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EVALUATING THE EFFECTIVENESS AND EFFICIENCY OF U.S. FOREIGN AID

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EVALUATING THE EFFECTIVENESS AND EFFICIENCY OF U.S. FOREIGN AID

by

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Abstract

The U.S. is the top spender in the world when it comes to foreign aid, sending billions of dollars around the world each year. There are many different goals and objectives that the U.S. government hopes to accomplish with their spending. This paper is structured as an extended literature review analyzing previous literature on the topic of U.S. foreign aid spending and the results of these funds around the world to test the effectiveness and efficiency. The process of how the foreign aid budget is set will also be discussed as well as the history of why the U.S. started spending funds on foreign aid in the first place. Certain examples and cases of how foreign aid has been used will also be explained to reveal how foreign aid works in the U.S. today and how effective it has been in the past. This background information will allow for a better understanding and discussion on how to improve the results of this spending.

KEY WORDS: foreign aid, USAID, U.S. budget, foreign trade, Middle East, human rights, foreign affairs, political landscape, international economic assistance

Table of Contents

Introduction.....1

Methodology.....6

Literature Review.....7

 History.....7

 Inner Workings of Foreign11

 Impact & Issues.....16

 Human Rights Ineffectiveness.....16

 The Effect of Political Shifts.....24

 The Importance of Culture, History and Political Structures.....28

Potential Improvements.....32

Conclusion.....37

References.....40

Introduction

Most Americans are not aware how much of the U.S. budget is distributed to foreign aid, what countries are the main receivers, or the policy goals the U.S. has for this aid. This lack of information and understanding has led to disoriented views of what foreign aid actually is and its purpose. In a world that is becoming increasingly interconnected through technology and globalization, foreign affairs have never been more crucial to the American public and voter. Without this knowledge, voters who are not properly educated make decisions to elect representatives that may or may not reflect the true values of the population. According to The Brookings Institution, the number one myth that most Americans believe is that the U.S. spends too much on foreign aid (Ingram, 2019). Many Americans are 10, 20, and 30% off when it comes to the correct amount of how much of the Federal budget is allocated to foreign aid. When in actuality, it is less than 1% (Ingram, 2019). This is just one example of a misconception that is popular in the American public. This brings an important concern to the surface, more Americans need to be educated on what foreign aid goals are if the U.S. ever hopes to have true success with it comes to its international policies.

The importance of aid has been highlighted because of how connected the world is today, but it is also valuable to understand what significance and hopes the American people place on it. According to a study by the Pew Research Center, in 2017, 47% of Americans thought it was “best for the future of our country to be active in world affairs,” while in 2014 it was only 35% who thought it was best for the “U.S. to be active globally” (Pew Research Center, 2017). This 12% increase in support for the U.S. to be involved in foreign affairs shows the growing significance it has as a current issue. And although not all aspects of foreign aid are understood

by the American public, the ability to recognize the value in being involved in other countries is not only beneficial to the receiving factor, but also the U.S.

To deeper understand the conversation about foreign aid, it is important to be aware of how aid is given and distributed in the U.S. Explained on the U.S. Department of State's website, foreign aid falls under the International Affairs Budget. This budget covers U.S. international activities, including operating U.S. embassies and consulates throughout the world: providing military assistance to allies, aiding developing nations, dispensing economic assistance to fledgling democracies; promoting U.S. exports abroad, making U.S. payments to international organizations, and contributing to international peacekeeping efforts (U.S. Department of State, 2021). A key highlight in this list demonstrates how the U.S. government views aid, as a way to also promote U.S. exports. This is an example of how aid can be beneficial to the U.S. as well as the recipient country. Another phrase in this definition, highlights the hope of peacekeeping efforts that foreign aid carries.

The amount of money that is attributed to foreign aid is a part of the Federal Budget that is decided upon by the U.S. government. The United States Senate's website explains that the first step in approving this budget happens when, "The president submits a budget to Congress by the first Monday in February every year. The budget contains estimates of federal government income and spending for the upcoming fiscal year and also recommends funding levels for the federal government. Congress then must pass appropriations bills based on the president's recommendations and Congressional priorities" (United States Senate, 2021). This is how the amount of yearly foreign aid distribution is agreed upon. After the budget is approved, there are a few key agencies that receive a significant portion of the funding from the "International Affairs Budget", they are the U.S. Agency for International Development (USAID), the U.S.

Departments of State, Agriculture, the Treasury, and the Department of Defense. Historically, the State Department and USAID comprise more than 90% of the U.S. International Affairs Budget (United State Senate, 2021). From the USAID, money can be distributed in a number of ways. The majority of funds are allocated competitively through contracts, grants, or cooperative agreements (USAID, 2021). This background understanding of how the amount of aid is decided upon yearly, and what key agencies receive the majority of the spending, will help with the discussion of understanding why foreign aid is not as efficient and effective as it could be and what changes should be made.

The last essential part to understanding U.S. foreign aid, is knowing who the receivers of these funds are. In 2019, more than 180 countries and territories received some form of U.S. assistance (Congressional Research Service, 2020). The top aid recipients are typically countries in the Middle East (CRS, 2022). To further understand the distribution of aid, 10 recipient countries in 2019 accounted for approximately 34% of aid obligations (CRS, 2022). These facts give a basis to understand where aid is given and what territories are most affected.

A significant progression that has recently occurred in relation to foreign aid, is the current invasion that Russia has made into Ukraine in early 2022. This event has had major repercussions on not only foreign affairs, but also how many Americans view aid in general. Although the true effects can not be predicted of this invasion, there is no doubt that it is the reason for significant shifts concerning diplomacy, international relations, and foreign affairs. This progression of events, only furthers the need and importance of Americans truly understanding their country's policy on foreign affairs in relation to aid.

The main issue that will be discussed further in this paper, is how the current process of foreign aid fails to be effective and efficient in accomplishing its goals. Compared to the rest of

the world, the U.S. is responsible for giving away foreign aid more than any other country (Andrezejewski, 2021). A problem that seems to be prevalent in U.S. spending, is that the government usually defaults to the solution of putting more money into an issue or problem rather than taking a more holistic approach and looking at the root causes of the problem. This, unfortunately, is also the case pertaining to how the U.S. spends its foreign assistance dollars. Handing out foreign assistance is not a new development in foreign policy for the U.S., as they have been doing it for over 75 years. But because the global outlook and shifts of power are constantly changing, the U.S. needs to be able to pursue long-term solutions to problems in changing landscapes. With this in mind, it is easy to see why having an effective foreign aid record is difficult to achieve. Some may argue that U.S. foreign aid dollars have done more harm in certain countries and situations than good. This is predominantly due to a lack of understanding in how different cultures and countries operate and formation of strategies that can be successful in those areas.

This paper will highlight the key goals and areas where foreign aid is distributed to and how successful policies have been. It will also discuss the ways that foreign aid can be more efficient and effective in accomplishing its goals. A main issue that will be addressed is for the U.S. to start placing more focus on long-term problems rather than short-term solutions. This can be accomplished through the investment of governance. Another improvement that will be discussed is taking more time to understand culture and political structures as well as addressing issues of accountability.

An area that could use more research and something that this paper will also be discussing, is the state of education that American voters have and their opinions on foreign aid.

In recent research, connections have been found between party lines and how they normally vote for foreign aid policies. As well as how specific representatives vote for policies and the correlation between what states benefit the most from foreign exports, which are supported by aid.

Methodology

This thesis is an extended literature review on the topic of the effectiveness and efficiency of U.S. foreign aid spending. This extensive review provides information from a long list of scholarly articles obtained through EBSCO and Business Source Complete library databases provided by Southeastern University and specific Congressional reports. Many of the search terms used to find articles include “U.S. foreign aid,” “foreign assistance,” human right abuses, “political spending,” and other key words. The data was narrowed down to peer-reviewed journals. Among this research, articles were used that focused on U.S. foreign aid spending and the countries who had received the funds. This review identifies past research into this subject and incorporates the review of multiple aspects when looking at the effect of foreign aid dollars. The goal of this review is to look into how foreign aid amounts are set by the U.S. government, discuss the main goals that are hoped to be achieved, and evaluate the effect this aid has on the recipient country. The overall purpose of this extensive research is to create recommendations on how foreign aid can be improved in the U.S. to better accomplish its goals. The takeaways from this research will also be discussed. Subsequently, the thesis will focus on using this information along with research, to explore a solution to make foreign aid more effective.

Literature Review

History

An overview of U.S. history with foreign aid helps reveal the goals, reasoning, and how the U.S. became a key figure in assisting the world. The mechanics of how foreign aid works today is something that most Americans are not familiar with. Instead, the extent of knowledge that many have on this subject is limited to the notion that the U.S. gives a lot of money to other countries that end up doing “something somewhere”. When looking at its history, the purposes and reasoning for aid have changed as the world has shifted throughout the last hundred years. Understanding the history of foreign aid and its changes throughout the years can lead to a better interpretation of the process and how it has evolved from its original purpose.

The history of U.S. foreign aid is relatively short, the official assistance starting after the events in the second world war. At its beginning, the main purpose of U.S. aid was to counter communism in postwar Europe (Congressional Research Service, 2022, p. 1). This was accomplished through the Marshall Plan in 1948, put into action by President Truman after the war (Edwards, 2015, p. 298). The conditions of the world during this time should be noted. After the second world war, the geopolitical environment had undergone extensive changes over the last decade. In his article about the purposes of the Marshall Plan and how it got created, Berle explains the conditions that birthed the foreign aid plan writing, “What Secretary Marshall quietly proposed on June 5, 1947, was an American policy directed not against any country or doctrine but against hunger, poverty, despair and chaos” (Berle, 2015, p. 200). The goal of foreign aid at the time was not one of long-term ambitions. In fact, according to the Mutual Security Act, Congress had initially planned for economic assistance to end in two years and military aid in three (Edwards, 2015, p. 299). In fact, there were many who had reservations

about the plan in the first place. A committee was created to answer the question of whether the United States could support the demands of 13.9 billion dollars that were required within the plan without impairing its own economy (Berle, 2015, p.211). A report was later written to assure those with concerns that the U.S. could “quite safely and wisely extend support of the magnitude contemplated by the sixteen-nation schedule” (Berle, 2015, p.211). With the U.S. convinced that it could safely support the Marshall Plan the foreign aid was distributed. Understanding the conditions that the international world order was in during the time of the Marshall Plan gives insight into what the original purpose of U.S. foreign aid was and the reservations that existed then.

As the years after the war were drawn into the Cold War, the U.S. realized the importance of foreign aid and decided to continue its existence which has been carried out indefinitely since (Edwards, 2015, p. 299). According to the Council on Foreign Relations, this was put into law by the 1961 Foreign Assistance Act, which attempted to streamline the government’s efforts to provide assistance around the world. The statute defines aid as “the unilateral transfers of U.S. resources by the U.S. Government to or for the benefit of foreign entities” (McBride, 2018). The overarching goals of aid have changed throughout history, first focusing on containing communism and then on economic productivity in the 1960s to the basic needs approach of the 70s (Edwards, 2015, p.299). Looking deeper into the shifts that have taken place some key points can be made. After the Cold War ended in the early 1990s, many foreign policy analysts argue that “the end of the Cold War has released the U.S. government from the need to orient every international action toward the pursuit of national security” (Meernik, Krueger, & Poe, 1998, p. 64). This represents a significant shift in what would be the goals of the U.S. aid dollars. Moving from national security, the other goals that started to take more precedence include aid to support

free markets, democracy, human rights, and economic development (Meernik, Krueger, & Poe, 1998, p. 70-73). Not only were the overall aims of foreign aid changed but also what countries have been chosen to get aid. To demonstrate this it was concluded that “the United States is increasingly rewarding democratic states with foreign aid while reducing assistance to strategically important nations” (Meernik, Krueger, & Poe, 1998, p. 64). This change represents the significant shift of what foreign aid was hoped to accomplish and where it was given.

That being said, the notable event that changed the beginning of the 21st century also changed the U.S.’s approach to foreign aid. Another important shift that occurred in the goals of foreign aid took place after the attack on the World Trade Center in 2001. The larger part of foreign aid then focused on counterterrorism, especially with military involvement in Iraq and Afghanistan (Congressional Research Service, 2022, p. 1). This caused an “unprecedented level of overlap between defense and development missions with respect to engagement with Africa” (Miles, 2012, p. 28). This quote demonstrates the change that foreign aid goals underwent after the events of the September 11th attack. The shift in this policy is even compared to the “containment” policy concerning communism and the Marshall Plan.

Most recently, the purpose of foreign aid has been to regulate the competition between China and Russia, while also addressing the humanitarian crisis (Congressional Research Service, 2022, p.1). These strained relationships have arisen as the the United States continued to be challenged for international leadership by a “rising China and a rapidly re-arming, revanchist Russia” (Natsios, 2020, p.101). Two big developments concerning these relationships was the COVID-19 pandemic and the Russian invasion of Ukraine in 2022. As different purposes of aid have changed throughout time, in the foreign aid community, there is constant debate on the areas where aid should be allocated and what is the most effective and efficient way to bring the

best results. This will be discussed further in the last section of the literature review on creating improvements to the process of how aid is distributed.

Looking more closely at the U.S.'s history with foreign aid, Tyler Wood provides an interesting perspective from an article published in 1959. When addressing the grand scope of what foreign aid has to balance, Wood summarizes clearly, writing that it, "Encompasses such a broad and complex area of human activities, of political, military, economic, and psychological elements..." (Wood, 1959, p. 203). By highlighting what a complex issue foreign aid was more than 60 years ago, it can be assumed that these factors and challenges all still exist today. The complexity of what foreign aid and what should be the goals the U.S. is seeking to accomplish has changed throughout the years. A challenge in the mindset that the U.S. adopts is also highlighted by Wood. He makes it clear that even since 1959, Congress has held the opinion that goals can be accomplished in a relatively short period of time (Wood, 1959, p. 208). This has been proven to be untrue and will be explained further in a different section. Wood is direct in his criticism of how the U.S. views aid by asserting the point that it operated under the false assumption that there is a, "Quick or cheap or easy solution by which we can realize our hopes for the kind of world we have been seeking" (Wood, 1959, p. 208). This viewpoint of aid taken from its beginning gives more context on why the U.S. started distributing aid in the first place and what mindset Congress had.

The U.S. has a fairly young foreign aid program, but its goals and purpose has changed throughout the years as the world has undergone different events. In my next section, I will discuss where foreign aid is now and how it works to better understand if the current system and short-term mindset that has been adopted since the creation of the program, is truly the best path forward.

Inner Workings of Foreign Aid

This section of the literature review will dive deeper into the different categories of aid, the goals in pursuit today, and how these funds are distributed between different organizations. This information will give more depth and understanding into the U.S.'s policies concerning foreign aid and will help lead to conclusions that will be later supported in this paper.

Understanding where foreign aid dollars actually can lead to better insight of the current system and verifying if it is effective in the goals it sets out to accomplish. There are three main categories that foreign aid spending can fall into. The largest category that accounts for 31% of all U.S. foreign aid, is under the name bilateral development. This can be explained simply as aid that is devoted to economic development and the welfare of poor countries (Congressional Report Service, 2022, p. 6). Looking deeper into the bilateral development category, it can be concluded that a large portion of this section is going towards global health and providing assistance to counter disease such as malaria and tuberculosis (CRS, 2022, p. 6). Another component of this segment is that of social stability and creating effective governance in developing countries (CRS 2022, p.6). The idea of creating stable governance will again be touched on in the last section of the literature review. The category Official Development Assistance or ODA receives much of the bilateral funding from this section of the foreign aid budget. According to a report on the development co-operation profiles published by the OECD, "The largest share of gross bilateral ODA went to sub-Saharan Africa and to partner countries in the least-developed country (LDC) category" (OECD, 2023). The other two main areas being Asia and the Middle East (OECD, 2023). The ODA also put about 32% of its bilateral funding specifically into least developed countries or LDCs (OECD, 2023). Knowing how these funds are divided up statistically can help with comprehension of the bilateral development category.

The division closely following bilateral development is military assistance. This division accounts for 29% of the total U.S. foreign aid budget (CRS, 2022, p. 10). According to the Congressional Report, the majority of this assistance goes towards training and equipping foreign militaries (CRS, 2022, p.10). As of the most recent estimate taken in 2019, countries such as Israel, Egypt, Jordan, Afghanistan, and Iraq receive the most military aid (CRS, 2022, p.10). It is argued that the military aid category of the overall foreign aid budget is the least dispersed compared to other categories (McBride, 2018).

Within the government, the Department of Defense plays a large role in this spending category and is the agency that is primarily responsible for implementing military aid (McBride, 2018). That being said, there have been many concerns about this category before. Analysts worry about the potential threat of military aid being used to “bolster repressive regimes” (McBride, 2018). This is why Congress has been especially persistent in passing legislation that significantly limits U.S. aid being sent to governments that have violated human rights (McBride, 2018). Understanding these drawbacks and concerns about aid that is classified as military assistance is essential to examine due to it accounting for almost a third of the overall U.S. foreign aid budget.

The last big section which foreign aid flows into is called humanitarian assistance which is allocated 20% of the total budget (CSR, 2022, p. 6). The timeline of this category is slightly different than the other two major sections because its purpose is to immediately relieve human suffering caused by human made and natural disasters (CSR, 2022, p. 7). The State Department plays a large role in this spending category. It is funded under Migration and Refugee Assistance (MRA) and the Emergency Refugee and Migration Assistance (ERMA) accounts (Foreign Aid: An Introduction to U.S. Programs and Policy, 2015, p. 8). These accounts are aimed at

addressing specifically the needs of refugees and internally displaced persons (Foreign Aid: An Introduction to U.S. Programs and Policy, 2015, p.8). Another aspect of this budget category is the disaster relief and rehabilitation assistance of natural disasters who are aided by these funds ((Foreign Aid: An Introduction to U.S. Programs and Policy, 2015, p.8). In the past two examples of these events include the 2010 Haiti earthquake and social dislocation caused by the 2014 Ebola epidemic. As events happen around the world, the humanitarian assistance category is allowed to be flexible to meet the present needs of natural disasters and other world events. Bilateral development, military assistance, and humanitarian assistance are the three main divisions that foreign aid is committed to. Next, the question of where these funds are distributed will be looked at.

There are about seven specific organizations where money flows into from the foreign aid budget. The organization that accounts for about 50% of that spending is the USAID. This acronym stands for U.S. Agency for International Development. According to the agency's website, its primary mission fits into the lines of reducing conflict, preventing diseases, and economic development (USAID, 2018). That being said, the sole purpose of the USAID is not just to give aid to developing countries, also according to its website, the USAID is committed to promote, "American prosperity through investments that expand markets for U.S. exports; create a level playing field for U.S. businesses" (USAID, 2018). The Fiscal Budget for the year 2023 expects to give around 60.4 billion dollars to USAID (USAID, 2022). USAID is involved in many different areas of assistance, including but not limited to food security, education, economic trade and growth, global health, and anti-corruption (USAID, n.d. "What We Do).

The second organization that is the biggest receiver of foreign aid is the Department of Defense which receives about 30% of the foreign budget (CSR, 2022, p. 6). The Department of

Defense is responsible for training, equipping, and supporting military operations throughout the world (CSR, 2022, p. 12). A few examples of these activities include Counter-ISIS Train and Equip Fund and the Ukraine Security Assistance Initiative (CSR, 2022, p. 12). As mentioned before, one of the main recipients of the humanitarian assistance segment is the The Department of State. This department receives about 16% of the total foreign aid funds (CSR, 2022, p. 6). This department aids the USAID and DOD in some of their goals while also pursuing some of its own assistance programs (CSR, 2022, p. 13).

Another organization that is worth mentioning is the U.S. Department of Treasury which makes contributions to the World Bank and other multilateral development institutions (CSR, 2022, p.17). Along with participating in global financial institutions, the Treasury Department manages programs for debt relief and economic reforms in poor countries (McBride, 2018). According to the Congressional report, this department received about 1.6 billion dollars in 2019 (CSR, 2022, p.17). Right under this department is the U.S. Department of Health and Human Services which receives 1.4 billion in foreign assistance activities (CSR, 2022, p.18). This department is involved in AIDS and HIV relief programs as well as being involved with The Centers for Disease Control and Prevention (CDC) (CSR, 2022, p.18). There are various other agencies that also receive funding include Peace Corps, Trade and Development Agency (TDA), and the U.S. International Development Finance Corporation (DFC) (CSR, 2022, p.18). For the scope of this paper, the USAID will be the primary target when discussing where foreign aid is currently going and how the process could be improved.

Another part of the puzzle when it comes to understanding foreign aid, is knowing the purposes and priorities of why the U.S. chooses to give foreign aid in the first place. The first main reason for the creation of foreign aid is because it promotes national security (CSR, 2022,

p. 3). This can be seen when the U.S. wanted to prevent communism and when it shifted to a counterterrorism approach. According to Anthony Cordesman, a national security analyst on a number of international conflicts, foreign aid “both reinforces deterrence and security partnerships” (Cordesman, 2017, p.3). Cordesman highlights the role that foreign aid can play in protecting the national security of the U.S. The second reason for foreign aid is because it can defend commercial interests of the U.S. by creating new customers and economic opportunities for U.S. companies (CSR, 2022, p. 4). Many analysts argue the role foreign play in commercial interest can be especially important as tensions between China and the U.S. increase. The third goal that the U.S. has for foreign aid is using it to help solve humanitarian concerns such as poverty, diseases, and human suffering (CSR, 2022, p. 4). This can be explained as short term assistance in response to current disasters or also long-term assistance such as combating poverty and diseases (CSR, 2022, p. 4).

These three highlighted purposes help bring context to the goals of what the U.S. hopes to accomplish with the use of foreign aid funds. Understanding these main objectives will bring clear benchmarks to evaluate how successful the U.S. has been in the past. As also discussed above, the foreign aid budget is split into three distinct categories that have key organizations to receive these funds. The organization that receives the greatest amount of these budgeted funds is USAID, which also has the goal to provide assistance to other countries while also promoting U.S. interests.

Impact & Issues

The section of the literature review will address the problems in the effectiveness of the current system of distributing aid and the corruption that can take place when organizations and the government decide to put U.S. interests above truly understanding the various environments and social norms of these countries. The two issues that will be addressed specifically are the effect that U.S. aid has on human rights and the efficiency of the current system of distributing aid.

Human Rights Ineffectiveness

The first major flaw in the current system of U.S. foreign aid is that it usually does not result in better results especially in the area of human rights. A brief history of the U.S. goals with human rights in relation to foreign aid can reveal the strategies that have been used throughout the decades. In the mid-1970s, Congress reintroduced human rights into U.S. foreign policy (Carleton & Stohl, 1987). This push to reintroduce a focus on human rights was spurred by the American civil rights movement and strong American backlash against the war in Vietnam (Carleton & Stohl, 1999, p.186). Reacting to public opinion, Congress created laws with formal requirements for restricting and denial of foreign aid to countries that have a record of consistently violating the human rights of their citizens (Carleton & Stohl, 1999, p.186).

It is also important to analyze how different administrations have handled the issue of upholding human rights. The Carter administration pledged to create a foreign policy that was focused on moral considerations (Carleton & Stohl, 1999, p.186). During his presidency, Carter promised to link foreign assistance money to the human rights performance of human rights of the recipient country (Carleton & Stohl, 1999, p.186). On the other hand, the Reagan

administration focused on the return of U.S. strength and prestige (Carleton & Stohl, 1999, p.186). The Bush administration was “much less moralistic, more pragmatic, yielding to reclaim and post-Cold War power politics (Carleton & Stohl, 1999, p.186). In 1992, Bill Clinton issued a warning to China that his administration “has made human rights a cornerstone of our foreign policy” (Carleton & Stohl, 1999, p.186). These differences in approaches are important to note when looking at what decisions have been made with U.S. foreign policy in relation to upholding human rights. To better understand the requirements that are in place in U.S. law, Carleton and Stohl summarize writing, “U.S. law requires that the government give human rights priority over other foreign policy considerations, such as economic interest or military presence, in the allocation of foreign aid. But human rights are not an absolute criterion for the dispersion of aid. The legislation allows for lawful digression from the human rights requirement in cases of “extraordinary circumstances” or when the aid will directly help needy people” (Carleton & Stohl, 1999, p.195). This relationship between upholding human rights and the amount of foreign aid a country receives is important to understand to effectively evaluate how that relationship can be improved in the future.

In their book titled *Strategic US Foreign Assistance*, authors Callaway and Matthews reason that productive human rights strides are continuously held back in the name of national security (Callaway & Matthews, 2008). They go on to note that improving human rights is a stance that the U.S. often speaks of but in reality of the allocation of aid, there is little done to improve the lives of those suffering (Callaway & Matthews, 2008). This reveals the idealistic goals that the U.S. has, that are rarely actually fulfilled. Along with the reason for national security, the role that politics has played when trying to accomplish human right goals should not be overlooked. Callaway and Matthews argue that for too long foreign policy objectives and

decisions are made with the U.S. interests in mind instead of a focus on the actual individual within the aid recipient country (Callaway & Matthews, 2008). This disconnect can cause politicians to focus on idealistic views and rhetoric of how foreign aid should help human rights, without any actual substantial benefits. The difference between the intent of what the U.S. hopes to achieve and the actual consequences of their aid is one of the major downfalls for why the effectiveness of aid has not been as successful with human rights. Seen with the brief history of different presidential administrations, the U.S. has shifted the importance of human rights in concern to its foreign aid funding and has historically failed to focus on the actual recipients of who they are trying to help in the first place.

To demonstrate how devastating U.S. foreign aid can be when given with the wrong intentions, the post-9/11 world offers an example. In late 2006, Thailand was undergoing substantial political shifts largely due to military coups and national political scandals that had to do with corruption (Regilme, 2017, p. 74). Thailand's human rights situation began to significantly decay that undid much of the reforms and democratic institutional gains that had taken place in the 1990s (Regilme, 2017, p. 74). In his article on the decline, Regilme points to the U.S. aid that Thailand received as a large factor for this decline in human rights. After 2003, the Thai government began to publicly support the U.S.-led War on Terror (Regilme, 2017, p. 74). This support caused the amount of US bilateral aid to increase, in fact US military and economic aid in Thailand to double (Regilme, 2017, p. 74). The reasoning for this increase in aid is simple to see. In a 2003 press conference at the White House with Thaksin, the Prime Minister of Thailand at the time, President Bush speech read "Thailand pledged to fight the war on terror and that pledge is being honored in full...We're confident in the strength of our alliance and I have acted to designate Thailand a major non-NATO ally of the United States. And we're

confident in the character of those who defend us. American and Thai forces serve together and train together and study at military academies in each other's countries" (Regilme, 2017, p. 81). This quote reveals much about the U.S. and Thailand's relationship following the country's public support of the U.S. in the War on Terror and the alliance that the two countries had formed.

Also within 2003, Thaksin led a brutal War on Drugs within the country that did show up on the US State Department annual human rights report, but the White house did not directly criticize the Thai government (Regilme, 2017, p. 83). Seemingly loyal to the alliance that the U.S. had created with the Thai Prime Minister, during a visit to the White House, President Bush actually praised the campaign's success (Regilme, 2017, p. 83). The international media even criticized the president for being "willing to ignore Thailand's human rights record in return for closer cooperation against terrorism and Iraq" (Regilme, 2017, p. 83). This clearly shows how the U.S. decided to overlook human right concerns in favor of what it perceived to be support for its national security. Even when the U.S. did pressure Thailand to comply with its human rights commitments it was only channeled through the US Embassy "in order to not undermine public support for Thailand's counter-insurgency operations funded by US aid (Regilme, 2017, p. 83). With political support and financial aid, Thaksin launched two types of counter-insurgency operations, to wage war on what he deemed as intractable social ills and drugs which served as excuses for arbitrary killings (Regilme, 2017, p. 83). This caused major human rights violations and was a major reason for the decline that occurred in 2006. Thailand was not the only country to receive dramatically increased foreign aid for showing support for the post-9/11 strategy. Countries such as Pakistan, Colombia, and Uganda experienced decays in their domestic human rights situations with an increase of foreign aid. Although the blame for these declines cannot be

fully placed on U.S. foreign aid, it does show one of the impacts that foreign aid can have. The faults that Callaway & Matthews noted are clear in the example of the post-9/11 strategy. The U.S. freely gave Thailand more money and even turned a blind eye to suffering in exchange for what it deemed as “national security”. The U.S. put its own interest above those of the individuals in the actual countries receiving aid. This focus on the U.S. first allowed its foreign aid dollars to cause much more harm than good when looking at the impacts of its recipients.

To provide another example of how the U.S. deliberately allowed human rights to worsen without speaking up to do self-interest, Guatemala in 1977 reveals an unfortunate pattern. In 1977, the country had a record of human abuses that was among the worst in its hemisphere (Broder & Lambek, 1988, p.111). This was due to government-sponsored political murder, torture, and disappearances that engulfed the Guatemalan people for over 30 years (Broder & Lambek, 1988, p.112). This oppressive rule can be seen dating back to 1954 when the U.S. directed to overthrow the government of President Jacobo Arbenz (Broder & Lambek, 1988, p.112). Following this pivotal action, the U.S. continued to support a series of military regimes with foreign aid funds (Broder & Lambek, 1988, p.112). During the Reagan Administration, a report from Americans Watch Report in 1985 concluded that, “The Reagan Administration failed to condemn gross violations by Presidents Lucas, Rios, and Mejia while each in turn held office. Indeed, at times, it praised their performance on human rights. As soon as a Guatemalan military dictator was deposed, however, the State Department condemned his human rights record for the purpose of favorably comparing his successor to what went before” (Broder & Lambek, 1988, p.128). This quote reveals the reasoning behind U.S. foreign aid to Guatemala during this period. The Reagan administration decided to pursue a strategy that did not properly take into account the individuals of Guatemala, instead it took actions to further its own interests. This, in part,

caused years of human rights abuses. Broder & Lambek concluded their paper noting that for a foreign aid program to be successful it must be sensitive to the actual conditions of Guatemala (Broder & Lambek, 1988, p.143). The example of the human rights situation in Guatemala in 1977 further reveals the failures of U.S. foreign aid dollars in improving human rights.

To demonstrate this idea further, another case of the U.S. ignoring human right abuses for the sake of national security and self interests is the U.S.-Ethiopian relations that occurred after 9/11. The U.S. wanted to “ensure stability and security as well as fight terrorism”, as a means to accomplish this goal it started to strengthen its relationship with Ethiopia (Ayalew, 2018, p. 68). Consequently, the U.S. significantly increased its military aid to Ethiopia, with aid to the country totaling \$928,000 from 1999-2001 and increasing to \$16.8 million post-9/11 (Ayalew, 2018, p. 68-69). This increase is a clear correlation of the strengthened relationship that the U.S. was seeking with Ethiopia. The State Department released its Human Rights Report for Ethiopia and immediately experienced backlash from the Ethiopian government. The government objected strongly to the report’s findings calling it “inaccurate and lacking objectivity” (Ayalew, 2018, p. 72). This response caused an increase in the controversy between the U.S.-Ethiopia diplomatic relations (Ayalew, 2018, p. 72). The human rights agenda in Ethiopia was then limited to minimal diplomatic interactions and quiet engagements with government authorities (Ayalew, 2018, p. 76). Again, the Ethiopian government made it clear of what it thought of the U.S.’s attempt to improve human rights in it’s country the Prime Minister Meles’s speech reading, “There are issues on which the officials in the United States feel strongly and differently, and there are issues on which we feel strongly and differently from those of the United States. We will agree to disagree on those we do not agree on, and we agree to work together on issues of common interest” (Ayalew, 2018, p. 79). The Prime Minister also makes clear that the “common

interest” between the two countries were the security and regional stability, not the improvement of human rights.

The foreign aid that was given to Ethiopia post-9/11 is a clear example how the U.S. continued to ignore human right abuses for the sake of security concerns and objectives it deemed more important. As shown, this is not unique to one specific instance. In an effort to summarize why foreign aid has not been effective in the improvement of human rights, Ayalew writes, “The effort to advance human rights through diplomatic channels has been in constant negotiation and compromise with security and political interests. In effect, human rights have remained a subordinate and marginal agenda. Since the human rights agenda is a marginal concern, the role of foreign policy as an effective tool to advance this cause is challenging and problematic” (Ayalew, 2018, p. 79). Improving human rights is rarely the main goal for U.S. foreign aid, but to have a chance of these funds enacting long-term positive changes the U.S. must reevaluate its approach.

Another example supporting this pattern in U.S. foreign aid policy is the significant change that the aid to Pakistan saw in the 1980s. During this period in time, the Islamic revolution in Iran took away one of the U.S.’s most trusted allies in the region at the time (Ali, 2009, p.251). This coupled with the Soviet Union invasion in Afghanistan pushed the U.S. to become desperate to have an ally in the area (Ali, 2009, p.251). In 1981, the U.S. began discussing a \$3.2 billion aid package with Pakistan and by 1985 the country was the fourth largest recipient of US bilateral aid (Ali, 2009, p.251). During this time, the U.S. stopped focusing on its concerns about Pakistan’s nuclear program, lack of democracy and the many human rights violations of the military regime (Ali, 2009, p.251). This is a clear example of how the U.S. used aid as a way to support its own national security concerns and turning a blind eye

to human rights violations. Allowing regimes and governments to be free to do what they wanted as long as they stayed in the U.S.'s pocket.

Other findings support that U.S. economic aid does little to cause change in human rights (Gibler, 2008, p. 515). This is because, as shown by many examples, leaders who receive aid from the U.S. do not actually follow through or make the changes necessary with the money to bring better humanitarian results. To better understand why the effectiveness of aid is so low when it comes to human rights, it can be explained in simple terms of weighing opportunity costs. For a leader of a developing country, for aid to be successful, the value that U.S. aid will bring must be larger than the cost of keeping the oppression (Gilber, 2008, p. 524). When leaders and governments are able to recognize the help that the U.S. can provide, they may be more likely to make changes to better support their people. A key point, which has led to the ineffectiveness today, is that the U.S. often does not hold these countries accountable for their actions when providing funds as revealed above. Instead, as history has shown, human right abuses have been overlooked in favor of other objectives in foreign policy that the U.S. wants to pursue.

A prime example of this occurring in the world today is Egypt, this country is consistently ranked at the bottom for human rights, and is one of the top countries to receive aid from the U.S. On the human rights scale, compared to 177 countries, Egypt was ranked 152 and is in the repressed category (Index of Economic Freedom, 2022). Along with this, Egypt continues to score very low on the Corruption Perception Index, meaning that misuse of power and authority has not been curbed (Ali, Hamid, Sulaiman 2022, p.11). In spite of this, the U.S. has continued to provide Egypt with billions of dollars in foreign aid. The aid to Egypt furthers the point that the U.S. has supported and continues to support authoritarian regimes as long as

the country helps to safeguard U.S. foreign policy goals (Ali, Hamid, Sulaiman 2022, p.10). That being said, there has been some progress when withholding aid to make leaders answer for human rights violations, but the U.S. should be more diligent when considering the power dynamics when distributing aid and how to foster a solution for the best results.

These many examples reveal how the U.S. has continued to fail in the effectiveness of improving human rights with its foreign aid. The pattern of turning a blind eye to abuses in favor of national security or other foreign policy goals has allowed devastating human rights violations to occur. Means to improve this will be later discussed in greater detail.

The Effect of Political Shifts

Previously in the literature review, the history of foreign aid was able to give background information on the different shifts that U.S. foreign aid has undergone throughout the century. This background knowledge will again aid in the discussion of why U.S. foreign aid is in part ineffective to the political nature and shifts that surround it.

It is no secret that governments often use foreign aid for political purposes (Jablonski, 2014, p. 293). The U.S. is a prime example of using its foreign aid dollars as a bargaining chip to get what it wants. Although, the goals that the U.S. is working to achieve by using foreign aid have changed over time. To better explain why domestic politics and shifts in opinion make foreign aid less effective, Tingley explains that domestic changes in political ideology that occur during the election cycle create volatility in aid (Tingley, 2010, p.226). He concludes writing, “this volatility in aid has been an increasingly cited cause of aid effectiveness” (Tingley, 2010, p.226). This volatility that is created from political shifts can be seen in two key instances of U.S. foreign aid goals, the first being the Cold War era and Post 9/11 era of foreign aid. As

explained, the Cold War era of aid was focused on a containment of policy in relation to communism. During the Cold War countries that were anti-communist such as the Philippines and Democratic Republic of the Congo quickly realized that they could expect substantial U.S. foreign aid regardless of the extensive corruption and human rights violation that their dictators committed (Fleck & Kilby, 2010, p.1). The idea of the U.S. using foreign aid dollars as a way to reward countries that agreed with their political goals was further shown in the previous section on human rights. Not only does this politically motivated aid allow a blind eye to be turned to countries with oppressive dictators, but it can also reduce the funds available for other countries that are in greater need of it. During the Cold War era, funding for emerging democracies and for governments that had better human rights records was inconsistent depending on what political support the U.S. could gain from them. Another factor that played a part in the Cold War politics of aid and how the U.S. decided to give funds, was the likelihood that it would be able to sway a neutral nation towards the U.S. instead of the Soviet Union (Drury, Olson, Van Belle, 2005, p.457). The “containment” policy shift that the U.S. underwent during the Cold War is a prime example that shows how foreign aid dollars can be much less effective due to political motivations.

This is not unique to the Cold War. During the years following 9/11, the U.S. was increasingly shown to be using foreign aid as a political weapon as it waged its War on Terror. The increase in spending that foreign aid had during the years after 9/11 was seen to serve security goals and projects (Woods, 2005, p. 397). The three years after 2001 saw a total of \$32 billion dollars that went to countries such as Afghanistan to help build support for the war on Iraq (Woods, 2005, p. 397). To understand the full extent of harm that this politically motivated shift in foreign aid had, looking at the years right before 2001 can help paint the picture. In the

mid 1990s there was a steady increase in the expected level of aid per country, specifically those for lower income countries (Fleck & Kilby, 2010, p.2). Directly following the War on Terror, the weight given to the needs of lower income countries trended down (Fleck & Kilby, 2010, p.2). It is important to note that the actual aid to these countries did not reduce, but the weight that they had in the aid budget did (Fleck & Kilby, 2010, p.27). This caused the growth of U.S. aid to poorer countries to slow because of political motivations. Creating a shift away from allocating aid based on need and instead the political goals of the U.S. at the time.

These finds have been furthered by other studies in this area, specifically the effect that politics has on U.S. humanitarian and disaster aid. A study on the politics of humanitarian aid found that when the U.S. grants foreign aid dollars there is strong political motivation (Drury, Olson, Van Belle, 2005, p.470). This is not surprising based on the other research that has been presented in this paper. The authors on the study conclude writing, “our results paint a picture of high U.S. foreign policy decision makers as realists at heart, seeing disasters as opportunities to enhance security” (Drury, Olson, Van Belle, 2005, p.470). The U.S. has often been seen using security concerns as a bias for aid allocation. Although it is reasonable to expect a country to use disaster aid as a way to pursue its foreign policy and national security concerns, problems arise when large shifts in their political goals happen such as seen in the Post Cold War and Post 9/11 era.

The relationship between politics and how foreign aid is allocated has been researched by many in the foreign policy realm. The overwhelming conclusion presented by these scholars is that the political problems of foreign aid can be increased by factors of “power, prestige, and personality within Congress” (Truman, 1962, p.66). U.S. foreign aid is not immune to being affected by these factors. As multiple examples have shown, power struggles and politics have

affected the goals of U.S. foreign policy. This connection naturally would extend to the legislative body of the U.S. and the effect that politicians have on foreign aid. This relationship is furthered supported by a study from Milner and Tingley where they write, “more generally, our analysis implies that foreign aid policy is not driven solely by American foreign policy objectives, but also responds to underlying domestic political conditions” (Milner & Tingley, 2010, p.228). Although foreign policy goals themselves are a very important factor of aid spending, it is by no means the only driving factor. Domestic politics and politicians greatly affect foreign aid and should be taken into account when evaluating the effectiveness of this spending.

It is clear that political shifts that have happened in the U.S. over the last century have contributed to the ineffectiveness of its foreign aid. Political shifts such as the changes that occurred in the Cold War and Post 9/11 were a great cause of the increasing volatility of aid spending which has been shown to decrease its effectiveness. It has also been shown that these shifts can lead to less emphasis on the needs of actual countries and more focus on those who progress U.S. interests even to the fault of overlooking corruption and human rights. The danger that this poses to the future of the foreign aid is that these political shifts can happen at any time, and have a detrimental effect on the effectiveness of foreign aid spending. How the U.S. should better navigate these shifts will be discussed in the next section of this paper. In his study on the political theory of foreign aid, Morgenthau summed up the political nature of foreign aid writing that, “it is not a science but an art. That art requires by way of mental predisposition a political sensitivity to the interrelationship among the facts, present and future...” (Morgenthau, 1962, p. 309). This summarizes the complex relationship between domestic politics and foreign aid. It

also correctly characterizes this relationship as an art that the U.S. must learn how to wield if it ever hopes to improve the success of its foreign aid.

The Importance of Culture, History and Political Structures

The last reason that the current system the U.S. uses for foreign aid is not efficient nor as effective as it has the potential to be, is because of the lack of understanding of the complexity in countries where the funds are distributed. As a whole, the U.S. has the opinion and goal of wanting to make countries “more like them” in how they operate. While it is important to note that the U.S. is a leading world superpower, its goal to make other countries just like them is not always sustainable or possible when it comes to operating with different cultures and areas of the world (Wedel, 2005, p. 36). This argument can be extended to other countries, especially in the Middle East and Africa where the U.S., with good intentions, tries to force its way of life on other cultures without fully understanding the repercussions this could cause.

Taking a deeper look into the aid to the Middle East, it is clear that the billions that have been sent to this area of the world have not achieved the results the U.S. has hoped. A driving reason for this is the past unwillingness to learn and adapt on the side of the U.S. to changing conditions of countries in this area (Pressman, 2009, p.150). Although the last two decades have seen the U.S. send significant resources, there has been little change in promoting democracy in this region (Pressman, 2009, p.151). The U.S. entered the Middle East with goals to, “create a balance of power that favors human freedom: conditions in which all nations and all societies can choose for themselves the rewards and challenges of political and economic liberty (Pressman, 2009, p.153). These aspirations, inspirational on paper, do not reflect the effect that foreign aid actually had in the area. Part of the disconnect between these goals and the reality

achieved is that ethnoreligious groups were only partially integrated into the elections that the U.S. wanted countries such as Iraq to hold (Pressman, 2009, p.160). The U.S. depended on the use of military force to bring about democracy, failing to recognize the other factors that also played a part in lives of those in these countries, such as the importance of history, religion, and culture. Another aspect for why this push for democracy did not work is because the U.S. failed to understand what to do with the anti-American and antidemocratic Islamist movements in this region (Pressman, 2009, p.161). For foreign aid to have a lasting long-term impact on its receivers these complex relationships, beliefs, and values should have been taken into account in the foreign aid policy the U.S. implemented. Decisions concerning aid were made on the basis of ideology and not on an empirical basis (Pressman, 2009, p.172). Even after aid was shown to be ineffective in accomplishing its goals, the U.S. refused to adapt and improve its policy and admit to mistakes (Pressman, 2009, p.174). This unwillingness to adjust only continued to hurt the chances of these funds being effectively used to help democracy and human rights in the region. Overall, the foreign aid the U.S. sent to the Middle East depended too greatly on the use of military force and even the large amount of funds itself, then actually taking the time to evaluate the political, cultural, and religious aspects of these countries. Reflecting on these failures, can help improve how the U.S. distributes aid in the future and exhibits what it can improve in the future to accomplish its goals of human freedom and liberty.

This lack of understanding of different factors is not unique to the Middle East, these same trends can also be seen in the aid that has been sent to countries in Africa. It has become increasingly clear that effective foreign aid does not just depend on the amount of money that is being sent (Andrews, 2009, p.8). The funds alone are not enough to make positive changes to recipient countries. If the U.S. wants to promote democracy and freedom then culture must be

given a closer look (Andrews, 2009, p.13). In the case of Africa, it is clear that different countries represent a diversity of culture and the U.S. has not made efforts to understand how this affects the context in which aid is to work in (Andrews, 2009, p.13). This proves to be harmful and increases the ineffectiveness of money sent. Culture is often the social glue that can better the relationship between the U.S. and the countries that receive aid (Andrews, 2009, p.13). The U.S. must realize that money alone cannot enact the goals of what it wants foreign aid to accomplish, culture and history carry significant weight in the areas that aid is sent. Aid cannot not buy growth, countries have a variety of institutions, cultures, and histories (Easterly, 2003, p.40). African nations have centuries of history in colonialism, arbitrary borders, local despots (Easterly, 2003, p.40). These factors are also different in each of the countries within Africa. Countries such as China and India have millennia-old civilizations and Latin American nations of centuries of rich history. The goals that the U.S. hopes to achieve in each of these nations must be adapted to the diversity of the way of life that is conducted in each region. By taking the time to understand the inner workings of these nations, the U.S. can be more assured that the money it sends is used for the betterment of those in these counties instead of making conditions worse.

As previously mentioned, foreign aid is easily used to increase the corruption of dictators and authoritarian governments. This is also a result of the lack of understanding of political structures that exist in different nations. Lebanon for example, has used foreign aid to keep its entrenched Lebanese political structure alive (Finckenstein, 2021, p.4). The political structure in Lebanon allows for the abuse of foreign aid funds by redistributing the budget in a power sharing system (Finckenstein, 2021, p.4). These funds are instead used for political capital rather than for services to citizens (Finckenstein, 2021, p.4). The example of how the Lebanon siphon funds is

not uncommon. If a political structure allows it, countries with corrupt governments will use foreign aid for their own goals rather than for the improvement of its citizens. The U.S. must realize that recipients of aid have their own incentive structures (Williamson, 2010, p.24). This combined with a lack of accountability and enforcement creates a system for which those in power can use foreign aid for the purposes they deem fit (Williamson, 2010, p.24). Not all misuse of aid can be preventable, but there is responsibility that the U.S. must take when distributing these funds by making sure that it has conducted the proper research and has taken the necessary time to understand the complexity of the power structures within these nations.

The ineffectiveness of foreign aid has been explained to be in part due to the lack of understanding of the complexity of culture, history, and political structures within a country. Without taking these factors into consideration, in most cases, foreign aid can usually end up backfiring or achieving little to no results as seen in the Middle East and Africa. As past examples have shown, the success of foreign aid is not solely dependent on simply the amount of funds distributed. The U.S. has often given large amounts of money without recognizing the significant importance of these other factors. This lack of understanding has been a large underlying factor for why its aid continues to fail to enact the change it aims for.

Potential Improvements

The last section of this literature review will focus on potential improvements in the foreign aid process to assist in rectifying the issues discussed previously. These prospective improvements could be implemented to bring more efficiency and effectiveness to the results of foreign aid (Tsauroi, 2018, p. 56). The three main changes that will be discussed is the importance of focusing on solving long-term problems rather than creating short-term solutions, taking the time to better understand the complexity of the countries where funds are distributed to, and increasing the accountability of foreign aid.

If the U.S. shifts foreign aid objectives to focus on more long-term solutions, the effectiveness of these funds will be increased. As discussed before, domestic political shifts can be increasingly harmful to the success of foreign aid. Resulting in less focus of the needs of countries and creating more volatility. Focusing on long-term solutions can be accomplished through the investment of governance. It has been proven that improving good public governance is an effective strategy in combating corruption in developing countries (Setyaningrum & Wardhani et al., 2017, p. 337). The positive change in Indonesia from 2010 to 2015 supports this conclusion. During this time, higher good public governance was shown with lower corruption (Setyaningrum & Wardhani et al., 2017, p. 337). Further, corporate governance has also been shown to be a major factor in breaking the vicious cycle of bribery and corruption (Wu, 2005, p.168). Along with reducing corruption, governance allows for more opportunities of economic growth. This is because global investors will be more inclined to invest in countries that have stronger governance (Wu, 2005, p.168). This increased investment is a key factor in economic growth and will have positive long term effects on a country's wealth. Apart from economic growth, good governance builds strong institutions that promote accountability and the

function of the rule of law (Alimi & Dhiab, 2023, p.116). Ultimately, if the U.S. can help lay the groundwork for a successful government, it can lead to more wealth overall in a country.

Although the importance of humanitarian disaster aid and other emergencies should continue to be a part of the aid system, it is important that long-term plans are in place to ensure a more effective impact of this spending (Bräutigam & Knack, 2004, p.278). Creating a solid foundation for development is accomplished through good governance and that is why it is essential that it is a cornerstone of U.S. foreign aid goals (Bräutigam & Knack, 2004, p.278). This can only be achieved by having foreign aid being committed to long-term objectives and not just focused on the domestic political atmosphere of the U.S. at the time as that has been shown to change. By staying committed to these goals, aid will be better leveraged to enact effective change in recipient countries. That being said, governance cannot be forced upon countries because, as history has shown, it will have catastrophic results. Instead, the U.S. will have to do the proper research and have an in-depth understanding of the culture and political system of said countries.

Taking the time to fully understand the social-cultural context and political structures of recipient countries is an important factor for creating effective aid. As shown before, the U.S. often distributes funds to countries without fully realizing or understanding the consequences of where this money goes. This can be traced to the lack of understanding of a country and being focused too much on self-centered interests. As past examples have revealed, the U.S. has often allowed political, strategic, and national security interests to serve as the main purpose for foreign aid funds (Elayah, 2016, 97). Although these reasons alone do not fully contribute to the ineffectiveness of aid, this coupled with an ignorance of recipient countries' environments can prove very harmful. There are complex local environments in each country and that is why importance should be placed on understanding these environments to help aid programs be more

effective (Elayah, 2016, 97). The U.S. should realize the influence that these factors can have on ensuring that foreign aid is used to accomplish the goals it wants. Global strategies to solve serious problems in recipient countries can only succeed when local knowledge has been gathered (Diawara, 2000, 370). An important aspect of this is to understand that no amount of aid can succeed in accomplishing the goals that the U.S. wants without acknowledging the importance of cultural and historical aspects. It is also key that past mistakes serve as a learning opportunity and that adaptation is a component of foreign aid strategies. Similar to the U.S., countries that receive aid undergo political shifts as well. This highlights the significance that these components play in achieving long-term foreign policy goals. By taking time to take into account these factors, the U.S. can position itself to execute meaningful positive change.

Disturbing aid is only the first step in creating long-term change of recipient countries, accountability is a facet of foreign aid that the U.S. can also improve on. In the past, the U.S. has not been as efficient in the area of holding countries accountable. Previous examples have shown that aid can sometimes actually be used to support corruption and human rights violations in certain countries. To help combat the misuse of funds and to ensure that foreign aid is being used to accomplish what they have been designed to do, it is necessary that the U.S. focuses on the accountability and monitoring phases after aid has been distributed. A 2020 report done by the U.S. Government Accountability Office found that key departments and institutions that received aid dollars such as USAID, the State Department, and Department of Defense were not upholding monitoring obligations as best as they could be (Gurkin, 2020). The report highlights the importance of documentation to ensure that monitoring practices can be used to make sure that agencies are well-informed about project performances and are able to undergo corrective action when needs arise (Gurkin, 2020). Monitoring is especially important for agencies that

distribute aid to prioritize because it provides quantifiable measures on the condition of people, institutions, and systems that are subject to change over time (Gurkin, 2020, p.8). The report concludes that these agencies could not provide all the proper documentation demonstrating that they followed these key practices or that project goals consistently included goals and follow up monitoring plans (Gurkin, 2020, p.39). This report highlights how agencies that allocate foreign aid funds can improve to allow more accountability to lead to more successful project outcomes.

Within recipient countries themselves, a reason for the lack of accountability and misuse of funds is a result of poor governance (Goldsmith, 2022, p. 168). As explained before, proper governance should be used as a foundation for foreign aid dollars. A measure to combat the effect that poor governance can have on the success of aid is to have predetermined targets and flexibility to increase the chances of improving conditions (Goldsmith, 2022, p. 173). This conclusion was also backed by the GAO's report and the significance of monitoring policies. The U.S. has sometimes neglected in the area of enhancing accountability relationships and instead has opted to push more money into projects that have reaped very little beneficial results (Winter, 2010, p.238). The U.S. must do more to hold the end users, aid-receiving governments, accountable to improve this relationship. Aid should aim to achieve quantitative objectives, which should serve as a basis for deciding on re-allocating aid going forward (Radelet, 2006). Although it is noted that improving accountability and monitoring presents many challenges as aid relationships are increasingly complex (Radelet, 2006). Although there are certain measures that can be implemented to increase accountability in the long-run. The push for local ownership is seen as a useful tool to increase the effectiveness of aid (Brautigam, 1992, p.22). If a recipient country's citizens could assist in holding their own government accountable for the aid received, it could push more openness and sustainability with these funds (Brautigam, 1992, p.22). This

can create a commitment for the U.S. and countries that receive aid to better work together towards objectives that are beneficial to both parties. Holding countries accountable for the funds they receive is by no means an easy task, it will take deep commitment on the part of the U.S. and donee countries to see lasting results. Steps such as increasing the documentation of aid agencies and fostering relationships to help citizens hold their own governments accountable can serve as steps for improvement.

Conclusion

Americans know very little about how the foreign aid system works in the U.S. Although, they do realize the importance of being involved in world affairs, especially as current events and conflicts evolve. The history of the U.S. with foreign aid is relatively short, with the years after the second world war seeing the beginning of the program. After realizing the importance and influence that foreign aid can have, the U.S. decided to extend the program and has continued it ever since. The goals and objectives of what the U.S. has aimed to achieve with these funds has changed throughout the years with different cultural and political shifts.

It is clear that the U.S. foreign aid system is very complex in the way it allocates and distributes aid. There are many inner workings of the program that dispense billions of dollars each year. The budget set for foreign aid is split into different significant categories which in turn, is given to different agencies such as USAID, State Department, and the Department of Defense. The three main objectives that are highlighted by the U.S. for these funds is to increase economic development, military assistance, and humanitarian assistance. The U.S. also hopes to promote its national security and any other political motivations it may hope to pursue.

The impact and outcome of these funds is very diverse within the countries it is given to. It is clear from multiple examples, that aid does not always support human rights. This was especially true for the aid that was sent in post-9/11. An underlying issue for why this caused aid ineffectiveness was the motivation for what countries received aid. If countries were willing to align themselves with political sentiments pushed by the U.S., their governments had a greater chance of receiving aid. This was seen in the case of Thailand, where the U.S. continually “turned a blind eye” to the country’s human rights records in exchange for promoting national security. Thailand is not an isolated occurrence, with other countries also funds in exchange for

support in certain circumstances. The ineffective human rights record that the U.S. sees in specific cases is also because governments do not follow through or make the necessary changes that are needed to improve human rights.

The second issue in aid effectiveness are the political changes that have an immense influence on foreign aid spending. The two shifts that were discussed in this literature review included the containment policy and War on Terror that significantly affected how funds were allocated. These domestic political shifts affected the allocation of aid, which resulted in less need based aid and more on which countries would support the different political agendas the U.S. was trying to accomplish. This was revealed to be damaging for multiple reasons, as it prevented the completion of long-term objectives and created volatility in the aid system itself. The third issue that was explained was the importance that culture, history, and political structures have on the effectiveness of aid and how it has been overlooked.

The improvements that were discussed to increase the effectiveness and efficiency of U.S. foreign aid were direct responses to the issues brought forth. Focusing on long-term objectives such as building good governance allowed foreign aid to be protected against changing domestic political changes and corruption. Focusing on understanding cultural and political influences within different countries will allow the U.S. to create strategies and lead projects that better suit specific needs to countries. This will also lead to more accomplished objectives. Lastly, creating more accountability will not only increase governance but also allow the U.S. to monitor how effective it has been and allow opportunities to adapt and reevaluate strategies to be the most effective with its money.

The U.S. in the past has seen mixed results with the success of its foreign aid programs. As the global landscape continues to become more connected and increase in tension, foreign aid

is a powerful tool that the U.S. can use to enact positive change. Making foreign aid more effective is not a simple task. Foreign aid goes to 180 countries each with their own goals, cultures, histories, and governments. Americans realize the importance and have supported the distribution of foreign aid, and the U.S. government owes it to the American people and the citizens in recipient countries to continue to improve the process.

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