at www.oecd.org/dac/stats/dacelist) and to multilateral development 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).”

⁶ As there is a lack of consensus as to what constitutes high-quality aid, we will also show results where we remove controversial subcomponents of this aggregate indicator.

⁷ A related literature analyzes how leadership *changes* (rather than personal characteristics) affect economic outcomes (McGillivray and Smith 2004; Jones and Olken 2005; Moser and Dreher 2010; Dreher and Jensen 2013).

foreign ministry or having a low rank in cabinet.⁸ Given the low issue salience of aid policies (e.g., Lundsgaarde 2013; Szent-Iványi and Lightfoot 2015), it appears likely that foreign ministers assuming the function of a development minister are selected based on their stance on foreign policy issues rather than on their development profile. All of this is beneficial for our research design as the selection of the officeholder should thus be more independent from policy positions in the issue area he or she oversees than in the case for ministers in other issue areas. Nevertheless, decisions made by development ministers are of high importance. In sharp contrast to the disinterest in development issues in many governments, parliaments and the public, aid decisions taken at donor ministries can have huge impacts on the ground as DAC countries alone provide more than US\$ 100 billion annually to the developing world.

The previous literature barely touches on the role of the decision-makers responsible for the provision of development assistance. The existing papers that cover the role of development ministers only analyze the impact of the ministers' gender. Dreher et al. (2015a) find that female development ministers are more responsive to gender issues when allocating aid than their male counterparts. Kleemann et al. (2016) discover only minor gender differences in the allocation of aid for education. A systematic analysis of development minister characteristics is still lacking. Additionally, since the above two papers do not control for female heads of government, their empirical strategies come with the drawback of not capturing the pure effect of the minister's gender. Appointing a female development minister could just be a proxy for women having control over government in general.⁹ In order to approach the identification of a genuine effect stemming from the personal characteristics of the development minister, we control for the personal characteristics of the respective head of government and donor-country-fixed effects, or, alternatively, government-head-fixed effects. The inclusion of government-head-fixed effects also helps mitigate concerns that the observed effects might be driven by the strategic appointment of ministers by heads of governments as these regressions only exploit variation within governments over time. However, we cannot control for changes in the focus of a given head of government while in office. Since we lack adequate external instrumental variables for the appointment of development ministers, we do not claim that the observed coefficients represent causal effects.

Our paper provides the first test for the role of the personal characteristics, beyond gender, of development ministers for a large sample of donor countries.¹⁰ Additionally, we also offer the first quantitative analysis of the ministers' role for the "development-friendliness" of donors' aid giving ("aid quality") and introduce a rigorous empirical strategy that can be applied in the context of

⁸ For example, the development ministers are not full-ranked ministers in France (*ministre délégué*). The German development minister has full cabinet rank but is the lowest ranked line minister according to German protocol.

⁹ Lu and Breuning (2014) control for the gender composition of governments in their analysis of the role of gender for aid generosity. However, they do not include donor-country-fixed effects, meaning that the observed effects may be driven by unobserved country characteristics.

¹⁰ Dreher et al. (2015b) analyze the role of the political color of both the Ministry of Economic Cooperation and Development and the Foreign Federal Office on German aid allocation.

research on the role of government members more generally. The results show that some personal characteristics of development ministers matter. Most notably, more experienced ministers with respect to their time as development minister obtain larger aid budgets: One additional year in the development office increases total ODA commitments by 0.7 percent. Additionally, we find that the share of quality ODA increases by 1.1 percentage points if development ministers possess prior professional experience in the field of development cooperation and by 0.2 percentage points for each additional year in office. Moreover, aid quality is on average one percentage point higher if development ministers are female.

We proceed as follows. Section 2 discusses potential linkages between the personal characteristics of development ministers and the quantity and quality of ODA. Section 3 presents our novel dataset covering the characteristics of the 320 ministers that have been responsible for the OECD's development aid since 1967. Section 4 introduces the empirical approach and presents our results. The final section concludes and discusses avenues for future research.

2. THERORETICAL CONSIDERATIONS

Development ministers negotiate at the cabinet table about the size of their budget and then assume the leadership role to distribute the aid money across recipient countries, sectors, and types of aid. Theory suggests that minister characteristics are particularly salient in the case of decision-making by development ministers compared to other government members. In contrast to government expenditures in most other political spheres (e.g., spending by the ministry of transport), taxpayers cannot directly observe how their government allocates the country's aid budget in recipient countries (e.g., Martens et al. 2002).¹¹ This absence of the usual control mechanism between taxpayers and politicians creates a principal-agent problem and development ministers should thus have sufficient discretion to influence aid giving to further their own interests. These can be either altruist motives to promote development in recipient countries, or self-interests such as their intention to get promoted within the ministerial hierarchy or to obtain side-payments from lobby groups. Early work indeed suggests that the development minister has “considerable latitude within the bounds of general policy directives” (Breuning 1999: 732).

Nevertheless, there are also good reasons to believe that development ministers do not have the power to significantly influence aid giving. Most fundamentally, the minister's power is limited due to shared competencies within the government and parliamentary oversight (Dreher et al. 2015b). Other forces that reduce the minister's room to maneuver include a powerful aid bureaucracy—

¹¹ Although some large (e.g., infrastructure) projects receive some media coverage in donor countries, taxpayers typically do not directly observe the benefits of aid. Indirect effects on the domestic sphere, such as reduced refugee flows or a possible reduction in transnational terrorist attacks, are difficult to quantify.

whether in the form of the ministry itself or an aid agency—that follows its own agenda (Easterly 2002a; Copelovitch 2010), special interest groups that may dominate aid decisions (Anwar and Michaelowa 2006; Hicks et al. 2010), and traditions and other patterns of persistence in aid relations, including the emergence of “lead donors” (Steinwand 2015). If development ministers possess sufficient power to overcome the constraining influences of other actors, their personal characteristics will affect the quantity and quality of aid. In what follows, we discuss how the gender, political ideology, and experience of a development minister could affect aid giving.

(a) Gender

Women and men show significant differences in their preferences.¹² For example, Togeby (1994) identifies a gender gap in foreign policy attitudes: women are on average more supportive of development aid (and less supportive of military interventions). However, it is unclear whether such gender differences in individuals’ preferences also translate into politicians’ actual decision-making. Strategic considerations, including party pressure or log-rolling, may prevent these differences from affecting policies (Funk and Gathmann 2015). Scholarly evidence is mixed on whether the described overall larger support of women for development aid is reflected in legislators’ decisions on aid policies. Empirical studies do not show a consistent positive relationship between the strength of female representation in parliament and the size of aid budgets (Breuning 2001; Lundsgaarde et al. 2007; Olsen-Telles 2013; Fuchs et al. 2014; Lu and Breuning 2014; Hicks et al. 2016).

Predictions are also not straightforward with respect to total ODA budgets when it comes to the role of female development ministers rather than parliamentarians. Independently of gender-specific differences in the ministers’ stance towards foreign aid, ministers have a vested interest in maximizing their respective budget as a greater budget increases their chances of success as a minister (and should thus affect their chance of being promoted and re-elected). Based on this, one would expect to observe no significant difference in the size of aid budgets between female-led and male-led aid ministries. However, empirical evidence points at systematic gender differences in negotiation outcomes, such as in salary negotiations, in which women are worse off than men (e.g., Gerhart and Rynes 1991). Explanations include, among others, women’s lower willingness to self-promote, and negotiation partners, both male and female, who make lower offers to women since they assume that female negotiators will give in more easily than their male counterparts (Solnick 2001). Applying these findings to political negotiations, it could be argued that male ministers more successfully negotiate for larger aid budgets than female ministers.

¹² Croson and Gneezy (2009) review experimental evidence on gender-specific differences in risk preferences, social preferences, and competitive preferences. Econometric studies show, for example, that, as women obtain the right to vote, government size and social spending increase (Lott and Kenny 1999; Aidt and Dallal 2008).

Turning to the specific use of the aid money, which should affect the quality of aid, Hicks et al. (2016) find strong evidence of gender differences arising from larger female representation in parliaments: the level of the flows going to education, health and social capital projects as well as to least-developed countries appear to increase with stronger representation of women in national parliaments. One could thus expect that donor countries with female development ministers also provide more aid to social sectors and poor countries, which is—as some argue (e.g., Mosley 1985)—of higher ODA quality. This would be consistent with evidence of gender differences in foreign policy attitudes discussed above (e.g., Togeby 1994).

However, there are reasons to believe that such “female behavior” does not hold at the level of political leaders. Analyzing the role of gender in foreign policy, Koch and Fulton (2011) show that female representation in parliaments causes a decrease in defense spending and conflict behavior but they find the opposite effect for female defense ministers and government heads. In the words of Koch and Fulton (2011), “[w]hen it comes to masculinized leadership positions, like executive office, this challenge to gain credibility may lead women to present themselves as more masculine, in an attempt to combat the stereotype.” Given that women face more barriers to access leadership positions, Jochimsen and Thomasius (2014: 394), referring to Eagly et al. (1995), note that “[i]f a woman must be ‘twice as good as a man’ in order to be appointed to a leadership position [...] then women may be more effective leaders and superior performers compared to their male colleagues.” Similarly, empirical evidence on monetary policy suggests that women take more “hawkish” decisions than their male counterparts (Farvaque et al. 2009). Translating this to the case of development ministers, one might expect “tougher” behavior from female development ministers in negotiations over budgets and in their usage of budgets in the sense that they pursue a more self-interested development policy at the detriment of aid quality.

(b) Political ideology

Scholarship has scrutinized the effects of government ideology on aid giving. First, it is argued that, in analogy to domestic social welfare transfers, left-wing governments provide more aid than right-wing governments since the former are supposedly more “altruistic” and “pro-poor” (Thérien and Noël 2000; Round and Odedokun 2004). Moreover, the left’s stronger tendency to interfere in market mechanisms is put forward as an explanation (Tingley 2010). Second, right-wing governments are said to provide larger aid budgets as they see aid as a tool to promote commercial and geostrategic interests (Round and Odedokun 2004; Bertoli et al. 2008). Finally, it might again just be that ministers aim to maximize their budgets independent of their respective political ideology as argued above. While Thérien and Noël (2000) and Tingley (2000) provide evidence for the first argument, Lundsgaarde et

al. (2007) find political ideology to be insignificant, and, according to Bertoli et al. (2008) and Dreher et al. (2015b), right-wing governments provide more aid.

Based on the same lines of argumentation, there are also reasons to believe that development ministers' political orientation affects the quality of aid. Brech and Potrafke (2014) find that left-wing governments experience stronger increases in bilateral grant aid and grant aid to least developed and lower middle-income countries. This might suggest that left-wing governments provide in general higher aid quality compared to right-wing governments as such an allocation pattern leads to lower future financial obligations for recipient countries and is more need-oriented. This is in line with the argument that right-wing decision-makers are guided to a greater extent by domestic political and commercial interests than their left-wing counterparts who are expected to believe more in the merits of redistribution from the rich to the poor. However, empirical evidence in this regard is mixed. While Fleck and Kilby (2006) find that development concerns in the United States matter more under a Democratic president and Congress compared to when the president and/or Congress are Republican, Dreher et al. (2015b) reject claims that Germany's aid allocation under conservative governments is guided to a larger extent by commercial and politico-strategic interests than under left-wing administrations.

(c) Experience

Prior research shows that the professional background of political decision-makers affects their decisions while in office. For example, former central bank staff prefer lower inflation rates than former politicians after being appointed to central bank councils (Göhlmann and Vaubel 2007; Farvaque et al. 2009) and former entrepreneurs are more likely to implement market-liberalizing reforms when they lead a government (Dreher et al. 2009). Based on these results, one could also argue that relevant experience in development cooperation, including work experience in aid agencies, development NGOs and developing-country embassies, influences the work of the development minister. There are at least two reasons why such technical experience could be positively related to aid quality. First, ministers who worked in development cooperation prior to assuming office should have had the chance to observe the differential effects of aid interventions and determinants of success on the ground. Such field experience could have stimulated a learning process on how to provide effective development aid.¹³ Second, ministers who have been engaged in the field of development cooperation before assuming office are more likely to be intrinsically motivated to foster development than those who have not. Intrinsically motivated ministers are expected to shift the balance away from donor self-interests towards need orientation. While this explains differences in the quality of aid, it is

¹³ Jacqmin and Lefebvre (2016) make a similar argument in favor of learning by doing for education ministers.

unlikely that prior experience in development cooperation influences the quantity of aid, as greater development affinity does not necessarily translate into better negotiation skills at the cabinet table.

Turning to education, the empirical evidence that educational backgrounds matters for political decision-making is much weaker than for specific prior occupations (Göhlmann and Vaubel 2007; Dreher et al. 2009; Jochimsen and Thomasius 2014; Moessinger 2014). Still, there are reasons to believe that a training in economics can make a difference when there is strong need for economic expertise such as in the context of economic development. In this regard, Hallerberg and Wehner (2012) find that countries with a high frequency of financial crises, such as Greece and Portugal, are more likely to appoint economists as economic policymakers than other OECD countries. Dreher et al. (2009: 170) identify a potential advantage of trained economists “in implementing reforms as they are more likely to distinguish good from bad advice and might be more able to resist the pressure of lobbying groups preferring the status quo.” Similarly, economics-trained development ministers might be in a better position to implement effective development policies as they better understand the market mechanisms and market failures at play in developing countries and are thus better able to identify successful development measures. If this is true, we should observe higher aid quality when the development minister has obtained a degree of higher education in economics. At the same time, however, economists are found to be more selfish (e.g., Frey and Meier 2003) and might thus exhibit a stronger focus on personal or donor-country self-interests to the detriment of aid quality. To the extent to which economists are better bargainers, aid budgets of economics-trained development ministers should be larger. In line with this, Jochimsen and Thomasius (2014: 394) evoke the possibility that “trained economists [...] are more successful in convincing their cabinet colleagues of sound budgets with low deficits.”

Beyond ministers’ technical experience acquired prior to taking office, their experience on the job could also affect aid giving. Usually, the political power of ministers increases with their time in office as they accumulate experience. Referring to finance ministers, Feld and Schaltegger (2010: 509) argue that a “minister who succeeds in remaining a long time in office usually enjoys a politically powerful position towards the parliament, the administration and the interest groups.” Moessinger (2014: 185) suggests that “an experienced finance minister [...] know[s] more about the schemes of his cabinet colleagues in attracting additional funds for their respective ministries.” Along similar lines, more experienced development ministers should better know how to successfully secure funds for their own ministry as they can more forcefully oppose the finance minister and more successfully compete against other cabinet colleagues. Moreover, more experienced development ministers should have acquired more knowledge over time on the types of aid that work. Assuming that development ministers want to increase the impact of development aid (out of humanitarian motives or career concerns), we expect that development ministers learn over time how to provide more effective aid and shift resources accordingly. On the contrary, the longer a minister is in office the higher the

chances that he or she gets “captured” by the aid industry, which could reduce the quality of aid. For example, ministers captured by a vivid NGO community are more likely to hand out many small projects to satisfy their various needs, which amplifies the problem of project proliferation.

3. DEVELOPMENT MINISTER DATABASE

We define “development minister” as the donor country’s government member that holds the main responsibility for development cooperation.¹⁴ We first identify the names and governing periods of all development ministers for the years in which the respective OECD-DAC donor reports detailed aid flows to the OECD’s Creditor Reporting System (i.e., since 1967 at the earliest).¹⁵ We collect the required data through internet research from publicly available sources, including government websites, the personal websites of the ministers, Political Data Yearbook interactive,¹⁶ and Wikipedia, among others. Where necessary, we contacted the ministries or other government institutions via e-mail to gather additional information. Following the described procedure, we obtain a dataset with 957 observations containing 320 ministers for 23 OECD-DAC countries between 1967 and 2012, i.e., for a maximum of 46 years per country.

To be able to study the relationship between the personal characteristics of development ministers and donors’ aid giving, we collect information on five personal characteristics of development ministers—mirroring the hypotheses introduced in the previous section. First, we collect information on the ministers’ genders. The binary variable for a minister’s gender is coded as one for women. Across all OECD-DAC donors under analysis, a female minister is in charge of development cooperation in one fifth of all country-years. For comparison, only 5 percent of all heads of governments are women in our dataset. Sweden shows the largest proportion of female-led development cooperation with women being in power over 27 of 46 years, closely followed by Canada with 26 years. In Australia, Italy, and South Korea, the position of the development minister has never been assigned to a woman (as of 2012).¹⁷ Analyzing the gender distribution over time, Figure 1a shows a sharp increase in the number of female development ministers starting with the turn of the century. While only 14 percent of ministers are female by 1990, the share of women increases to 43 percent in 2000. In the peak years of 2001, 2005 and 2006, the gender distribution is almost balanced with a total of 11 female ministers in 23 countries.

¹⁴ The respective cabinet member is either a minister, minister of state, or secretary of state. In what follows, we use the term “development minister” for the sake of brevity.

¹⁵ We attribute years during which two or more development ministers are in office to the minister who is longest in power during that year. In six cases, however, two ministers were equally long in office (6 months). We then keep the minister being in office for the last six months in our dataset.

¹⁶ See <http://www.politicaldatayearbook.com/> (last accessed 11 December 2014).

¹⁷ Julie Bishop assumed office in Australia’s Department of Foreign Affairs and Trade in 2013 and thus became Australia’s first female development minister.

Second, we gather data on ministers' political ideologies measured on a five-tier left-right scale. Bjørnskov and Potrafke (2011) use the social democratic party as an "anchor party," following the idea that its national branches are broadly comparable on the international level.¹⁸ They assign a value of 0 to social democratic parties and classify the remaining political parties accordingly. Following their approach, we code the political ideology of development ministers with regards to the economic policy position of the political party they are affiliated with. Specifically, a value of -1 is assigned to "unreformed socialist and communist," -0.5 to "modern socialist," 0 to "social democratic," 0.5 to "conservative," and 1 to "liberalist economic policy."¹⁹ We find that the position of the development minister is—with 48 percent of all country-years covered—almost as equally often assigned to left-wing politicians (including social democrats) than to right-wing politicians (52 percent; see Figure 1b for details). No unreformed socialist or communist has been appointed over the time period under study.

Third, we collect information on whether the development ministers possess development-specific work experience when they take office. Specifically, we code a binary variable that takes a value of one if the minister has gained professional experience in the field of development cooperation.²⁰ As can be seen in Figure 1c, a large majority of development ministers lack relevant work experience in the development context upon assuming office. Only 16 percent possess any prior work experience in development cooperation before coming into power.

Fourth, the database includes information on whether the ministers have obtained a degree of higher education in economics or business.²¹ 23 percent of all ministers have received such training (see again Figure 1c).

Fifth, in addition to ministers' experience prior to taking office, we also examine their political experience gained on the job. Specifically, we calculate the number of years a development minister

¹⁸ As a test of robustness, we also compare our results below with a right-left coding scheme based on parties' election manifestos.

¹⁹ We are grateful to Christian Bjørnskov for having generously provided us with their raw database that enabled us to translate their categorization of the ideologies of political parties to the case of development ministers. In countries without a social democratic party, such as France for instance, we follow Bjørnskov and Potrafke (2011) and code ministers' parties relative to a fictional central party to keep the classification pattern consistent. In cases where ministers are not party members, we code their economic-policy orientation based on other relevant information provided in their CVs (such as memberships in relevant associations). In the absence of such information, we code them in line with the respective head of government that selected the respective minister.

²⁰ We code professional experience in development cooperation as one if ministers have worked for international development organizations (e.g., the United Nations Development Programme), national development agencies (e.g., the *Agence Française de Développement*), or non-governmental organizations addressing development concerns (e.g., *Médecins sans Frontières*). Additionally, we code this variable as one if the development minister led the development ministry in a prior term.

²¹ We analyze business degrees jointly with economics as these study programs typically convey a comprehensive understanding of economic principles. Our definition covers degrees in the related fields of commerce, finance, political economy, and alumni of "Philosophy, Politics and Economics," an interdisciplinary study program with a strong economics component. Later we will also analyze five other educational backgrounds.

holds office in a given year, irrespective of whether the period in office was interrupted by another minister's term or not. Almost 15 percent of the ministers hold office for only one year, which demonstrates a relatively large fluctuation in the position. The average tenure of a development minister is 3 years. There is much more fluctuation in the office of the development ministers (320 ministers overall) compared to heads of governments (207). Luxembourg's Jacques Poos is the minister that gained the most experience in office (15 years). Figure 1d plots the average tenure of ministers in power over time.

To sum up, the typical minister is male, stays in power for three years and cannot be clearly attributed to one of the two political camps of left or right. He has neither received economics training nor gained prior professional experience in development cooperation. Online Appendix A1 lists all development ministers covered by our database.

4. ECONOMETRIC ANALYSIS

(a) Empirical Approach

In order to analyze the role of development ministers in shaping the size and "development-friendliness" of a donor's development cooperation, we estimate the association of the development ministers' personal characteristics with (1) the size of aid budgets (TotalODA), and (2) the quality of aid (QualityODA). To account for TotalODA, we use a donor country's total amount of ODA in logarithms and measured in constant 2012 US\$ (OECD 2014).²² We analyze both ODA commitments and disbursements as both measures come with their respective advantages and disadvantages. Commitments allow us to capture the impact that the development minister exerts directly on development policy. Disbursements in a particular year on the contrary may already have been committed under a minister's predecessor and thus falsely be attributed to the successor. The use of disbursements, however, comes with the advantage that one accounts for the development minister's influence on the current spending process. Moreover, Roodman (2012) points to the potential risk of overestimating aid when using aid commitments if ministers knowingly or unknowingly over-promise aid. Thus, only disbursements mirror the actual effort of donor countries. As can be seen from Figure 2, annual ODA disbursements are systematically smaller than commitments.

The measurement of QualityODA is not straightforward. Although several comprehensive indices propose various ways to measure the quality of ODA (Easterly 2002b; Easterly and Pfutze 2008; Birdsall and Kharas 2010; Knack et al. 2011), the quality-adjusted aid measure developed by

²² Note that we add a value of US\$ 1 to all ODA values before taking logarithms so as not to lose zero values in our sample.

Roodman (2012) is the only one that goes back as far as 1995.²³ Roodman discounts gross ODA disbursements for several factors that are judged as reducing the effectiveness of aid. He first subtracts debt forgiveness grants and rescheduled debt from OECD-defined ODA to obtain his measure of “gross aid.” He then adjusts the amount of “gross aid” by the extent to which a donor’s aid is tied, by principal and interest payments, and by administrative costs. Finally, Roodman also rewards policies that are expected to increase a donor’s development impact. Specifically, he implements a selectivity weight for ODA given to poorer and to well-governed countries. The resulting measure of “quality-adjusted aid” is the amount of ODA that is estimated to be effective. As our measure of aid quality, we divide Roodman’s quality-adjusted bilateral aid disbursements by his total bilateral gross aid disbursements. The resulting average values of QualityODA range between 18 percent for Japan and 56 percent for Sweden (see also Figure 2).²⁴ Figure 3 shows for four important donors how both TotalODA and QualityODA evolve over the terms of development ministers.²⁵

Of course, this indicator is only one of many ways to measure ODA quality. However, it is important to note that there is a large overlap of Roodman’s measure with alternative indicators of aid quality (Easterly 2002b; Easterly and Pfutze 2008; Birdsall and Kharas 2010; Knack et al. 2011). They are similar to Roodman (2012) as they all contain measures for selectivity towards poorer and better-governed countries and account for the degree to which a country’s aid is untied. While most components are not subject to a larger debate, the benefits of aid selectivity are controversial. Most importantly, although several scholars argue that aid is more effective in better-governed countries (e.g., Svensson 1999; Burnside and Dollar 2000), there is no robust evidence that aid promotes growth if given to countries with good policies or institutions (Easterly et al. 2004; Doucouliagos and Paldam 2010). This is why we also show results below where we remove selectivity weights for good governance (and income). Moreover, we show results when removing the penalties for tied aid and project proliferation.

We regress our two dependent variables on the same set of independent variables, testing for a potential role of the ministers’ gender, their political ideology, and their experience as captured by their prior professional experience in development cooperation, education in economics or business, and time in office.²⁶ Our regression equations read as follows:

²³ We are grateful to David Roodman for having generously provided us with access to an extended version of his dataset.

²⁴ In our dataset, Portugal constitutes an outlier as its aid quality is highly volatile and it is the only donor that shows a negative quality-adjusted ODA value in a year (1997). This occurs as the country disproportionately supports richer recipients in that year. Hence, we set Portugal’s value of *QualityODA* to zero in 1997. Note that our results below are robust to the exclusion of Portugal from our regressions.

²⁵ In Online Appendix A3, we show for each individual donor how aid quantity and quality developed since 1967.

²⁶ Although there are no clear expectations on how minister age could affect aid quantity and quality, we also explored a potential role of age. Since age never turned out to have a significant impact on either dependent variable, we excluded age from our specifications.

- (1) $\log(\text{TotalODA}_{it}) = \beta_1 \log(\text{TotalODA}_{it-1}) + \beta_2 \text{Gender}_{it-1} + \beta_3 \text{Ideology}_{it-1} + \sum_l \beta_{4l} \text{Experience}_{ilt-1} + \sum_m \beta_{5m} \text{Controls}_{imt-1} + \eta_i + \mu_t + u_{it}$
- (2) $\text{QualityODA}_{it} = \gamma_1 \text{QualityODA}_{it-1} + \gamma_2 \text{Gender}_{it} + \gamma_3 \text{Ideology}_{it} + \sum_l \gamma_{4l} \text{Experience}_{ilt} + \sum_m \gamma_{5m} \text{Controls}_{imt} + \eta_i + \mu_t + v_{it}$

The index i refers to the respective donor country, t stands for the respective year, l allows for the three different measures of experience, and m identifies the 15 variables that form our set of control variables described below.

While we lag all independent variables in the TotalODA regression by one year, the variables enter simultaneously in the QualityODA regression. This is because budget negotiations in national parliaments typically take place in the previous year. Once the budget is determined, ministers' decisions can influence the allocation of aid across recipients, sectors and types of aid throughout the year, all of which can affect ODA quality. To test the robustness of our results, we also show regression results below based on alternative timing decisions.

In order to approach the identification of a genuine effect stemming from the personal characteristics of the development minister, we additionally control for the corresponding personal characteristics of the respective head of government.²⁷ The inclusion of these control variables prevents us from falsely attributing the influence of heads of government to development ministers. Such a correlation is most obvious for political ideology as the selection of the development minister by the head of government will be a function of their respective political orientations.²⁸ Female heads of government might also be more likely to appoint female ministers and a similar argument can easily be made for heads of government with professional experience in development cooperation or training in economics due to networks or affinity towards candidates with similar characteristics. Moreover, government-head and minister characteristics might also be interlinked in more complex ways. For example, to the extent to which left-wing heads of government are more likely to appoint female ministers (Escobar-Lemmon and Taylor-Robinson 2005), a significant effect of the minister's gender might be driven by the political orientation of the head of government instead. Applying the same logic to the legislative, we additionally include the share of women in parliament (data from Brady et al. 2014 and World Bank 2014) and the mean ideological orientation of parliament members (data from Bjørnskov and Potrafke 2011) as control variables.

As we argue above, the low salience of aid policy provides reasons to believe that the selection of development ministers is more random than in other issue areas. Still, a strategic selection

²⁷ We build on the dataset in Bjørnskov and Potrafke (2011), which in turn is based on Woldendorp et al. (2000), to create a dataset on the characteristics of donor countries' heads of government.

²⁸ This also applies to coalition governments since parties with a similar political orientation are more likely to build a coalition. The correlation between the ideology of ministers and heads of government in our sample is 0.656.

of development ministers is of concern.²⁹ For example, a head of government who believes that aid is important may on the one hand appoint a more experienced development minister and on the other hand push for higher ODA budgets. If we then observe a positive correlation between the minister's experience and the size of ODA budgets, we may falsely attribute this to the minister's performance. To mitigate this concern, we also estimate regressions that include government-head-fixed effects instead of donor-country-fixed effects. Although this does not fully eliminate our concerns if heads of government change their preferences during their time in office, results based on this more conservative specification raise our confidence that the observed effects are indeed driven by differences in development minister characteristics rather than the strategic appointment of ministers by heads of governments as we only exploit variation within governments over time.

In the selection of the remaining control variables, we follow Fuchs et al. (2014) and Brech and Potrafke (2014). First, we include the lagged dependent variable to account for aid inertia. Bertoli et al. (2008: 24) argue that this is an important variable in aid budget regressions "since the persistence in budgetary allocations determines a significant path-dependence in the evolution of aid effort." Second, we control for (logged) per-capita GDP, trade openness, government expenditure as a share of GDP (data from World Bank 2014) and the debt-over-GDP ratio (Abbas et al. 2010) to capture the donor country's (international) economic and fiscal situation. Third, we include a donor country's level of political globalization (Dreher 2006; Dreher et al. 2008) to account for the transmission of ideas through networks of intergovernmental and non-governmental organizations (Lundsgaarde et al. 2007). Fourth, we add a binary variable for the existence of an aid agency in the donor country (Fuchs et al. 2014). As Bertoli et al. (2008: 15) argues, "an independent aid agency may be able to preserve an appropriate aid level and allocation regardless of the political orientation and aid preferences of the newly elected government." Finally, we control for the logged size of the population living in the donor's former colonies (Mayer and Zignago 2006; World Bank 2014) to account for the donor country's historical past. Table 1 provides descriptive statistics and Online Appendix A2 gives an overview of all variables used, their definitions and sources.

Moreover, we construct a binary variable that takes a value of one if the political orientation of the development minister and the head of government is different. This is to account for government fractionalization: a larger number of parties involved in decision-making results in more compromises and more concessions being granted to each party (Dreher and Langlotz 2015). One could thus expect

²⁹ To give an example, Day (2016: 21) notes that UK Prime Minister Tony Blair's "personal championing of developing issues afforded Clare Short, the Development Secretary, political cover to reform British aid policy. Short also enjoyed the active support of Chancellor Gordon Brown, who also desired to see the UK aid budget increase."

that the quantity of ODA increases if the development minister and the head of government have different political ideological orientations.³⁰

We estimate our baseline models with ordinary least squares (OLS) using donor-country- and year-fixed effects and standard errors that are robust to heteroskedasticity and clustered at the government-head level. Such a fixed-effects estimation that includes a lagged dependent variable may lead to inconsistent estimators and induce the so-called Nickell bias through the correlation of the lagged dependent variable with the error term (Nickell 1981). However, with an average number of time periods per donor of over 35 years, the problem should be negligible in our TotalODA regressions and OLS appropriate. Since the time period covered in our QualityODA regressions is much shorter with a maximum of 17 years, we also show results from two further specifications: first, we exclude the lagged dependent variable; second, we exclude country-fixed effects (and keep the lagged dependent variable). As noted by Angrist and Pischke (2008), the first approach may overestimate the true effect, while the latter may lead to an underestimation. The true effect will thus lie in between this upper and lower bound.

(b) The Quantity of ODA

Table 2 presents the results for aid budgets. We start by analyzing the results of a specification that excludes government-head characteristics (columns 1 and 2) and then add the personal characteristics of the heads of government as well as variables capturing the gender and ideological composition of national parliaments to approach the identification of a genuine effect stemming from the characteristics of development ministers (columns 3 and 4). We examine both total ODA commitments (columns 1 and 3) and total ODA disbursements (columns 2 and 4). Our model has large explanatory power as evidenced by the R-squared of more than 80 percent. It is also reassuring that the results for the control variables are largely in line with expectations: we find evidence for persistent ODA budgets and for donors providing more ODA as they grow richer, as shown by the positive and highly significant coefficients on lagged DV and (log) GDP per capita. Openness and government expenditure enter with the expected positive sign but do not reach statistical significance at conventional levels in each specification. A higher debt-over-GDP ratio is associated with lower total ODA levels, at the one-percent level of significance. Political globalization shows the expected significant positive relationship with the quantity of aid, at least at the ten-percent level. The existence of an aid agency in the donor country is positively linked with total ODA disbursements (but not with

³⁰ Beyond this set of personal characteristics, we further constructed a binary variable that takes a value of one if the development minister is head of a separate ministry for development cooperation. Since this variable never showed up significantly in our regressions, we decided to drop it from the analysis below. Results are available upon request.

commitments), at the one-percent level of significance. In line with Bertoli et al. (2008), ODA budgets appear to work as substitutes for a colonial legacy, at least at the ten-percent level of significance.

Turning to the interpretation of the results for our variables of interest, we do not find a significant relationship between the gender of development ministers (and heads of government) and TotalODA. However, the coefficient on female parliament, i.e., the share of women in national parliaments, is positive and statistically significant at least at the five-percent level—in line with the findings in Hicks et al. (2016). A one-percent increase in the share of female deputies in parliament raises ODA commitments by 0.6 percent and ODA disbursements by 0.4 percent on average (columns 3 and 4). This finding shows that female representation matters, but at the legislative not executive level (see also Lu and Breuning 2014).

We also do not find a significant link between ODA volumes and development ministers' political orientation on a left-right scale of economic policy orientation.³¹ This is in line with our expectations: ministers fight for an increase in their budgets independently of where they stand ideologically. This also holds when we replace our ideology measure with a right-left scale based on parties' statements in election programs.³² Also, the political ideology of the heads of government does not appear to be associated with aid budgets—an unsurprising result given prior empirical research summarized in Fuchs et al. (2014). Again, we find differences between the executive and parliament. More economically liberal parliaments are associated with larger total ODA disbursements at the five-percent level of significance.³³ Moving one ideological unit to the right—such as from social democratic to economically liberalist—increases disbursements by 23 percent. When we split the sample into the Cold War and post-Cold War period (see Online Appendix B1, columns 3-4, for details), we find that the effect stems from the Cold War era. This finding casts doubts on widespread expectations that more right-wing parliaments provide less aid and thus corroborates similar results in Dreher et al. (2015b). This could also hint at right-wing politicians using aid during the Cold War more intensively as a geostrategic instrument than left-wing politicians.

The binary variable ideological difference, indicating that the head of government and development minister have different political orientations, turns out to be positive and statistically significant at least at the five-percent level. Divided governments show an increase of total ODA commitments by 7 percent and of total ODA disbursements by 4 percent. We check whether this is indeed driven by diverging interests rather than by development ministers being more left-wing and thus potentially more aid-supporting than their heads of government. In order to do so, we construct

³¹ Our findings are similar when we replace the five-tier-scaled variable with a simple binary variable for right-wing ministers (conservative or economically liberal parties). Results are available upon request.

³² Specifically, we use the Manifesto Project Dataset (Volkens et al. 2016) and match the right-left position of each party to our development minister database. The correlation with our baseline measure of minister ideology over our sample period is 52.2 percent. See Online Appendix B2 for detailed regression results.

³³ This finding is not robust for commitments but holds when we exclude the lagged dependent variable (Online Appendix B1, columns 1 and 2).

two new binary variables for ideological differences. The first takes a value of one if the development minister is more left-wing than the head of government. The second takes a value of one if the development minister is more right-wing than the head of government. When we replace the baseline measure of ideological differences with these two new variables, both variables are jointly significant at the one-percent level (ODA commitments) and at the ten-percent level (ODA disbursements), respectively. However, their coefficients are not significantly different from one another at conventional levels of significance (p-values of 0.660 and 0.646; see Online Appendix B3 for details). This supports the view that diverging interests within the government causes each partner to grant the other partner more concessions (e.g., Dreher and Langlotz 2015).

With respect to our experience variables, we find that ODA budgets increase with the tenure of the development minister, at conventional levels of significance (columns 1-4). More precisely, each additional year of experience as development minister increases ODA commitments by 0.7 percent and disbursements by 0.5 percent on average (columns 3 and 4).³⁴ Taking this at face value, Luxembourg's Jacques Poos in his 15th year would have been able to secure an aid budget that is roughly 10 percent larger than that of a newcomer. As hypothesized, political experience as development minister appears to provide ministers with an advantage in their fight for higher budgets. There is also some evidence that a longer tenure of heads of government has the opposite, negative effect on aid budgets, as evidenced by the negative significant coefficient on tenure gov. head in column 4 (at the ten-percent level). More experience in office seems to enable heads of government to better defend against demands for budget increases. An additional year of experience as head of government is associated with a reduction of ODA disbursements by 0.3 percent.³⁵ In contrast to on-the-job experience, development ministers' prior professional experience in development cooperation (prof. dev. coop. minister) and training in economics or business (economics & business minister) do not seem to be associated with ODA budgets as none of the corresponding coefficients reaches statistical significance at conventional levels.³⁶ On the contrary, we find evidence for larger aid budgets when the government is led by a trained economist.

³⁴ When we omit the lagged dependent variable, the effect increases to 1.0 and 1.2 percent, respectively (Online Appendix B1, columns 1-2). The finding appears to be driven by the post-Cold War period (Online Appendix B1, columns 3-6). Given the inclusion of the lagged dependent variable, the values above correspond only to the short-run effect of tenure. Taking account of the coefficient of the lagged dependent variable, we obtain long-run effects of 1.3 and 1.7 percent, respectively.

³⁵ Non-linearities in the accumulation of political experience do not appear to play a significant role. Our results also show that it is the experience on the development office rather than general ministerial experience that matters for ODA budgets. Finally, as a proxy of unobserved ability, we also code a binary variable that takes a value of one if the development minister will become head of government in the future. However, ministers who make it to the head of government do not appear to attract more aid money. See columns 1 and 2 of Online Appendix B4 for detailed results.

³⁶ We also analyzed economics and business separately as well as five other educational backgrounds of development ministers, i.e., university degrees in (1) law, (2) medicine, pharmacy, or public health, or, (3) sciences, mathematics, engineering, or agricultural science, (4) political science or other social sciences, and (5) teaching, social work, or pedagogics. None of them appears to play a robust role for ODA budgets. Online

Columns 5 and 6 of Table 2 present regressions with government-head-fixed effects rather than government-head characteristics and donor-country-fixed effects. In this very strict specification, we only identify the possible effects of development minister characteristics on aid budgets through variation of development ministers within the tenure of each particular head of government. Focusing on the variables of interest for the sake of brevity, the results confirm our main findings from above. Development ministers' experience in office appears to be the only relevant minister characteristic that plays a role for aid budgets. Tenure minister remains positive and statistically significant at the five-percent level for ODA disbursements, while all other development minister characteristics do not reach statistical significance in this conservative specification. Even when we add minister-fixed effects to our baseline model, i.e., identify the effect of tenure on ODA budgets only through variation within ministers over their time in office, we still find support for this hypothesis (see panel E of Online Appendix B4).³⁷

To sum up, the development ministers' personal characteristics do not seem to matter much with regards to the quantity of ODA. Only one finding appears to be largely robust: a longer time in the development office strengthens the ministers' ability to negotiate higher ODA budgets. This also holds when we use contemporaneous rather than lagged explanatory variables (Online Appendix B6) or replace our dependent variable by ODA disbursements as a share of government expenditures (Online Appendix B7).³⁸ The appointment of more experienced ministers can thus help countries to achieve the UN target to provide 0.7 percent of GNI as development aid. Political experience seems to pay off.

(c) The Quality of ODA

Table 3 shows our results for ODA quality. We begin our analysis with specifications that exclude the lagged dependent variable (columns 1 and 2). While the regression in column 1 additionally excludes government-head and legislative controls, these variables are included in column 2. Starting with the interpretation of the results for the control variables, the coefficient on (log) GDP per capita is positive and reaches statistical significance at the five-percent level. High-quality ODA thus seems to be a

Appendix A4 provides descriptive statistics on the frequency of these degrees and columns 1 and 2 of Online Appendix B5 present detailed regression results.

³⁷ Given that this is a very demanding test, it is not surprising that the corresponding coefficients have p-values of 0.062 and 0.102 and are only weakly significant or even marginally insignificant.

³⁸ Since the inclusion of a lagged dependent variable can do harm to the estimates of other explanatory variables (e.g., Achen 2010), it is important to highlight that our qualitative results are largely unaffected when we remove the lagged dependent variable (Online Appendix B1). One may also argue that political globalization and the existence of an aid agency constitute "bad controls" in the terminology of Angrist and Pischke (2008). Development ministers' characteristics may affect the decisions to enter international organizations and sign treaties, i.e., they could affect a country's degree of political globalization. In addition, the institutional design of aid agencies may depend on the respective development minister in charge. When we remove these potential "bad controls" in addition, our results remain similar (Online Appendix B8).

luxury good: as countries become richer, incentives to provide self-interested aid shrink. In line with this explanation, a larger debt-to-GDP ratio is associated with significantly lower ODA quality (at the one-percent level). Government expenditure on the other hand is positively associated with higher ODA quality, suggesting that governments with higher expenditures have more experience with redistribution. Openness does not have a significant relationship with ODA quality. ODA quality decreases with the degree of political globalization and the existence of an aid agency, both at the ten-percent level of significance. While the effect of political globalization is surprising as one would expect more globalized countries to embrace a greater role in international development, aid agencies have higher administration costs which might harm the share of quality ODA. Finally, the positive and highly significant coefficient on (log) colonial history suggests that stronger ties with developing countries could give former colonial powers insights into where aid will be most effective and how to channel their aid more efficiently.

Turning to our variables of interest, we find a positive association between female minister and the quality of ODA, which is statistically significant at the ten-percent level in column 2. Interpreting the size of the effect, we find that ODA quality increases by one percentage point when a woman directs development policy. Even though this effect is not of a large magnitude and only corresponds to US\$ 28 million of additional quality ODA annually when holding gross aid constant, the result supports the idea that women and men differ in their preferences. Strikingly, however, the coefficient on female gov. head has the opposite sign and is statistically significant at the five-percent level. Specifically, we find that ODA quality decreases by 2.4 percentage points when a woman leads government.³⁹ Women in the highest political position might feel the urge to overcome the gender stereotype as discussed by Koch and Fulton (2011). Consequently, female heads of government might support more self-interested aid giving than their male counterparts.⁴⁰ The insignificant coefficient on female parliament suggests that no comparable gender difference exists at the legislative level. We conclude that gender differences in aid quality cannot be generalized and depend on the specific position under analysis.

With respect to political ideology, we find no robust significant relationship between our variables and the quality of ODA. This non-finding applies to development ministers, heads of government, the ideological differences of the former and latter, and also to the ideology of parliamentarians. We also obtain a non-finding when we replace our baseline measure of minister

³⁹ Only 11 of 210 heads of government in our sample are female, accounting for 6.3 percent of the minister-years. Hence, we cannot rule out that this finding is driven by individual personalities and that we thus only capture something like a Thatcher or Merkel effect. Regression results from specifications that individually drop one of the ten countries that ever had a female government head from the estimation sample suggest that the effect is largely driven by Australia and New Zealand.

⁴⁰ The comparison of regressions that exclude (column 1) and include (column 2) government-head and legislative controls supports our decision to include these variables. In column 1, *female minister* supposedly absorbs part of the negative effect of *female gov. head*, leaving *female minister* with an insignificant and less positive coefficient than in column 2.

ideology with one based on parties' statements in election programs (column 3 of Online Appendix B2). We conclude that the quality of ODA is independent of the political ideology of the relevant decision-makers.

Continuing with development ministers' experience, we find that ministers' professional experience in development cooperation as well as their experience in office matter for the quality of ODA. According to column 2, ministers with specific development experience succeed in increasing aid quality by 1.1 percentage points. Assuming gross aid to be constant, the average donor provides US\$ 30 million of additional quality ODA annually if a development minister with such a background comes to power. Accordingly, we find some support for our hypothesis that ministers with development experience deliver higher quality ODA—either because they have acquired knowledge of how aid can be more effective or because they have a higher intrinsic motivation to give quality ODA.⁴¹ Also, development ministers shift more resources to “development-friendlier” activities as they gain experience on the job. One additional year in office raises the share of quality ODA given on average by 0.2 percentage points, amounting to US\$ 4.7 million for the average donor (column 2). Among the three variables capturing the ministers' experience, economics minister is the only one not to reach statistical significance at conventional levels. Economists thus neither appear to be more selfish in the sense that they provide lower quality aid, nor more able to raise aid quality.⁴² Also, the corresponding government-head experience variables do not reach statistical significance in our regressions.⁴³

The lagged DV reaches statistical significance at the five-percent level when we include it in column 3. The quality of aid thus appears to be path dependent although the relationship is weaker than for aid quantity. The results for most control variables are similar compared to the specifications excluding the lagged DV in columns 1 and 2. Only gov. expenditure and political globalization lose statistical significance at conventional levels. Most notably, our findings for the minister characteristics are robust and the statistical significance of female minister, prof. dev. coop. minister and tenure minister actually increase from the ten-percent to the five-percent level.⁴⁴

⁴¹ We cannot control for experience in domestic regional development, which could affect ODA quality in a similar way. However, this should—if at all—downward bias our findings for experience in international development and thus work in our favor.

⁴² Analyzing the six other educational backgrounds of development ministers described in footnote X above, we do not find most of them to affect ODA quality. Only ministers with degrees in medicine, public health, or pharmacy appear to provide lower-quality aid than ministers with other degrees or no degree. See again Online Appendix B5.

⁴³ When we remove *political globalization* and *aid agency*, two potentially “bad controls” as discussed above, results are similar (columns 7-3 of Online Appendix B8).

⁴⁴ This is the only specification in which *right-wing gov. head* becomes statistically significant. Governments led by right-wing politicians seem to provide an aid quality that is 2 percentage points higher according to column 3. This finding is the opposite of our expectation that right-wing politicians might link more domestic economic benefits to aid, leading to lower ODA quality. However, we do not put much emphasis on this finding as the coefficient is only significant at the ten-percent level and does not hold in any other specification.

Since the average number of years per panel is 16 when using donor-country-fixed effects with lagged DV (column 3), our estimates may suffer from the Nickell bias. As discussed above, Angrist and Pischke (2008) recommend regressions that only include either the lagged dependent variable (column 4) or country-fixed effects (column 2) to bracket the true effect between an upper and lower bound. We find a significantly positive coefficient on female minister in all specifications, but our findings for prof. dev. coop. minister and tenure minister are not robust to the exclusion of country-fixed effects.

As we discussed above, Roodman's decision to reward recipient countries with good institutions is particularly debatable. Removing the aid selectivity adjustment, i.e., excluding the punishment for aid flows to richer and poorly governed countries, our finding that a development background is associated with higher ODA quality becomes stronger (see column 2 of Table 4). However, we do not find anymore that ODA quality is higher if a female minister is in office and that ODA quality improves with a longer time in office. Both earlier findings thus appear to be driven by these ministers' focus on aid selectivity. Ministers with development experience seem to be most suited to reduce problems associated with project proliferation as the respective coefficient becomes smaller and insignificant once we remove the penalty for proliferation (column 3 of Table 4).

Summing up, we find evidence that the ministers' gender and experience matter for ODA quality. This also holds when we use lagged rather than contemporaneous explanatory variables (Online Appendix B9). As hypothesized, development ministers' experience, in the form of prior professional experience in development cooperation and within their office, increases the quality of ODA. Although female ministers appear to provide higher-quality ODA, the opposite is true for aid given during the terms of female heads of government. This finding thus cautions against generalizations about gender differences in aid giving and highlights that such differences depend on the specific position in the political hierarchy being considered. We find no evidence that ministers' ideology or an education in economics or business are linked with ODA quality. However, our findings are contingent on the chosen definition of ODA quality and some results lack robustness to specifications that exclude country-fixed effects.

5. CONCLUSIONS

Development ministers play an important role in determining aid outcomes but the importance of their role in this office often goes unnoticed by their home country. According to a poll conducted in September 2014 by Forsa, only 2 percent of Germans know that Gerd Müller is their development minister.⁴⁵ Almost two years after the French development minister Pascal Canfin took office in May

⁴⁵ See poll "stern-RTL Wahltrend" available at <http://www.stern.de/politik/deutschland/stern-rtl-wahltrend-das-milieu-der-afd-waehler-ist-rechtspopulistisch-bis-rechtsradikal-2137035.html> (accessed 27 November 2014).

2012 (and shortly before he was removed again), a French news magazine still listed him among the “unknown ministers.”⁴⁶ In sharp contrast to the disinterest in development issues in many governments, parliaments and the public, aid decisions taken at donor ministries can have huge impacts on the ground as DAC countries alone provide more than US\$ 100 billion annually to the developing world. Building on the burgeoning literature on political leadership, this paper is an attempt to assess the link between the personal characteristics of the government member responsible for development cooperation (“development minister” in short) and the quantity and quality of ODA.

To examine this research question, we introduce a novel database covering all development ministers of OECD-DAC countries since the OECD started reporting detailed ODA flows in 1967. The outcome is a dataset covering 320 ministers, active in 23 countries over 46 years. Using panel econometric models, we then estimate the link between development ministers’ personal characteristics and (1) the size of aid budgets, and (2) aid quality as operationalized by the foreign-aid component of the Commitment to Development Index (CDI). Specifically, we test the role of the minister’s gender, political ideology, prior professional experience in development cooperation, university education, and time in office. In order to approach the identification of a genuine effect stemming from the personal characteristics of the development minister, we control for the corresponding personal characteristics of the respective head of government as well as donor-country- and time-fixed effects. In order to mitigate selection effects, we also run regressions with government-head-fixed effects and thus identify effects only through variation within governments over time.

Our results show that experience matters. In line with our expectations, we find that the minister’s political experience, as measured by their time in the development office, is positively associated with the quantity of aid: one additional year in office increases total ODA volume by 0.7 percent (controlling for the total ODA volume of the previous year). If one wants to raise the likelihood that a country’s aid level achieves the UN target to provide 0.7 percent of GNI as development aid, one should hire an experienced development minister. If one believes that aid is detrimental to development outcomes, one should favor a rookie instead. With respect to the quality of aid, one additional year in office raises the share of quality ODA by 0.2 percentage points. Ministers with prior work experience in the field of development cooperation provide on average 1.1 percentage points larger share of quality ODA than ministers that lack such experience. Moreover, female ministers appear to be more successful in providing quality ODA than their male counterparts: the share of quality ODA increases by 1 percentage point when women lead the ministry responsible for development cooperation. However, we cannot fully rule out inverse causation and our findings for aid quality lack robustness to specifications that exclude country-fixed effects.

⁴⁶ “Ces ministres dont on ne connait toujours pas le nom,” *Valeursactuelles.com*, 3 March 2014, available at <http://www.valeursactuelles.com/politique/ces-ministres-dont-on-ne-connait-toujours-pas-le-nom-43891> (last accessed 8 December 2014).

Taken together, our results show that some of the development ministers' personal characteristics are associated with aid giving but they do not matter much overall. This finding stands in contrast to the significant impact that scholars have found for the characteristics of heads of government, central bank governors, and finance ministers. Why are development ministers different? There are several potential explanations for this. First, an extensive strand of literature has shown that development aid is allocated due to national geostrategic and commercial interests (e.g., Alesina and Dollar 2000; Younas 2008). The defense of national interests ties too closely into the agenda of heads of government and parliamentarians and this might limit the room for development ministers to maneuver. This explanation would be in line with our finding that the gender and ideological composition of parliaments and some of the government-head characteristics are statistically significant in our regressions. Second, our analysis shows that it is not the ideology of ministers or heads of governments that directly matters for the quantity of ODA, but rather diverging ideologies that play a role. This finding hints at the important role of the negotiation process within governments that deserves closer investigation.

We leave several questions for future research. Since the importance of non-DAC donors in international development cooperation is rapidly growing (e.g., Dreher et al. 2013), future research should analyze the role of development minister characteristics in these donors' aid policies. Given that most of the big emerging donors are non-democratic and have weaker institutions than their DAC counterparts, the role of minister characteristics in these countries might be larger as a result of the fewer checks and balances that they have in place. Moreover, it would be necessary to test our explanations as to why ministers' characteristics do not show the expected effects by including variables capturing, for instance, donors' geostrategic or commercial interests. This undertaking would require a dyadic study design, including donor and recipient countries. It also appears fruitful to investigate the role of department heads within ministries. They are less likely to fluctuate and it would be interesting to learn more about the power struggles and negotiations within ministries. Finally, future research could delve deeper into the role of ministers' professional backgrounds and test whether ministerial experience in regional development is associated with ODA quality or whether their prior professions affect the sectoral allocation of ODA.

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Figure 1: Personal characteristics of development ministers (1967-2012)

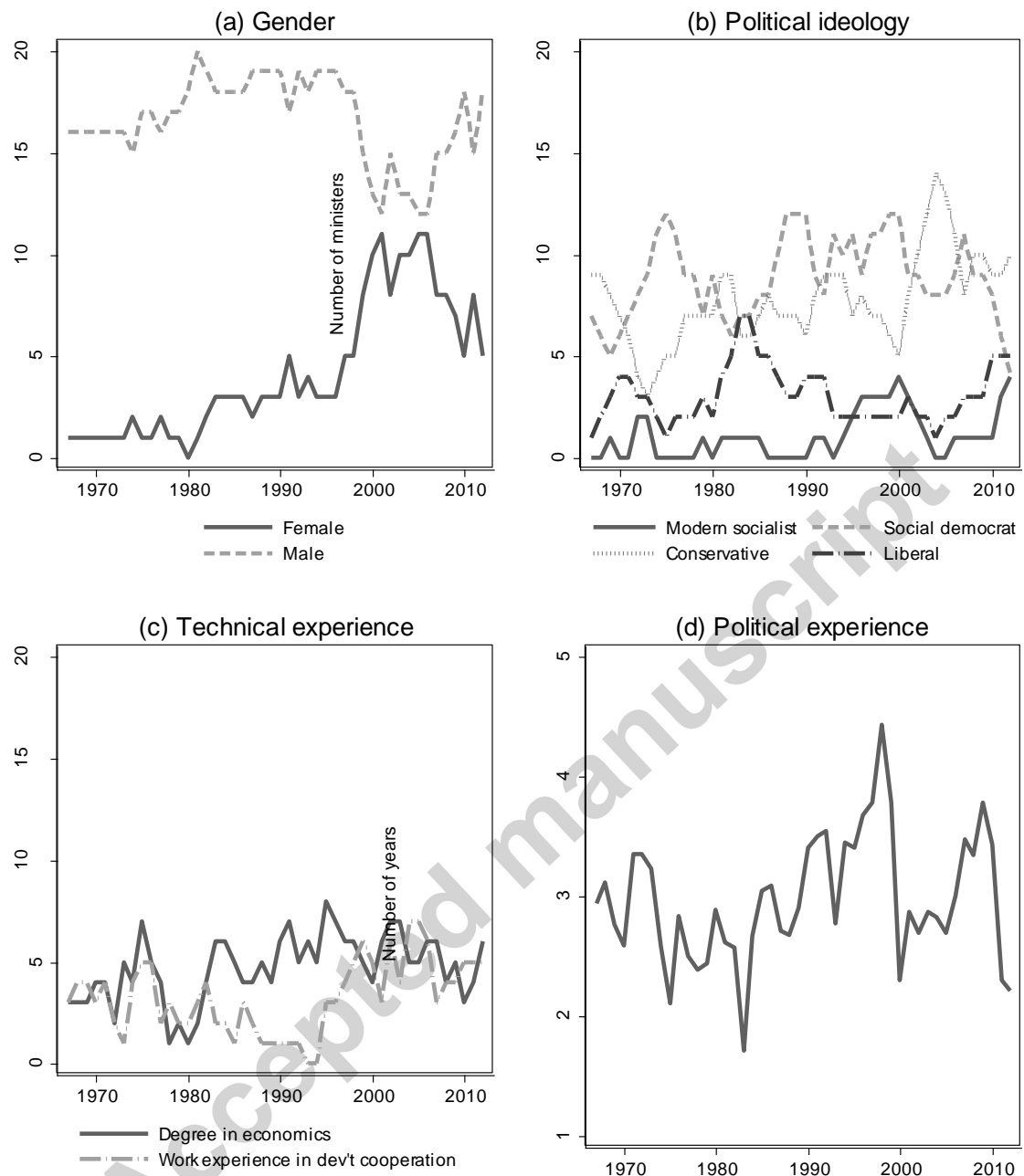
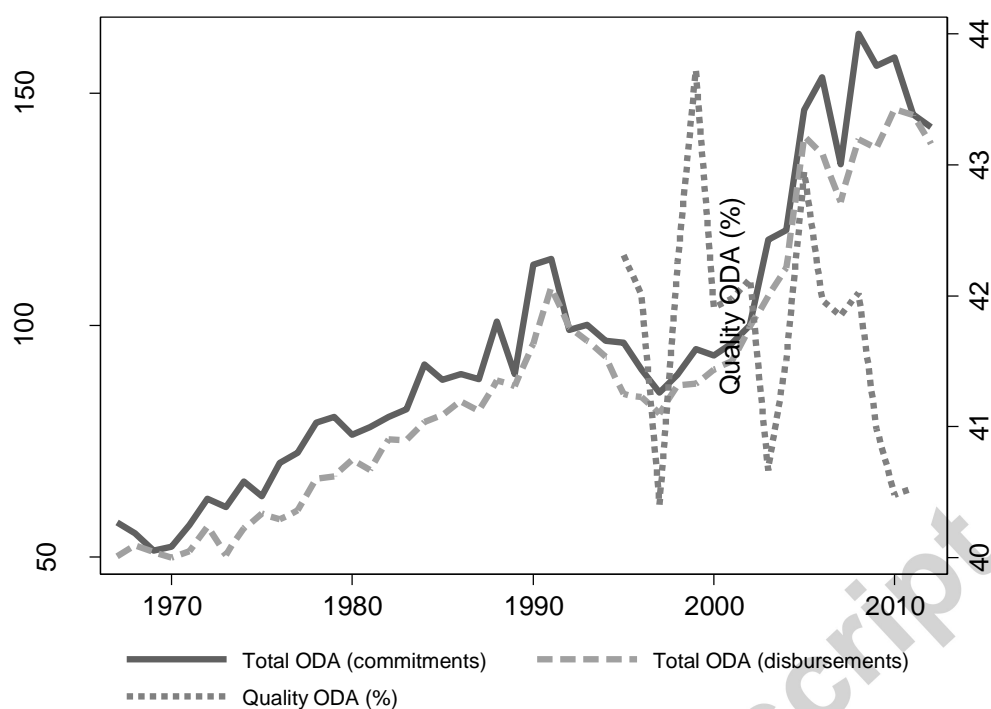


Figure 2: ODA quantity (1967-2012) and ODA quality (1995-2011)



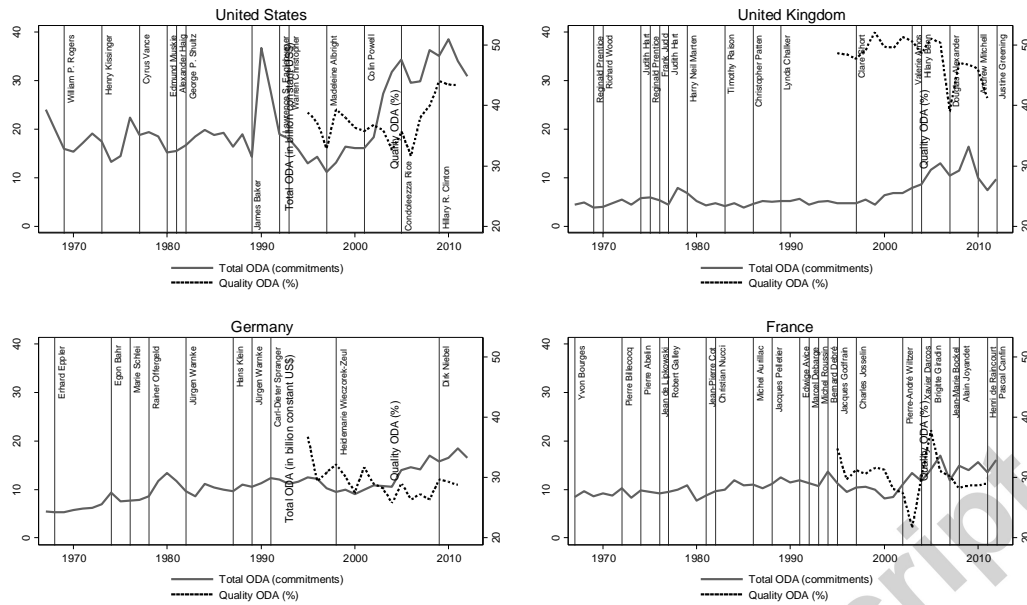


Table 1: Descriptive statistics

Variable name	Observations	Mean	Std. Dev.	Min	Max
(log) ODA commitments	919	21.50	1.40	17.12	24.37
(log) ODA disbursements	957	21.30	1.51	16.46	24.21
Quality ODA	389	41.74	11.31	0.00	69.24
(log) GDP per capita	931	10.41	0.39	9.11	11.53
Openness	940	69.14	45.22	9.68	352.90
Gov. expenditure	940	18.71	3.69	8.09	28.06
Debt	957	52.15	32.90	0.00	238.03
Political globalization	883	85.85	11.64	45.34	98.43
Aid agency	957	0.42	0.49	0	1
(log) Colonial history	957	10.33	8.70	0.00	21.56
Female minister	957	0.20	0.40	0	1
Female gov. head	957	0.06	0.24	0	1
Female parliament	949	16.66	11.91	0.00	47.30
Right-wing minister	957	0.31	0.40	-0.50	1.00
Right-wing gov. head	957	0.31	0.35	-0.50	1.00
Right-wing parliament	934	0.27	0.17	-0.43	0.78
Ideological difference	957	0.27	0.44	0	1
Prof. dev. coop. minister	957	0.16	0.36	0	1
Prof. dev. coop. gov. head	957	0.04	0.20	0	1
Economics & business minister	957	0.23	0.42	0	1
Economics & business gov. head	957	0.30	0.46	0	1
Tenure minister	957	2.99	2.35	1	15
Tenure gov. head	957	4.34	3.12	1	18

Table 2: Development minister characteristics and total ODA budgets (1971-2012)

	(1)	(2)	(3)	(4)	(5)	(6)
	(log) Total ODA com.	(log) Total ODA disb.	(log) Total ODA com.	(log) Total ODA disb.	(log) Total ODA com.	(log) Total ODA disb.
Lagged DV	0.4750*** [0.000]	0.6984*** [0.000]	0.4774*** [0.000]	0.6566*** [0.000]	0.0979 [0.100]	0.2927*** [0.000]
(log) GDP per capita	1.3020*** [0.000]	0.8093*** [0.000]	1.3170*** [0.000]	0.9722*** [0.000]	2.2188*** [0.000]	1.9817*** [0.000]
Openness	0.0012 [0.237]	0.0008 [0.112]	0.0016 [0.108]	0.0016*** [0.003]	-0.0008 [0.525]	-0.0016* [0.070]
Gov. expenditure	0.0176** [0.036]	0.0100 [0.145]	0.0159* [0.055]	0.0102 [0.117]	0.0362** [0.023]	0.0391*** [0.004]
Debt	-0.0014*** [0.001]	-0.0009*** [0.001]	-0.0012*** [0.005]	-0.0013*** [0.000]	-0.0010 [0.272]	-0.0004 [0.456]
Political globalization	0.0050** [0.021]	0.0024* [0.086]	0.0060** [0.024]	0.0043** [0.029]	0.0053 [0.236]	0.0059* [0.063]
Aid agency	0.0300 [0.371]	0.0765*** [0.004]	0.0162 [0.614]	0.0827*** [0.003]	0.0210 [0.827]	0.2088** [0.012]
(log) Colonial history	-0.2252*** [0.004]	-0.1266** [0.029]	-0.1414* [0.054]	-0.1114* [0.061]	-0.4366 [0.234]	-0.5402*** [0.003]
Female minister	-0.0355 [0.107]	-0.0215 [0.266]	-0.0289 [0.186]	-0.0274 [0.189]	-0.0381 [0.227]	-0.0434 [0.150]
Female gov. head			0.0088 [0.791]	0.0226 [0.370]		
Female parliament			0.0064*** [0.002]	0.0039** [0.022]		
Right-wing minister	0.0075 [0.713]	-0.0063 [0.661]	0.0008 [0.979]	-0.0356* [0.088]	0.0175 [0.739]	0.0113 [0.722]
Right-wing gov. head			-0.0062 [0.883]	0.0112 [0.678]		
Right-wing parliament			-0.0134 [0.880]	0.2299** [0.014]		
Ideological difference			0.0693*** [0.001]	0.0371** [0.015]		
Prof. dev. coop. minister	0.0160 [0.505]	0.0265 [0.143]	0.0017 [0.944]	0.0243 [0.164]	-0.0496 [0.172]	-0.0034 [0.910]
Prof. dev. coop. gov. head			-0.0012 [0.968]	0.0043 [0.841]		
Economics & business minister	0.0085 [0.625]	0.0157 [0.205]	-0.0050 [0.753]	0.0081 [0.508]	-0.0156 [0.621]	-0.0019 [0.931]
Economics & business gov. head			0.0377* [0.066]	0.0390*** [0.005]		
Tenure minister	0.0074** [0.044]	0.0047* [0.069]	0.0068* [0.059]	0.0054** [0.047]	0.0088 [0.134]	0.0070** [0.046]
Tenure gov. head			-0.0023 [0.342]	-0.0034* [0.078]		
Country FE	Yes	Yes	Yes	Yes	No	No
Gov. head FE	No	No	No	No	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	836	866	808	838	836	866
R-squared (within)	0.813	0.917	0.818	0.916	0.459	0.647
Number of countries	23	23	23	23	23	23
Number of gov. heads	182	187	180	185	182	187
Average number of years	36.4	37.7	35.1	36.4	4.6	4.6

Notes: Standard errors are clustered at the government-head level (in brackets). * (**, ***) indicates statistical significance at the ten-percent (five-percent, one-percent) level.

Table 3: Development minister characteristics and ODA quality (1995-2011)

	(1) Quality ODA	(2) Quality ODA	(3) Quality ODA	(4) Quality ODA	(5) Quality ODA
Lagged DV			0.2449** [0.038]	0.7029*** [0.000]	0.0293 [0.735]
(log) GDP per capita	15.2759** [0.026]	16.9968** [0.014]	11.1843** [0.026]	-0.2558 [0.826]	26.9395** [0.030]
Openness	0.0348 [0.242]	0.0354 [0.213]	0.0164 [0.524]	0.0203* [0.076]	0.0264 [0.357]
Gov. expenditure	1.1572*** [0.003]	0.9757** [0.024]	0.5387 [0.256]	0.2746 [0.161]	1.4362 [0.156]
Debt	-0.1178*** [0.000]	-0.1009*** [0.000]	-0.0634*** [0.008]	-0.0560** [0.032]	-0.0480 [0.133]
Political globalization	-0.2675* [0.055]	-0.2317* [0.077]	-0.1476 [0.199]	0.1131 [0.149]	-0.0967 [0.417]
Aid agency	-1.7096* [0.070]	-1.8045* [0.073]	-1.6019** [0.040]	-1.3811* [0.069]	-2.4474 [0.233]
(log) Colonial history	16.9263*** [0.001]	16.7040*** [0.002]	17.3956*** [0.001]	-0.0761 [0.134]	20.4548** [0.039]
Female minister	0.8782 [0.118]	1.0448* [0.099]	1.2345** [0.010]	0.9802* [0.064]	0.7638 [0.185]
Female gov. head		-2.4266** [0.046]	-3.1056** [0.024]	-0.8441 [0.354]	
Female parliament		0.1193 [0.231]	-0.0432 [0.605]	-0.0161 [0.728]	0.0726 [0.609]
Right-wing minister	0.4247 [0.624]	-0.6945 [0.529]	-0.6600 [0.421]	-0.7011 [0.504]	-0.8947 [0.623]
Right-wing gov. head		2.1887 [0.122]	2.0506* [0.054]	0.7247 [0.551]	
Right-wing parliament		-5.1830 [0.134]	-4.3708 [0.161]	4.6252 [0.192]	5.8445 [0.358]
Ideological difference		0.1781 [0.801]	-0.1828 [0.752]	-0.0312 [0.963]	-1.2962 [0.263]
Prof. dev. coop. minister	1.2172** [0.047]	1.1406* [0.088]	1.1491** [0.044]	-0.5053 [0.493]	1.3063* [0.097]
Prof. dev. coop. gov. head		-2.5437 [0.120]	-2.0237 [0.113]	-0.4762 [0.560]	
Economics & business minister	-0.7844 [0.161]	-0.9859 [0.137]	-0.5221 [0.304]	0.1794 [0.774]	0.6708 [0.213]
Economics & business gov. head		-0.1709 [0.828]	-0.4718 [0.472]	0.0914 [0.874]	
Tenure minister	0.1207 [0.241]	0.1693* [0.089]	0.1703** [0.040]	0.1135 [0.136]	0.1658 [0.268]
Tenure gov. head		0.0945 [0.345]	0.0758 [0.331]	-0.0039 [0.963]	
Country FE	Yes	Yes	Yes	No	No
Gov. head FE	No	No	No	No	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Observations	389	387	365	365	365
R-squared (within)	0.231	0.263	0.288	0.807	0.159
Number of countries	23	23	23	23	23
Number of gov. heads	88	88	82	82	82
Average number of years	16.9	16.8	15.9	15.9	4.5

Notes: Standard errors are clustered at the government-head level (in brackets). * (**, ***) indicates statistical significance at the ten-percent (five-percent, one-percent) level.

Table 4: Development minister characteristics and ODA quality (1995-2011, alternative adjustments)

	(1) Quality ODA	(2) Quality ODA No selectivity reward	(3) Quality ODA No proliferation penalty	(4) Quality ODA No tied aid penalty
Lagged DV	0.2449** [0.038]	0.2933** [0.029]	0.3152*** [0.003]	0.1857* [0.072]
(log) GDP per capita	11.1843** [0.026]	7.8445 [0.323]	11.5880* [0.060]	7.0939 [0.161]
Openness	0.0164 [0.524]	-0.0288 [0.420]	0.0364 [0.215]	0.0136 [0.628]
Gov. expenditure	0.5387 [0.256]	0.2850 [0.619]	0.7181 [0.135]	0.4291 [0.374]
Debt	-0.0634*** [0.008]	-0.0829** [0.011]	-0.0504** [0.026]	-0.0607*** [0.005]
Political globalization	-0.1476 [0.199]	-0.0863 [0.544]	-0.0830 [0.490]	-0.1198 [0.328]
Aid agency	-1.6019** [0.040]	-1.6809 [0.210]	-2.4307*** [0.003]	-1.1258 [0.184]
(log) Colonial history	17.3956*** [0.001]	14.5201** [0.010]	21.8077*** [0.001]	15.9239*** [0.004]
Female minister	1.2345** [0.010]	0.7243 [0.293]	1.6455*** [0.001]	0.8830* [0.056]
Female gov. head	-3.1056** [0.024]	-1.9396** [0.042]	-2.1522 [0.167]	-2.7389** [0.037]
Female parliament	-0.0432 [0.605]	0.0322 [0.792]	0.0043 [0.965]	-0.0636 [0.430]
Right-wing minister	-0.6600 [0.421]	1.5051 [0.157]	-1.2285 [0.159]	-0.7472 [0.343]
Right-wing gov. head	2.0506* [0.054]	1.1456 [0.387]	2.5154** [0.026]	2.1377** [0.040]
Right-wing parliament	-4.3708 [0.161]	-11.4162* [0.059]	-3.6732 [0.262]	-6.1191* [0.052]
Ideological difference	-0.1828 [0.752]	1.0236 [0.139]	-0.6830 [0.295]	-0.2660 [0.640]
Prof. dev. coop. minister	1.1491** [0.044]	2.1488*** [0.009]	0.5334 [0.383]	1.3129** [0.031]
Prof. dev. coop. gov. head	-2.0237 [0.113]	-2.1776 [0.124]	-3.6360*** [0.004]	-0.9674 [0.394]
Economics & business minister	-0.5221 [0.304]	-0.9598 [0.186]	-0.8006 [0.164]	-0.0185 [0.971]
Economics & business gov. head	-0.4718 [0.472]	0.0266 [0.978]	-0.5163 [0.370]	-0.4827 [0.521]
Tenure minister	0.1703** [0.040]	0.1260 [0.216]	0.2321** [0.030]	0.0977 [0.205]
Tenure gov. head	0.0758 [0.331]	0.0612 [0.603]	0.0697 [0.414]	0.1110 [0.179]
Country FE	Yes	Yes	Yes	Yes
Gov. head FE	No	No	No	No
Year FE	Yes	Yes	Yes	Yes
Observations	365	365	365	365
R-squared (within)	0.288	0.344	0.361	0.252
Number of countries	23	23	23	23
Number of gov. heads	82	82	82	82
Average number of years	15.9	15.9	15.9	15.9

Notes: Standard errors are clustered at the government-head level (in brackets). * (**, ***) indicates statistical significance at the ten-percent (five-percent, one-percent) level.