Foreign Aid in the United States strategy in the XXI century

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Abstract:
Since the end of Second World War, foreign aid has played an important role in American strategy. After the 9/11 terrorist events, official documents and discourses reveal a perception that stresses the connections between development and security, placing the elements of good governance, social stability and economic opportunity in favor of the contention of state fragility all over the world. In a context of diffuse security threats, development is listed, along with diplomacy and defense, as a foreign policy tool to face the danger coming from pandemics, humanitarian crises, regional and global spillover from domestic conflicts and illicit actors' safe havens, mainly organized crime and terrorist groups. This paper purpose is to understand the role of foreign aid programs for American strategy in the XXI century, and the main changes that took place in foreign aid system regarding volume of investment, bureaucratic responsibilities and new projects created.

Key words:
Foreign Policy; United States of America (USA); Foreign Aid
Introduction

The present paper's objective is to analyze the United States foreign aid policy organization and main purposes in recent times. In more than six decades of existence, US foreign aid have helped to promote American interests abroad, encouraging democracy and free market standards, providing development and human relief in dozens of countries. The United States always were a major player in foreign aid regime. Today, Washington government is the biggest individual aid donor with a varied set of projects covering 149 countries in five continents.

After presenting an historical perspective on American foreign aid system, since its creation after Second World War, the paper focus on contemporary aid agenda, its bureaucratic structure and strategic imperatives. This overall view is important to understand the complex policy-making process that involves foreign aid policy, since its guidelines formulation until budget appropriations and its implementation in foreign countries. It is also important to understand the series of deep reforms performed in the XXI century, in order to face the new strategic demands attributed to foreign aid and development assistance.

Since 9/11, an effort took place to reenergize foreign aid policy, providing it new resources to advance in transparency, efficiency and interaction with other foreign policy instruments. Both George W. Bush and Barack Obama administrations were committed to the increase in the volume of dollars dispensed for aid, the creation of new projects and new management tools in order to rationalize the aid agenda and bring all agencies involved with aid activities together.

Much of the emphasis given to foreign aid policy can be understood in face of the security concerns posed by the American government in the XXI century, notably after the terrorist events of 9/11 and the emergence of the “war against terror” paradigm. In its last part, the paper tries to gather some examples from official speeches and documents that put development, along with diplomacy and defense, as core national strategic pillar.

The idea prevailing in United States strategy is that development can boost social stability, state capacity and good governance. These are considered central steps to prevent the emergence of failing states and ungoverned areas in which illicit actors may operate freely, disseminating regional and international threats. The most evident concern is the case of terrorist cells that work from safe havens in failed states. There are also other diffuse security threats – as organized crime, mass destruction weapons proliferation and illegal migration – that grow under the absence of development and state capacity.
Foreign aid landscape

Foreign aid policy, which includes development cooperation, humanitarian assistance and debt relief, are relatively new in the international system. Only after the Second World War, foreign aid has become a widespread and well-accepted norm, promoted by international organisms and by over thirty countries around the world. Many of those countries are member of the Organization for Economic Co-operation and Development (OECD)\(^1\) and dispense an annual average of US$100 billion to development assistance (DAC, 2011).

Foreign aid is deployed for a number of reasons and in pursuit of a number of goals. According to Maurits van der Veen, there is at least seven frames relevant to understand aid policy, generally used by policy makers to explain and defend foreign assistance agenda:

<table>
<thead>
<tr>
<th>Frame</th>
<th>The goals for aid</th>
</tr>
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<tbody>
<tr>
<td>Security</td>
<td>Increase donor’s physical security: support allies, oppose communism, terrorism, etc</td>
</tr>
<tr>
<td>Power/influence</td>
<td>Pursue power: increase leverage over others, win allies and positions of influence in international fora</td>
</tr>
<tr>
<td>Wealth/ economic self-interest</td>
<td>Further economic interests of donor’s economy, support export industries</td>
</tr>
<tr>
<td>Enlightened self-interest</td>
<td>Pursue global public goods: peace, stability, environmental health, population control, etc</td>
</tr>
<tr>
<td>Reputation/self-affirmation</td>
<td>Establish and express a certain identity in international relations, improve international status and reputation, prestige</td>
</tr>
<tr>
<td>Obligation/duty</td>
<td>Fulfill obligations, whether historical or associated with position in international system</td>
</tr>
<tr>
<td>Humanitarianism</td>
<td>Promote the well-being of the poorest groups worldwide, provide humanitarian relief</td>
</tr>
</tbody>
</table>

Source: VEEN, 2011: 10

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\(^1\) The Organization for Economic Co-operation and Development was funded in 1961 with the intention to promote economic growth and well fare around the world, and represents the main international forum for development projects. The organization is composed today of 34 members and the 10 main foreign aid donors are United States, United Kingdom, Germany, France, Japan, Canada, Nederland, Australia, Sweden and Norway.
Van Der Veen advocates that any given foreign aid policy comprises a multiplicity and overlap of purposes, and in order to understand foreign aid agenda is important to consider material and ideational factors, during the formulation and implementation phases of policy making. (VEEN, 2011: 2) When the case is the United States (US), the focus is to understand how Washington government has been using foreign aid, during the last decades, as an instrument to pursue American interests. According to Carol Lancaster (2007), the main purposes of American foreign aid policy has been, historically, the diplomatic and developmental, but in a minor scale there are as well the humanitarian, commercial and cultural purposes.

In the twentieth century, foreign assistance served a multiplicity of purposes: diplomatic, security, cultural, developmental, humanitarian relief, and promotion of commerce. After the Cold War, promotion of economic and social transitions in former socialist countries, the support for democratic governance, mediating conflicts, managing post-conflict transitions, addressing environmental problems, and fighting international terror are increasingly important. (PICARD; BUSS, 2009: 8)

The United States are the largest single donor of foreign aid – only in the second half of the XX century, they spent more than US$ 350 billion to deliver assistance abroad. (LANCASTER; VAN DUSEN, 2005). Washington government provides today a quarter of all development assistance, donating more than twice the amount provided by the United Kingdom, the second largest donor amongst OECD members. The US are also the biggest multilateral aid donator, responsible for 9% of the total invested in the World Bank and United Nations (UN) development programs. Between 2001 e 2010, American foreign aid donations have increased 147% while the OECD total donations have increased only 62%. US foreign aid budget has also doubled in relation to the size of the US economy, from 0.1% of gross national income in 2001 to 0.21% in 2010. (DAC, 2011)

The US government defines foreign assistance very broadly: it includes not only programs to promote economic growth, but also projects that address global issues as environment protection and disease control, expanding food production, democratic reform and fighting corruption, conflict mitigation and humanitarian relief, post-war recovery. Thus, the definition of foreign aid posed by the US bureaucracy covers all the transferences of

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2 Foreign aid can be used for diplomatic purposes when it promotes American political and security interests, framing the U.S. relations with recipient countries. As an example, the communism contention during Cold War, the peace promotion (in Middle East and the Balkans), or the war against terror in the XXI century. Foreign aid is a policy toll to strength relationships with allies, to reward desirable behavior and secure the US presence and influence in strategic regions.

3 The developmental aid purpose is related to the increase of income rates, trade and investments, poverty reduction, and improvement in educational and health services, democratic reforms, and creation of stronger political institutions. In other words, foreign aid can strength fragile states capacity to manage their economy and civil society.
economic resources (loans, debt relief and donations in cash or products as food and medicine) in order to promote political, economic and social development abroad.

In fact, the US foreign aid budget allocates only 15% to global poverty reduction, one of the main developmental purposes connected to economic indicators. As reported by Lael Brainard (2007: 8), the central areas covered by the US foreign aid budget are:

- governance (to promote the rule of law and the civil society capacity)
- access to basic social services (education and health aid)
- infrastructure (reconstruction of war torn countries as Afghanistan and Iraq)
- response to civil crises (humanitarian aid)
- response to environmental disasters (earthquakes, tsunamis, floods, etc)

Overall, other particularity of US foreign aid policy is the wide range of countries covered by its programs, since there is not an income criterion to select aid recipients. In contrast, other donor countries and mainly the OECD fixed a criteria based on gross national income per capita to select the recipient countries, which allows them to focus on the poorest.

Due to the large set of strategic goals deposited on US foreign aid agenda, American aid programs are destined not only to assist low income countries (Afghanistan, Ethiopia, Kenya, Haiti and Tanzania), but also to low-middle income countries (Pakistan, West Bank/Gaza, Nigeria, Sudan and Yemen), upper-middle income countries (Jordan, Iraq, Colombia, South Africa and Lebanon) and high-income countries (Russia, Israel, Canada, Poland, Lithuania)\(^4\). In 2012, low-income countries received 31% of American foreign aid, while low-middle and upper-middle countries received 29%. (USAID, 2012)

**US foreign aid system: history, organization and strategic goals**

What is absolutely clear is that foreign aid is not optional for the United States. Its purposes are central to U.S. interests, values, and well-being. Foreign aid is a critical policy instrument for the U.S. engagement in Africa, Asia, the Middle East, Latin America, many countries of Eastern Europe […] The economic, political and social issues in developing and transition countries, where well over 80 percent of the world’s population lives, are now among the most critical foreign policy and national security challenges facing the nation. (LANCASTER; VAN DUSEN, 2005: 13)

\(^4\) The examples used respect the order of main aid recipients in each category. The complete list of countries that receive US assistance is available at the USAID Greenbook (fast facts charts).
Foreign aid has always been a strategic instrument used to project American values and interests abroad. Its relevance increased substantially in the context of bipolarity: “Without the cold war imperative, United States foreign aid would likely have been drastically cut or terminated at the end of Marshall Plan.” (LANCASTER, 2007: 65) The main aid channels were directed to Western Europe economic recovery and to capitalist regimes that were willing to support US containment policies.

In 1947, Washington approved US$400 million in aid to Greece and Turkey, and US$13 billion to European reconstruction through Marshall Plan. With the advent of Maoism in China and the Korean War, the US foreign aid policy grew in financial volume and geographical coverage, including then Southeast Asian countries as Laos, Vietnam and Cambodia. Serving the purposes of Soviet containment and maintenance of the American sphere of influence, foreign aid agenda was institutionalized in Washington, becoming a permanent instrument of US international policy.

In 1961, Kennedy administration approved the Foreign Assistance Act (FAA), creating the United States Agency for International Development (USAID) and the Peace Corps.5 Aid to Africa and Latin America increased substantially, highlighting the “Alliance for Progress” – an assistance package to Latin American countries which consumed US$1 billion in 1964 (the equivalent of 25% of all US foreign aid budget for that fiscal year). Inter-American Development Foundation and African Development Foundation were created, respectively, in the 70s and 80s.

With the end of Cold War, the rationale that originated American foreign aid was suspended, but this policy tool utility was soon renewed with the demands coming from Eastern Europe after the collapse of URSS. During G. H. Bush administration, the main foreign aid goal was to support political and economic transition in former communist countries. In 1994, the US assisted 26 countries in the region, mainly with programs to promote democratic institutions and the rule of law, financing elections and supporting civil society. (LANCASTER, 2007: 83-84)

The US government also started to direct foreign aid towards post-conflict situations, mainly in the Balkans and Africa. USAID created new offices dedicated to transition initiatives (which include peace negotiations and state building) and global issues (such as hunger, health and environment). During the 90s, however, there was an overall decline in foreign aid spending. The prevalence of domestic concerns and the difficulties posed by

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5 The Peace Corps is an independent program that provides technical assistance seeking economic and social development (especially in health and educational matters) through the volunteer work of Americans in 139 countries around the world.
Clinton’s democratic administration in face of republican majority in the Hill delayed the renewal of American foreign aid policy to deal with a post-Cold War scenario.

The beginning of the XXI century, nevertheless, represented a turning point for the American foreign aid policy. Especially after 9/11, international assistance became more valued, not only in diplomatic rhetoric but also in foreign policy structure (gaining political support of the White House and the Capitol Hill). George W. Bush administration increased foreign aid budget and started a wide bureaucratic reform that included assuring State Department and USAID’s control over all foreign aid programs, and the creation of other foreign aid projects, innovating operational models.

In agreement with Carol Lancaster, “No time since the administration of the president John F. Kennedy has seen more changes in the volume of aid, in aid’s purposes and policies, in its organization, and in its overall status in US foreign policy.” (LANCASTER, 2008:1) Only between 2001 and 2005, foreign aid budget increased 40%, apart from bilateral military help for Afghanistan and Iraq. In 2003, with the support from the American public and from the Capitol (with a republican majority), George W. Bush announced two big aid projects: the President’s Emergency Plan for AIDS Relief (PEPFAR) and the Millennium Challenge Corporation (MCC).

PEPFAR represented a new operational model in foreign aid, since it comprehended a substantial amount of resources (budget and expertise) towards a single goal – fighting the global AIDS pandemic. With PEPFAR, the US government compromised to invest US$15 billion, in a three-year period, to boost this aid project. In 2007, Bush renewed PEPFAR, with more US$30 billion for the next five years. During PEPFAR first year, the donations to prevent and treat AIDS assisted 15 countries (of which 13 located in sub-Saharan Africa), and were implemented by USAID in partnerships with local governments.

MCC, by its turn, inaugurated the performance model in American foreign aid. Under this program, aid should be allocated only to good performers, countries that are committed to political, economic, and social reforms. The countries eligible for MCC’s aid are those with low and lower-middle income countries that “govern justly, invest in their people and encourage economic freedom”. Therefore, MCC stipulated 18 performance indicators from recognized databases, as Freedom House, Heritage Foundation, World Bank, UNESCO, amongst other.  

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6 The performance indicators are: civil liberties, political rights, voice and accountability, government effectiveness, rule of law, control of corruption, immunization rate, public expenditure on health, girl’s primary education completion rate, public expenditure on primary education, natural resource management, inflation rate, trade policy, lad rights and access index, regulatory quality, fiscal policy and business start-up.
Since 2004, the US government guaranteed an annual US$5 billion budget to MCC projects. According to President George W. Bush, in a speech that announced the creation of the Millennium Challenge Corporation during the UN International Conference on Financing the Development:

We are pursuing great and worthy goals to make the world safer, and as we do, we make it better. We will challenge the poverty and hopelessness and lack of education and failed governments that too often allow conditions that terrorists can seize and try to turn to their advantage. (BUSH, 2002)

Another relevant initiative that the Bush administration adopted was an organizational and bureaucratic reform regarding foreign aid system (from agenda elaboration to programs implementation) aiming to make it more efficient and transparent. In 2006, former Secretary of State Condoleezza Rice announced the fusion of Department of State and USAID foreign aid portfolios, in an effort to rationalize the aid agenda through the creation of a Director of Foreign Assistance (DFA) located at the State Department.

Nevertheless, the reform did not apply to the other 25 US agencies involved in aid and development programs, including key players such as Defense, Treasury, Health Departments and the MCC. DFA only monitors and provides “guidance” to programs as PEPFAR, Support for Eastern Europe Democracy, Migration and Refugee Affairs, Andean Drug Programs e Economic Support Fund, etc.

Foreign assistance legislation (in force since 1961) was amended several times and comprehends, today, a 500 pages text with 40 broad priorities and 400 specific directives for implementing them.

The proliferation of objectives reflects diverging priorities between Congress and the Administration for foreign assistance. On the one hand, the Administration has sought to pursue its policy objectives by creating presidential initiatives and avoiding Congressional limitations by funding them outside the International Affairs Account. This has created new channels for funding innovative development programs like the MCC, but has also led to additional fragmentation. On the other hand, Congress pursues its own priorities through directives and earmarks that may not be consistent with the priorities of the Administration. (DAC, 2011: 39)


7 In comparison with other OECD, the US presents the most fragmented foreign aid system, carried on by several federal agencies. Systems that are more cohesive can be found in Norway, Sweden, Austria, Belgium and Luxemburg, where there is a single agency responsible for foreign aid. In other countries, such as Denmark, Finland, Ireland and Nederland, international assistance system is controlled (formulated and
The figure above represents most of the federal agencies responsible for distributing foreign aid, which denotes a fragmented division of work in this matter. In addition, the American foreign aid system is complex due to strong incidence of Congress that, besides approving financial resources, imposes restrictions on specific foreign aid programs, placing several earmarks during the debate and authorization of State-Foreign Operations budget. The complex role of Congress in the foreign aid system brings other actors to the political game, such as the public opinion and the interest groups.

The process for policy arbitration is complicated by the American system of checks and balances between the executive and legislative branches of government and the role played by special interest groups among the US political, corporate and civil society components. (DAC, 2011: 34-35)
Concomitant to the creation of new approaches towards foreign aid (such as MCC and PEPFAR) and the organizational reform in foreign aid system, George W. Bush administration advanced a broad revitalization of USAID. In the 90s, USAID suffered a loss of political credibility, organizational independence and human resources, shrinking its presence in the world. Many of the programs that used to be implemented directly by USAID, started to be delivered by local partners (generally local authorities and NGOs).

The reallocation of USAID towards a more central place in US international strategy started in 2002 with the report “Foreign aid in the national interest: promoting freedom, security and opportunity”. In 2004, a white paper called “US foreign aid: Meeting the Challenges of the twenty-first century” stated five core operational goals for the agency (USAID, 2004):

- promoting transformational development
- strengthening fragile states
- providing humanitarian relief
- supporting U.S. geostrategic interests
- mitigating global and transnational ills

In the beginning of the XXI century, there is a new attention towards the developmental goal and the foreign aid capacity to help to contain state fragility in strategic countries around the globe. Fragile states can be described as those unable or unwilling to adequately provide security and basic services to significant portions of their population, or those where governmental legitimacy is in question. This includes states that have failed or are recovering from crisis. (USAID, 2005: 9)

According to the World Bank, fragile states grow only one-third of the global average, have one-third of the per capita income, 50% more debt/GDP and are twice as poor in relation to the average countries. (WYLER, 2008: 13) The expected time for fragile states to outgrow this limbo is 56 years, underscoring the importance of programs that can boost their development.

USAID has always worked with the theme of fragile states, but this agenda gained more relevance since the 90s. In 2003, with the exception of Iraq, one-fifth of the agency’s finances was directed to vulnerable countries or those in crisis. Over time, USAID was modernized in order to improve the ability to detect and promptly respond to states coming

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11 In that context, the fragile countries receiving US assistance were Afghanistan, Iraq, Peru, El Salvador, Indonesia, Sierra Leone, Macedonia, Serbia and Montenegro.
into the cycle of failure. An example is the creation of the “Office of Transition Initiatives” and the “Office of Conflict Management and Mitigation” in USAID.

In 2004, also, the Department of State created the “Office of the Coordinator for Reconstruction and Stabilization”. In the same year, USAID created the “Democracy, Governance and Humanitarian Assistance Bureau” and the “Office of Military Affairs”. The last one was created to be a new institutional link to dialogue with the Department of Defense in the matter of foreign aid and development programs.

An important white paper launched in 2005 and entitled “Fragile States Strategy” puts that USAID should work to prevent the erosion of state capacity. The development agency’s programs should, then, prioritize the stabilization of fragile states, reduction of the impacts of armed conflict, ensure security and basic services, in order to encourage further reforms in the social, political and economic fields, recovering the states’ institutional capacity.

As well as the State Department and USAID, the Defense Department also engaged in foreign aid, facing it as an instrument to contain state fragility and the security threats linked to the lack of governance, specially organized crime and terrorism. The document entitled Defense Directive 3000.05 states that:

The Department of Defense shall be prepared to conduct stability operations intended to establish civil security and civil control, restore or provide essential services, repair critical infrastructure or provide humanitarian assistance. (USDD, 2005)

The Pentagon involvement in foreign aid activities has grown in the last decade. In 2001, the Department of Defense managed 4% of the American foreign aid budget. With a peak in 2005, the Pentagon was responsible for 22% of all the non-military aid provided by the US government. Between 2007 and 2012, the Department of Defense participation on aid delivery abroad decreased gradually, until stabilized at 8-9%. (DAC, 2011) The main projects in charge of the Department of Defense are the reconstruction of Afghanistan and Iraq, stability operations in Pakistan and humanitarian response missions.

This new emphasis on foreign aid as a tool to fight the sources of state fragility boosted the restructuring goal and originated several coordinating efforts, such as the Interagency Conflict Assessment Framework, United States Government Planning Framework for Conflict Transformation, Interagency Management Systems, and Joint Statement on Security Sector Reform.

Barack Obama administration gave continuity to both the increasing level of foreign aid budget and the organizational reforms initiated by the previous administration. Strategic documents launched since 2009 consolidated the strategic view of development as
intrinsically related to US core interests, mainly security ones. In a speech given at Oslo, while receiving Nobel Peace prize, Barack Obama stated:

> It is undoubtedly true that development rarely takes root without security; it is also true that security does not exist where human beings do not have access to enough food, or clean water, or the medicine and shelter they need to survive. It does not exist where children can't aspire to a decent education or a job that supports a family. The absence of hope can rot a society from within. (OBAMA, 2009)

During the 2010 UN Summit on the Millennium Development Goals, Obama asserted that the pursuing of development was a core pillar of American power and an expression of human rights. The president reinforced, as well, the commitment of US government with multilateral development organizations and with the domestic reform of foreign assistance system: "We are rebuilding the United States Agency for International Development as the world’s premier development agency. In short, we’re making sure that the United States will be a global leader in international development in the 21st century." (OBAMA, 2010)

Between 2009 and 2012, US foreign aid expenditure reached the record of US$47 billion. During this period, Barack Obama administration also inaugurated three aid programs: Feed the Future, Global Health Initiative¹² e Global Climate Change Initiative. According to the 2010 National Security Strategy, development is a strategic, economic and moral imperative:

> We are focusing on assisting developing countries and their people to manage security threats, reap the benefits of global economic expansion, and set in the place accountable and democratic institutions that serve basic human needs. (NSS, 2010)

Also in that year, two relevant documents changed the whole logic of the foreign aid system – the Presidential Policy Directive on Global Development (PDD) and the Quadrennial Diplomacy and Development Review (QDDR). The PDD is the first initiative to remodel completely the foreign assistance agenda, its operational methodology and its core goals. The directive stresses the linkage between development, diplomacy and defense to mutually reinforce and complement one another in an integrated comprehensive approach to national security.

In the other hand, the QDDR was as unprecedented innovation – a tool for continually evaluate foreign aid efforts, to advance diplomacy and development aligning it to national security interests. Periodical reviews should allow the US government to rationalize and guarantee efficiency to State Department and USAID activities regarding diplomacy and development.

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¹² Since 2010, PEPFAR was incorporated by Global Health Initiative portfolio which, besides the fight against AIDS, is deals with other infectious diseases (malaria and tuberculosis) and with the improvement of health conditions to women and children.
Obama also created the Interagency Policy Committee on Global Development, a working group with 16 different agencies’ representatives that should meet in a weekly basis to establish priorities, facilitate decision-making, and coordinate development policy across the executive branch, including the implementation of this PPD. Another instrument created in 2010 was the US Global Development Council, consisting of leading members of the philanthropic sector, private sector, academia, and civil society, to provide high-level input relevant to the work of United States government agencies in the matter of foreign aid.

Foreign aid and US strategy in the XXI century

It is possible to observe the effort that the US government put, during the last years, to stress foreign aid’s role in American foreign policy and to reform its bureaucratic organization, giving the support and resources needed to State Department, USAID and other federal agencies that compose that agenda. Much of this can be credited to the emphasis given to development in facing broad American interests, specially diffused security threats such as terrorism, organized crime, weapons proliferation, humanitarian emergencies, ecological degradation, etc. Strategic documents clearly associate these threats to the weakening of state capacity and the emergence of ungoverned areas in many regions of the globe.

Development is thus indispensable in the forward defense of America’s interests in a world shaped by growing economic integration and fragmenting political power; by the rise of emerging powers and the persistent weakness of fragile states; by the potential of globalization and risks from transnational threats; and by the challenges of hunger, poverty, disease, and global climate change. The successful pursuit of development is essential to advancing our national security objectives: security, prosperity, respect for universal values, and a just and sustainable international order. (THE WHITE HOUSE, 2010)

The 2002 National Security Strategy, for example, points to the threat coming from fragile states, evaluating that the context of poverty, weak institutions and corruption deepens vulnerabilities exploitable by terrorists and drug cartels (among others). The violence and the instability emanating from these countries could easily spillover to their region or even to the globe. In sum: “America is now threatened less by conquering states than by failing ones.” (NSS, 2002: 7).

The lack of surveillance, of ability to exercise control, or even the lack of recognition of state authority generates ungoverned areas that can work as safe havens to illicit actors. (LAMB, 2008) Facing these governance gaps, criminal and terrorist networks can thus
organize and plan their activities, raise funds, recruit, train, and ultimately operationalize their strategy without a regulator to prevent them.

Along with terrorism and international organized crime, other diffuse security threats can be nurtured by developmental failure in fragile and poorly governed states are: mass destruction weapons proliferation; civil instability and intra-state wars that aggravate illegal immigration and refugee flows and large-scale human rights violations and genocide; environmental degradation; spread of infectious diseases; amongst other. The 2006 National Security Strategy states that:

Weak and impoverished states and ungoverned areas are not only a threat to their people and a burden on regional economies, but are also susceptible to exploitation by terrorists, tyrants, and international criminals. We will work to bolster threatened states, provide relief from crises, and build capacity in developing states to increase their progress. (NSS, 2006: 33)

Similarly, in 2010 National Security Strategy, Washington government reinforces that counterterrorism efforts should be linked to the ability to overcome the political, economic and social deficits, providing basic needs in weak states. “Where governments are incapable of meeting theirs citizens’ basic needs and fulfilling their responsibilities to provide security within their borders, the consequences are often global and may directly threaten the American people.” (NSS, 2010: 26)

The US strategy formulation in the XXI century bring, therefore, the deepening of the so-called 3d approach, which connects diplomacy, development and defense as mutually reinforcing. According to Condoleezza Rice, secretary of state during George W. Bush’s second term: “In today’s world, it’s impossible to draw clear lines between our security interests, ours development efforts, and our democratic ideals.” (USDS, 2007:6)

Following the imperative that “when development and governance fail in a country, the consequences engulf entire regions and leap around the world” (USAID, 2002), assistance for development becomes the institutional mantra repeated by the US foreign policy to deal with unstable regions and prevent states from collapsing.

It is important to highlight, however, that the security-development linkage is not a new feature in US foreign strategy. In the first days of American foreign aid agenda, immersed in the bipolar context, it was used as a tool to fight communism and guarantee a pro-American zone of influence. “Thought much of the 1950s and 1960s mainstream development work, as propagated by the United States, took place largely within a security paradigm.” (BEALL et al, 2006: 53)

After the 9/11 events and the begging of the so-called global war on terrorism, however, it is possible to observe that the security-development nexus gained a new status
in foreign policy rhetoric and the foreign aid system was re-energized altogether. According to former Secretary of Defense Robert Gates "[...]

development and security are inextricably linked. You can't have development without security, and you can't have security without
development." (USDS, 2010) He points out the necessity to foster development in order to support what in the military is known as “phase zero” – the way to prevent conflict and avoid the need to send in troops.

How do you prevent conflict, how do you create the conditions so we don't have to send soldiers? And the way you do that is through development. Development contributes to stability. It contributes to better governance [and] it is a lot cheaper than sending soldiers. (USDS, 2010)

What stands out, therefore, in the beginning of the XXI century, is the strategic correlation between development promotion and the counterterrorism agenda that changes the foreign aid policy guidelines and its top recipients. Some analysts demonstrate concern regarding the securitization and militarization of development that, focusing on short-term goals, may result in blowback outcomes, with the deepening of governance gaps and absence of social welfare. (BEALL et al, 2006; EASTERY, 2008; BRAINARD, 2007)

This process is not exclusive to the United States, and can be noticed in other important foreign aid donors, as United Kingdom, Canada, Denmark or Japan, as well as in multilateral development organizations. In 2001, for example, OECD launched a document entitled “Helping Prevent Violent Conflict” that introduced the organization’s concern with terrorism. It is quite clear in the 2003 document “A development Co-operation Lens on Terrorism Prevention”. (BEALL et al, 2006: 60)

**Conclusion**

The paper offered a brief overview about the complexities of the American foreign aid policy and its more contemporary features. The comprehension of aid programs' cycle – formulation, budget appropriation and implementation – is already a great challenge. There are many interests at stake and many political actors disputing space in the bureaucratic labyrinth. The executive and legislative branches have to negotiate constantly and deal with the pressure coming from international demands, strategic foreign policy commitments, budget limitations, public opinion, and lobbyist groups, among others.

The purpose was to highlight the way foreign aid have recently occupied a more central place in the US strategy. Under the circumstances of American engagement with the war on terror, the development promotion became an important instrument to deal with an
instable world of civil crises, international criminals and terrorists. Many national strategy
documents stressed the 3d approach, bringing foreign aid to US security agenda.

Also another western countries (such as the United Kingdom, Canada and Australia,
to name a few) and international actors (such as OECD, UN and European Union) joined
the United States’ strategic point of view. These major global players subscribed the
understanding that aid regime can help to manage the emerging risks at the system’s
periphery, preventing the spread of terrorist’s safe havens, the grow of illicit economy and
the spillover of intra-state conflicts.

It is important to mention that the so called “development-security nexus” is not a
criticism-free concept. Many academics, for instance, point that there is no substantial
empiric evidence that connect fragile states and ungoverned areas to the emergence of
transnational threats. (PATRICK, 2006, p.28-29)

The focus of new security concerns is not the threat of traditional interstate wars but
the fear of underdevelopment as a source of conflict, criminalised activity and
international instability. This reinterpretation, moreover, means that even if the
system logic is one of exclusion, the idea of underdevelopment as dangerous and
destabilising provides a justification for continued surveillance and engagement.
(DUFFIELD, 2001: 7)

Nevertheless, the fact is that after the 9/11 strategic redirection, foreign aid policy
gained a new status in Washington. It brought the White House to uphold the increase of
finance resources and new foreign aid projects (such as PEPFAR and MCC). It brought both
democratic and republican administrations in the 2000s to perform major reforms regarding
foreign assistance organization (interagency coordination and effectiveness-based models).
It brought renewed support for USAID. It brought a deeper engagement of the Pentagon
with developmental activities. In sum, foreign aid system has evolved to accommodate
American foreign aid imperatives to face globalization challenges.

References


Documents:


