HUMAN RIGHTS & U.S. FOREIGN AID, 1984-1995:

The Cold War And Beyond...

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This study attempts to cast empirical light on the traditionalist-revisionist debate regarding the impact of the Soviet Union’s collapse on U.S. foreign policy decision-making. To accomplish this goal, the relationship between human rights and U.S. foreign aid decision-making is examined before and after the Cold War. In doing so, the author attempts to determine if “soft” approaches, such as the use of a country’s human rights records when allocating aid, have garnered increasing attention since the end of Cold War, as traditionalists assert, or declined in importance, as revisionists content.
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CHAPTER ONE

INTRODUCTION

HUMAN RIGHTS & U.S. FOREIGN AID: ORIGINS & DEBATES

In 1972 the American public, horrified by images of summary executions conducted by the United States’ South Vietnamese allies and outraged by the bombing of North Vietnamese civilian dwellings in Hanoi and Haiphong, pressed Capitol Hill for fundamental changes in U.S. foreign policy. Foremost among the public’s proposed changes was the use of human rights records during the distribution of U.S. foreign aid, as a means of ensuring that U.S. economic and military assistance would be withheld from recipients inflicting harm on civilian populations (Brown and MacLean, 1979). Persuaded further by the pro-human rights rhetoric of presidential hopeful Jimmy Carter, the House of Representatives initiated a series of fifteen hearings in the Subcommittee on International Organizations and Movements in 1973 entitled Human Rights in the World Community: A Call for U.S. Leadership. The series culminated with the Subcommittee’s recommendation that U.S. foreign aid decision-makers should give “due consideration” to the human rights practices of potential aid recipients (U.S. State Department, 1989: 3). This recommendation was

1 Earlier that year, the White House reluctantly admitted before a Joint Intelligence Oversight Committee that secret bombing missions had been conducted inside Cambodia in 1969 and Laos in 1970. The Presidential ordered bombings coupled with the mining of Vietnamese harbors frequented by civilians in early 1972 provoked sustained antiwar protests throughout the United States. More importantly, however, the Silent Majority spoke-up, expressing its support for the protesters and calling for a reaffirmation of the United States’ long-standing commitment to individual rights and liberties at home and abroad (Humana, 1984).
incorporated into the Foreign Assistance Act the following year, and became legally binding two years later with the adoption of the International Security Assistance and Arms Export Control Act [1976]².

Since its codification, the use of human rights practices as a basis for U.S. foreign aid allocations has been shrouded in controversy (Wilhelm and Feinstein, 1984). Much of the debate, while taking place on a variety of academic and political fronts, involves the degree to which human rights records should be utilized during the U.S. foreign aid decision-making process. Political realists, citing the overriding importance of strategic considerations and military capabilities, advocate the use of human rights records only when such a course does not compromise national security (Waltz, 1979). Liberal thinkers, on the other hand, stress the need to cultivate a sense of global community and the desirability of improving the overall human condition worldwide, even to the detriment of self-serving security interests (Kegley & Wittkopf, 1991).

In an effort to infuse the partisan exchange with a modicum of empirical evidence, international relations scholars have labored to uncover the extent to which U.S. foreign aid decision-makers actually make

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² The Foreign Assistance Act of 1973, Pub. L. No. 93-189, 87 Stat. 714, 733 stated the “sense of Congress” was that aid should be linked to human rights considerations. The language, however, was not binding on the executive and was ultimately ignored until 1976, when the International Security Assistance and Arms Export Control Act, Pub. L. No. 94-329, Sec. 301[a], 90 Stat. 729, 748 was signed into law (Agency for International Development, 1975). This act provided that “gross violations of internationally recognized human rights” should negatively effect U.S. foreign aid allocations, except where “extraordinary circumstances” warrant otherwise (Carleton and Stohl, 1987).
use of human rights records during the aid allocation process. The studies they have produced vary widely in terms of theoretical orientation, methodological approach, and measurement technique, and have shed much-needed light on the relationship between human rights and U.S. foreign aid. Yet for all their variety, these studies share one characteristic in common – the Cold War. That is to say, past research exploring the impact of human rights on U.S. foreign aid decision-making has been conducted almost exclusively before the collapse of the Soviet Union. This limitation, while an artifact of historical circumstance rather than a deficiency in research design, may have had a significant impact on the relationship between human rights and U.S. foreign aid.

**THE COLD WAR AND FOREIGN AID: ALTERNATIVE INTERPRETATIONS**


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3 For a brief summary of these studies, including methods, variables examined, and major findings, refer to the Supplementary Materials Section, *Supplement One: Empirical Studies of Human Rights and U.S. Foreign Aid*, page 72.
(Kegley and Wittkopf 1991; Poe 1991). Attempting to thwart the Soviet’s agenda, U.S. decision-makers began to “think and act in terms of interest defined as power” (Morgenthau, 1985: 33). For they believed the distribution of power between the United States and the Soviet Union would ultimately decide the issue of world hegemony (Waltz, 1979). In this high stakes, highly structured environment, some scholars believe that potential aid recipient’s human rights practices played little part in the U.S. foreign aid calculus (Kegley and Raymond, 1993; Semmel, 1983), yet others disagree (Meirsheimer, 1990; Kaplan, 1992).

Traditionalist Interpretation

According to traditionalist interpretations, containing the Soviet Union’s expansionist agenda necessitated a hard-line approach to foreign policy issues. These scholars believe that “soft” approaches to foreign policy, particularly those capable of disrupting alliance structures, encouraging “leftist” ideologies, and alienating regimes receptive to democratic values were necessarily forsaken (Kegley and Wittkopf, 1991). Traditionalists believed, as President Kennedy remarked, that “if the United States were to falter [in any aspect of its hard-line approach] the whole world would inevitably move toward the Communist bloc.”5

In this restrictive foreign policy environment, according to traditionalists, U.S. foreign aid became a “carrot” to entice would-be

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4 In Testing models of U.S. foreign policy: foreign aid during and after the Cold War, Meernik, Krueger, and Poe (1998) include a human rights variable. But the findings for human rights were not the main focus of this study.
friends and allies rather then a “stick” to punish human rights abusers. Communists, not human rights violators, were the principle danger during the Cold War. As such, the observance of human rights—arguably a “softer” approach to foreign policy—was relegated to a minor role during the construction of Cold War aid packages. U.S. foreign aid decision-makers, according to the traditionalist view, gave economic aid predominately to strengthen key foreign economies and enhance U.S. prestige and influence abroad (Semmel, 1983; Kegley and Wittkopf, 1991). Military aid, on the other hand, was used mainly to deter communist aggression, facilitate access to military bases abroad, and develop sound military-to-military relations between the United States and the recipient country (Kegley and Wittkopf, 1991).

The demise of the Soviet Union, according to traditionalists, signaled a new era in the distribution of world power and, consequently, a reprioritization of the motives underlying U.S. foreign aid decisions. With the dissolution of the communist threat and the adoption of democratic institutions across much of the globe, they believe a less-threatening international environment has emerged since 1989 (Kegley and Raymond, 1993). Replacing the presumably dangerous bipolar configuration of the Cold War is a new multipolar world order devoid of a unifying hostile ideology and presided over by a concert of like-minded, Western-style democracies. Now, in sharp contrast to the Cold War era, strategic

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5 Excerpt from a White House speech given on July 8, 1966.
considerations no longer possess an ironclad hold on the minds of the foreign aid decision-making community, according to traditionalists.

In this new, more peaceful international environment, traditionalist believe that U.S. decision-makers are free to implement “softer” approaches to foreign policy; approaches that were presumably cast aside during the Cold War (Meernik et al., 1998; Kegley and Raymond, 1993). No longer obsessed with containing the Red Threat, Washington can now reassert its commitment to improving human rights throughout the world. In short, according to traditionalists, the International Security Assistance and Arms Export Control Act [1976] has emerged from its Cold War slumber to become a viable component of the U.S. foreign aid decision-making process. But another equally plausible interpretation abounds.

Revisionist Interpretation

Some scholars—who for lack of a better term will be called “revisionists”—disagree with the traditionalist argument outlined above, believing instead that the post-Cold War environment poses a greater threat to U.S. security then that of the Cold War. The bipolar environment of the Cold War, so their logic goes, imposed some degree of order upon the inherently chaotic international system (Mearsheimer, 1990). The effect of this ordering was not to constrain “soft” approaches to foreign policy, as traditionalist assert, but rather to ensure the efficient implementation of these approaches in the United States’ satellite countries.
The bipolar system, according to revisionists, drastically simplified foreign policy decision-making for both the United States and its satellites (Waltz, 1979). With only two countries in contention for world domination, the globe was carved into clearly discernable sphere of influences (Gaddis, 1982). Foreign policy decisions flowed from superpower to subordinate via ridge alliance structures, with each superpower carefully avoiding intrusion into the other’s domain (Mearsheimer, 1990; Kaplan, 1992). Ambiguity in foreign policy decision-making was also curbed in satellite countries, where fear of expulsion from the umbrella of protection afforded by the superpower ensured its cooperation with the foreign policy directives of its benefactor.

In this rigidly hierarchical environment, revisionists assert, the United States enjoyed relative freedom when pursuing its foreign policy objectives. Washington could ask what it wished of satellites and expect compliance. Thus, while strategic considerations were of primary importance during the Cold War, human rights remained an important and easily-implementable component of U.S. foreign policy, according to these scholars. This is not the case, however, in the post-Cold War environment.

With the collapse of the Soviet Union came the disintegration of numerous alliance structures and the onset, according to revisionists, of an unstable multipolar configuration (Mearshiemer, 1990). The loss of alliance cohesion, they contend, dramatically increased the level of ambiguity associated with foreign policy decision-making. The United
States can no longer assume weaker countries will heed its advice and weaker countries, adhering to the misguided belief of a more peaceful post-Cold War environment, no longer feels compelled to seek U.S. protection.

In this less structured environment, according to revisionists, the United States must turn increasingly to tactics of self-preservation. As such, the United States cannot afford to pursue idealistic goals (Thompson, 1988). Revisionists, therefore, concluded that the use of human rights in U.S. foreign policy is declining, and will continue to do so until a clear-cut hierarchical world order is restored.

With little empirical evidence to support either position, the traditionalist-revisionist debate continues. This study will attempt to bring much-needed empirical evidence to bear on this debate by examining the effects of the Cold War/post-Cold War era on the degree to which U.S. foreign aid decision-makers utilized human rights records when allocating aid. To accomplish this task, pooled cross-sectional time-series data (PCTS) on 121 countries from 1984-1995 is used to assess the relationship between the independent human rights variables and U.S. foreign aid before and after the Cold War. It is the desire of the researcher that the findings, once incorporated into the existing body of knowledge on this subject, will not only help resolve the traditionalist-realist debate but also provide additional insights into the U.S. foreign aid decision-making process.

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6 The data employed in this study, with the exception of the variable representing domestic conflict in potential recipient countries, was graciously provided by Steven C. Poe.
CONCLUDING REMARKS

This chapter has served as an introduction to the impact of international system polarity on the use of human rights records in U.S. foreign aid decision-making. The chapter began with a brief discussion of the origins of the United States’ human rights doctrine. Next, the traditionalist-revisionist debate concerning the effects of the Cold War/post-Cold War environment on U.S. foreign aid was reviewed. Finally, this study’s objective, and the means by which it will be carried out, was outlined.

In chapter two, the empirical literature devoted to the relationship between human rights and U.S. foreign aid is examined and critical evaluated. The chapter begins with the earliest known study of the subject, undertaken nearly two decades ago (Schoultz, 1981a), and concludes with the most recent publication by Meernik, Krueger, and Poe in 1998, discussing the strengths and weaknesses of each study in turn.

Drawing on the insights of the studies examined in chapter two, chapter three proceeds with the adoption of a conceptual framework for the study of U.S. foreign aid decision-making. Next, variables are operationalized and an empirical model capable of testing the impact of human rights practices on U.S. foreign aid both before and after the Cold War is developed. Lastly, primary and secondary hypotheses are stated and concluding remarks are made.
Chapter four begins with an exploration of the methodological challenges inherent to analyses of PCTS data. Appropriate statistical methodologies are adopted, data-related issues are discussed, preliminary diagnostics are then conducted, and suggestions from previous studies are incorporated into the study. The empirical model of human rights and U.S. foreign aid is then introduced and tested. Results are presented in a two-stage comparative framework, with concluding remarks following shortly thereafter.

Chapter five serves as the conclusion for this study. In chapter five, the research design and major findings of the study are reviewed. Suggestions for future research on human rights and U.S. foreign aid are offered, and concluding remarks are made.
CHAPTER TWO

LITERATURE REVIEW

OPENING REMARKS

Chapter one began by tracing the historical progression of the United States’ human rights doctrine, from its genesis as a backlash to the seemingly amoral foreign policy objectives of the Nixon-Kissinger administration to its codification with the International Security Assistance and Arms Export Control Act [1976]. Thereafter, the traditionalist-revisionist debate regarding the effects of Cold War on the relationship between human rights practices and U.S. foreign aid was reviewed. Finally, the objectives of this study were outlined.

In chapter two, empirical studies devoted to the linkage between human rights and U.S. foreign aid decision-making is explored. The diversity of these studies is striking. While some scholars develop general models of U.S. foreign aid, others seek to explain a single variant of the allocation process. And, while some use total aid levels as the dependent variable, still others choose to focus on either economic or military aid. Drawing on the more innovative aspects of each study, a research design and empirical model will be developed in later chapters.

HUMAN RIGHTS AND U.S. FOREIGN AID

and human rights violations in Latin America. Schoultz (1981a), relying on the judgement of thirty-eight human rights experts, ranked twenty-three Latin American countries according to level of human rights abuses found in each country from 1975 to 1977. Using military aid allocations as the dependent and employing correlation analyses, Schoultz (1981a) finds that countries abusing human rights received more aid then their less abusive brethren. In a companion study produced later that year, Schoultz (1981b) utilizes the same data and similar statistical techniques in an effort to explain differences in foreign aid distributions in 1975 and pending allocations in 1979. Again, he finds that human rights abuses are positively related to U.S. military aid allocations in the Latin American region, although this relationship appears to reverse itself during the Carter administration.

Taken together, however, Schoultz’s studies contain three distinct methodological shortcomings. Firstly, the author relies solely on expert opinion to construct the data set used in both studies. In doing so, Schoultz (1981a, 1981b) not only interjects an unwarranted degree of subjectivity into his measurements, but also forgoes the use of more well-established standardized measures. Secondly, focusing exclusively military aid to countries in Latin America, an area justifiable regarded as vital to the security interests of the United States during the height of the Cold War, brings into question the generalizability of the findings. Third, and finally, bivariate correlation matrices may produce overly optimistic
results; multivariate regression analysis, which incorporate statistical controls bivariate analyses lack, would have been a more preferable method of investigation (Lewis-Beck, 1980)

Although Stohl, Carleton, and Johnson’s (1984) study is conducted during much the same timeframe and relies in part on the data set utilized by Schoultz (1981a, 1981b), the author reaches a different conclusion. After replicating Schoultz (1981a) expert-based data and constructing ordinal indices based on Freedom House, Amnesty International, and Country Department country reports, rank order correlation between U.S. economic and military aid and each of the aforementioned measures are conducted on twenty countries during 1976 and 1981. The findings, in dramatic contrast to those produced by Schoultz (1981a, 1981b), tend to indicate that “regardless of the source of our measures of human rights violations, there appears to be no strong relationship between scale ratings and foreign assistance, and no discernibly positive consistent shift in the distribution of American assistance during the Carter years” (Stohl et al., 1984: 222).

Stohl et al. (1984) includes human rights data from the three most widely accepted sources available to researchers--Amnesty International, Freedom House, and Country Department Country Reports. Yet rank order correlation analysis suffers from the same impediments as those encountered in the Schoultz (1981a, 1981b) studies. Additionally, the twenty countries selected for the analysis include Egypt and Israel, which
subsequent studies have shown to be extreme outliers in foreign aid
distributions and, as such, capable of significantly biasing one’s findings.

same standardized indicators of human rights to access their importance in distribution of per capita military and economic aid to developing
countries from 1978 to 1983. For each year of the study, the authors
analyze an average of forty-six individual cases. Spearman rank order
correlations between the independent and dependent variable produced results similar to those reached by Stohl et al. (1984). Thus they concluded,

“Regardless of how one measures human rights, the correlations with both military and economic aid are, at best, very small. *None* of the correlations are significant at the .05 level [of analysis] and none are [statistically] meaningful” (Carleton and Stohl, 1985: 215). As such, the authors conclude that neither the Carter nor the Reagan administration made substantial use of human rights as a basis for the allocation of U.S. foreign aid. Despite the pro-human rights rhetoric espoused by each administration, it appears as though a gulf existed between the words and reality of foreign aid policy.

Cingranelli and Pasquarello (1985), in what became the most widely-criticized study in the field, examined the impact of human rights abuses on U.S. military aid and a highly selective *subset* of economic aid for thirty
Latin American countries for fiscal year 1982. In a welcomed departure from previous studies, the authors develop the first multivariate model of human rights specifically designed to control for a variety of other factors believed to exert influence on U.S. foreign aid decision-making. More importantly, however, they develop a two-stage model of the U.S. foreign aid allocation process.

The first stage in Cingranelli and Pasquarello’s (1985) two-stage model—deemed the gatekeeping stage—refers to the point at which a decision is made to either include or exclude a country from the pool of potential aid recipients. The second stage, which focuses exclusively on those countries included in this pool of recipients, involves decisions concerning the level of aid given during a particular year. This innovation in foreign aid modeling allows the authors to move beyond the mere examination of recipient countries. At the gatekeeping stage, differences between aid recipients and non-recipients can now be observed.

Employing LOGIT analysis, the authors find that the gatekeeping stage seems to have a much more pronounced affect on decisions concerning the allocation of military rather then economic aid. At this stage, it appears as though greater human rights abuses tend to increase the likelihood of inclusion into the recipient pool. OLS regression indicates that during the second stage, however, human rights begin to impact economic aid decisions. Here, the authors find that levels of economic aid are strongly related to human rights abuses.
Despite the innovative aspects of Cingranelli and Pasquarello’s (1985), subsequent studies have illustrated glaring deficiencies in the authors’ basic research design. Carleton and Stohl (1987), in a partial reanalysis of Cingranelli and Pasquarello (1985) study, use Country Department reports to construct an ordinal scale of human rights abuses in nearly sixty countries from 1976 to 1983. To augment their analysis, the authors develop a parallel human rights scale based on information contained in Amnesty International’s annual country reports, and use the Freedom House measures of civil and political rights.

After correcting for difficulties in the Cingranelli and Pasquarello (1985) study, including an ill-advised reliance on single indicators for economic data and human rights as well as sample selection biases, the authors conduct a bivariate analysis of the distribution of total economic aid at the second stage of the allocation process. Alternative measures of human rights and changes in sample group produce dramatically different picture of the aid allocation process, while alternative measures of economic aid appear to exert no influence in the analysis.

The authors find that measures of human rights derived from sources other than the Country Department appears incapable of producing statistically significant results.

“Unless one is prepared to defend the Country Department information as more objective or ‘correct’ then other sources, and/or as the only important source of human rights information utilized by
decision makers, it is difficult to accept the results derived with these scales as a more accurate reflection of the relationship between aid and rights…” (Carleton and Stohl, 1987: 1013).

Additional doubt is cast on Cingranelli and Pasquarello’s (1985) results when it is shown that the introduction of El Salvador into the analysis—which the authors had excluded from their model due to its “nonroutine” nature—causes all human rights coefficients to become small and statistically insignificant. With this in mind, the authors conclude that “the validity of Cingranelli and Pasquarello’s results seems highly questionable” and thus “there is no evidence that the United States distributes its foreign assistance with significant regard to the human rights behavior of the recipient countries” (Carleton and Stohl, 1987: 1015).

McCormick and Mitchell (1988), in the second study designed to test the validity of Cingranelli and Pasquarello’s (1985) findings, utilize the same measure of human rights and focus on the same timeframe to examine the impact of human rights on the distribution of U.S. foreign assistance. Carleton and Stohl (1987), the authors deviate from some of the more innovative aspects of Cingranelli and Pasquarello’s (1985) original research design. Whereas Carleton and Stohl (1987) revert to bivariate regression analysis and a one-stage model of foreign aid for their study, McCormick and Mitchell (1988) does incorporate a variety of control variables included within the original study. Suffice it to say, the inclusion
of “nonroutine” cases, namely El Salvador, again tends to invalidate the findings of Cingranelli and Pasquarello (1985).

This finding is confirmed yet again in a follow-up study conducted by McCormick and Mitchell (1989) titled *Human Rights and Foreign Assistance: an Update*. The authors improve upon their previous study on two fronts: Firstly, the sample size is expanded from fourteen to over seventy eight recipient countries and takes into account levels of repression present in nonrecipient countries. And, secondly, McCormick and Mitchell (1989) develop a more discriminating two-dimensional measure of human rights abuses. According to the authors:

“The first dimension reflects the incidents of political imprisonment and imprisonment without trial in a country; the second concerns the use of torture and nonjudical killing by governments. This two-dimensional measurement approach recognizes that imprisonment, on the one hand, and torture and killing, on the other, are qualitatively distinguishable methods of political control. By contrast, previous measures have tended to incorporate different levels of imprisonment and killings into a single dimension, even though these are conceptually (and empirically) different kinds of human rights violations” (p. 970).

This two-dimensional measure of human rights is constructed using Amnesty International reports that, according to the authors, represent the most accurate assessment of human rights violations. After
operationalizing U.S. foreign aid as the total economic and military assistance allocated to a recipient, rank order correlations are produced on data for fiscal year 1985. From this analysis, McCormick and Mitchell (1989) produce two principle findings. Recipient and nonrecipient countries are remarkably similar in terms of their propensity to abuse human rights, although nonrecipients of economic aid tend to score higher on “taking political prisoners” then “using torture” as a means of coercion (p. 972). As for those countries receiving some type of aid, it appears as though recipients of small economic and military aid packages were less likely to engage in human rights abuses then their more well funded brethren. These findings lead the authors to conclude “in short, U.S. aid distribution—whether compared with nonrecipients or among recipients—does not seem to be built on a conscious policy of aiding only those countries which protect the human rights of their citizens” (p. 973).

In Human Rights and the Allocation of U.S. Military Assistance, Poe (1991) makes use of maximum likelihood estimation techniques on both a random sample of countries and those in the Western hemisphere to ascertain whether abusive regimes are completely disqualified from 1984 U.S. military aid allocations under the Carter and Reagan administrations. Reasoning that foreign aid decision-makers may employee a variety of sources on regime repression during the allocation process, the author concludes the most appropriate operationalization of human rights must include all three of the most prominent indicators. With this in mind, the
author constructs and index of human rights abuses based on information provided by the Country Department, Amnesty International, and Freedom House data. Given the nature of the inquiry, the dependent variable is coded dichotomously with countries receiving military aid assigned a value of one and nonrecipients assigned a value of zero.

Using the theoretical framework developed by Cingranelli and Pasquarello (1984) and taking into account a variety of strategic considerations that influence foreign aid decision-making, the author finds preliminary evidence that the most abusive regimes in the Western hemisphere were denied military aid during both the Carter and Reagan administration. The observed relationship is even more pronounced in the random sample of forty countries, where “human rights abuse had a negative, substantively important and statistically significant effect on whether the world’s countries would be allocated military aid under both administrations” (p. 210). Poe (1991), given the robustness of these findings, concludes that human rights abuses are probably a consideration during the U.S. foreign aid decision-making process.

In a companion study published the following year, Poe (1992) employees the same samples, theoretical orientation, methodological techniques, and control variables used in the previous analysis to assess the impact of human rights abuses on gross economic [rather then military] aid disbursements. During the gatekeeping stage of the analysis, maximum likelihood estimates are once again employed to cope with the
dichotomous dependent economic aid variable. The second stage of the analysis, however, employs OLS regression so that the impact of human rights abuses on total economic aid can be accurately estimated.

At the gatekeeping stage, human rights abuses seem to exert a substantially negative influence on decisions to allocate economic aid in both the Western Hemisphere and world sample. Beyond-the-gate results indicate that human rights abuses have some influence on economic aid allocation in the Western Hemisphere, even when falling short of statistical significance. In the case of the random world sample, however, clearly negative and statistically significant relationship is present.

On the basis of these findings, Poe (1992) concludes that human rights abuses seem to influence economic assistance outputs under both the Carter and Reagan administration irrespective of sample. Their effects, however, were most pronounced throughout the Reagan administration with regards to the world sample. These findings, while encouraging, do “indicate human rights considerations are not of preeminent importance, but rather are weighed with a variety of political and strategic concerns and recipient need in determining the eventual outcome of foreign aid decision-making processes” (p. 163).

Poe and Sirirangsi (1993) explore the relationship between human rights abuses and U.S. economic aid to the African region. Building on previous works of Poe (1991, 1992), the authors utilize a pooled cross-sectional time-series data set and GLS-ARMA, a methodological technique
appropriate for PCTS analyses, to estimate the aforementioned relationship for forty-one African countries from 1983 to 1988.

After controlling for a variety of political, economic, and humanitarian considerations thought to influence foreign aid decision-making and again employing the cumulative index of human rights (as outlined above), human rights had a moderately negative effect on economic aid allocations to the African region. Ideological disagreement and population of the recipient, however, tend to exert the lion’s share of influence.

In a 1994 study, Poe, Pilatovskiy, Miller, and Ogundele directed their attention away from African region in an effort to access the impact of human rights on both military and economic aid allocations to Latin America countries. PCTS data on twenty-three countries from 1983 to 1991 was again subjected to GLS-ARMA analysis, with dummy variables included to negate the threats to inference posed by autocorrelation and heteroskedasticity. With the same control variables as the aforementioned study in place, the analysis proceeds in the now familiar two-stage approach.

Results of the analysis tend to indicate that human rights abuses exert a substantially negative and statistically significant impact on “routine” economic aid disbursements at the .1 level, which is consistent with the often-criticized findings of Cingranelli and Pasquarello (1985). Likewise, the model accounts for 71% of the variance in economic aid
distributions in the Latin American region. As for military aid, the coefficient for human rights abuses, while smaller than that produced in the economic aid model, is in the expected negative direction and reaches statistically significant at the .05 level. Poe et al. (1994), perhaps alluding to the declining utility of strategic considerations as the end of the Cold War neared, notes that in both analyses the magnitude and relative importance of security-related variables was somewhat decreased, when compared to previous empirical findings, and at times statistically insignificant.

Finally, in Testing models of U.S. foreign policy: foreign aid during and after the Cold War, Meernik, Krueger, and Poe (1998) provide the most germane analysis of the relationship between human rights and aid allocations for the purposes of this study. Although the authors do not focus on human rights directly, it is included in one of three contending approaches designed to tap the strategic, economic, and humanitarian explanations for foreign aid decision-making. Given the collapse of Soviet Union and the dissolution of the communist specter, they hypothesize that human rights will become an increasingly important indicator of aid distributions since the Cold War.

Employing a pooled cross-sectional time-series data set for one hundred and twenty-seven countries from 1977-1994 and focusing on total aid levels, the authors find that “both during and after the Cold War, the better a country’s human rights record, the more likely it would be to
receive assistance. However, in both periods, those countries that did receive aid obtained more assistance the worse their human rights records” (Meernik et al., 1998: 18). According to the authors’ interpretation, once certain gate-keeping criteria has been passed and a country enters the pool of potential aid recipients, countries within the pool are not penalized for human rights violations. Human rights, they conclude, while gaining in significance during the post-Cold War era, nevertheless, is of secondary importance when compared to strategic and economic motives for aid.

CONCLUDING REMARKS

This chapter has attempted to familiarize the reader with the empirical literature devoted to the impact of human rights on U.S. foreign aid allocations. In doing so, it has presented some of the strengths and weaknesses of the previous studies as well as the overall progression of research in the field. While the studies reviewed in this chapter serve as the basis for much of the quantitative analyses that follow, three deficiencies permeate the literature.

Most studies investigating the effects of human rights abuses on U.S. foreign aid allocations rely solely on a one-stage model, lumping aid/no aid decisions and decisions concerning the amount of assistance together. As Cingranelli and Pasquarello (1984) have illustrated however, U.S. foreign aid decision-making models that treats each as conceptually distinct stages tends to be a more accurate depiction of reality.
Additionally, simple bivariate analyses dominate the field; and lacking statistical controls, studies relying on bivariate analyses may produce misleading results (Gujarati, 1988). And, finally, empirical studies in this area tend to focus exclusively on the relationship between human rights and a single facet of U.S. foreign aid—ignoring important motivational differences for allocating one type of aid rather than another. This study will attempt to address each of these deficiencies by conducting a multivariate, two-stage analysis of human rights and U.S. foreign aid decision-making for all types of foreign aid.

The next chapter is devoted to the construction of an empirically testable model of human rights and U.S. foreign aid before and after the Cold War. First, a conceptual framework of U.S. foreign aid decision-making is adopted. Next, variables are operationalized and primary and secondary hypotheses are stated. Finally, concluding remarks are offered.
CHAPTER THREE  
MODELING HUMAN RIGHTS & U.S. FOREIGN AID

OPENING REMARKS

Building on the insights contained in the first two chapters, chapter three proceeds by developing a model capable of measuring the impact of human rights on all types of U.S. foreign aid both before and after the Cold War. To accomplish this task, the chapter begins with the adoption of a conceptual framework from which to approach the research question under consideration. Next, the dependent variables are operationalized, with the independent variable and control variables operationalizations discussed shortly thereafter. The model of U.S. foreign aid decision-making is then presented, with primary and secondary hypotheses are stated at the end of the chapter.

CONCEPTUAL FRAMEWORK

As indicated in the concluding remarks of the previous chapter, this study uses the two-stage conceptual framework of U.S. foreign aid decision-making developed by Cingranelli and Pasquarello (1985). To reiterate, this approach consists of a gatekeeping stage—where countries are either include or excluded from the pool of aid recipients—and subsequent stage—where the size of aid packages are decided—for those countries moving beyond-the-gate. This framework, as subsequent studies
have shown (Poe, 1991; Meernik et al., 1998), is the most appropriate conceptualization of U.S. foreign aid decision-making to date.

**OPERATIONALIZING THE DEPENDENT VARIABLES**

The dependent variable, U.S. foreign aid, consists of all overt economic and military assistance *promised* by the United States to another country on an annual basis. Previous empirical research on U.S. foreign aid decision-making has generally focused on one type of aid⁷. Scholars conducting these studies often cite parallels in aid distributions as a pragmatic justification for limiting the scope of their inquiries. Indeed, their assertion appears well founded; economic and military aid allocations overlap in nearly eighty-percent of all cases based on bivariate correlation.

Even so, focusing on one type of U.S. foreign aid ignores potentially significant differences concerning the relative weight decision-makers assign factors when allocating different types of aid. This study, in an effort to stimulate scholarly interest in the comparative analysis of aid allocations, investigates not only economic and military aid individually but also total aid figures in parallel analyses. All aid figures were obtained from the Agency for International Development’s [AID] *U.S. Overseas Loans and Grants and Assistance*, which records transfers in millions of U.S. dollars.

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⁷ Total economic aid is the most widely analyzed dependent variable, followed by studies conducted on both economic and military aid jointly. To date, no study has focused on all three variants of U.S. foreign aid.
Economic Aid

Economic aid represents the gross financial obligation made by the United States to an intended recipient country during a fiscal year. Loan totals include ‘capitalized interest’ accrued from the lending date; grants are outright commitments of monetary support which are non-repayable upon receipt. The amount of aid given to an intended recipient must be authorized by the President and approved by Congress before distribution can occur (AID, 1989).

Military Aid

Military aid, the second component of the United States’ foreign aid program:

“represents primarily grants and loans of military equipment, supplies, and services other then international military education and training purchased with appropriated funds. It also includes the cost of repair and rehabilitation of excess stocks furnished with cost to the Military Assistance Program, and the cost of packing, crating, handling and transportation of equipment and supplies” (AID 1989: 2).

Figures are derived from U.S. military estimates, which are based on the acquisition cost of all hardware, goods, and services including technical advice and instructional assistance. Direct sells of military hardware are excluded from these calculations.
**Total Aid**

The third and final measure of the dependent variable is total foreign aid. This figure represents the “net commitment” of foreign assistance U.S. decision-makers intend to provide another country (AID, 1989). It reflects, in short, the sum of all bilateral economic and military assistance promised by the United States to an intended recipient.

**OPERATIONALIZING THE INDEPENDENT VARIABLES**

Two human rights-based independent variables will be employed in this study, both based on different treatment of the same data. Although there is a great deal of variation in how human rights practices have been measured and coded in previous studies, data are most often obtained from one of three well-established sources. In addition to figures derived from the U.S. State Department’s *Annual Country Reports on Human Rights Practices*, data may also be derived from Amnesty International’s *Human Rights Reports* and Freedom House’s civil rights scores.

Human rights practices are measured in this study by combining data from two of the three sources, Amnesty International and the U.S. State Department, into a composite index. Concerning the later measure, results of a study conducted by Poe, Vasquez, and Zanger (1998) tend to
verify the existence of an alleged bias in Country Department reports favoring trading partners while shunning leftist countries. As Poe (1995) notes, however, Country Department reports are the primary source of human rights information for U.S. foreign aid decision-makers and, thus, should be included in any analysis.

Following the near standardized coding scheme developed by Gastil (1980) in *Freedom in the World: Political Rights and Civil Liberties* and used extensively in human rights studies (Gibney and Stohl, 1988; Poe and Sirirangsi, 1993; Poe and Tate, 1994; Stohl and Carleton, 1985), Amnesty International and Country Department data are arranged along five point ordinal scales, with a score of five representing great respect for human rights and 1 signifying a human rights catastrophe. The two scales are then combined, producing a single human rights index. If one scale is

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9 The alleged leftist bias (see Carleton and Stohl, 1987) seems to have improved throughout the 1980s, suggesting the measure has become a more reliable indicator over time (Innes, 1992). Others, however, suspect that Amnesty International “may have been more likely to note abuses by governments against armed leftist oppositions then by those oppositions against governments and its supporters” (Poe and Tate, 1994: 869). Refer to Poe and Tate (1994) for a more in-depth discussion on this subject.

10 Level 1: “Countries...under a secure rule of law, people are not imprisoned for their views, and torture is rare or exceptional...Political murders are extremely rare.” Level 2: “There is a limited amount of imprisonment for nonviolent political activity. However, few persons are affected, torture and beating are exceptional...Political murder is rare.” Level 3: “There is extensive political imprisonment, or a recent history of such imprisonment. Execution or other political murders and brutality may be common. Unlimited detention, with or without trial, for political views is accepted.” Level 4: “The practices of Level C are expanded to large numbers. Murders, disappearances, and torture are a common part of life...In spite of its generality, on this level terror affects primarily those who interest themselves in politics or ideas.” Level 5: “The terrors of Level D have been extended to the whole population...with no limits apparent” from Gastil (1980), as quoted by Carleton and Stohl (1985: 1007) and Poe (1992: 151).

11 Amnesty International and Country Department measures are usually coded in the opposite manner, with one indicating immense respect for human rights. The index has been inverted here to ease interpretation.
missing data, scores from the other scale stand alone on the human rights index.

The second measure of human rights—percentage improvement in human rights—represents an attempt to ascertain whether decision-makers take into account human rights advancements that have occurred in a country since last year. This variable is measured using yearly percentage changes in the five-point human rights composite index outlined above. Whereas the first human rights measure taps the absolute quality of human rights in a country, the second measure taps the relative improvement in human rights.

**OPERATIONALIZING THE CONTROL VARIABLES**

The empirical literature synthesized in chapter two suggests that a number of strategic, political, economic, need- and performance-based motives may influence U.S. foreign aid decision-making. As such, these motives will be incorporated into the model via a variety of control variables. These variables, while of secondary importance for the purposes of this study, will significantly improve the overall “fit” of the model. From a methodological standpoint, the inclusion of these variables ensures the development of a well-specified model and, consequently, will afford the researcher greater confidence in the findings (Gujarati, 1990; Lewis-Beck, 1980). And, from a theoretical standpoint, simulating the myriad of information available to U.S. foreign aid decision-makers allows
the importance of human rights to be accessed relative to other more self-serving motives for aid, both before and after the Cold War.

**Strategic Motives**

Throughout the Cold War, U.S. foreign policy decision-makers stressed the need for strategic superiority vis-à-vis the Soviet Union. For U.S. containment strategies directed at the Soviet Union to work, they believed the United States must develop sound bilateral military relations with non-communist countries. United States’ aid dollars became one means of forging and strengthening those relationships (Kegley and Wittkopf, 1991).

As the communist threat diminished, however, so too did the United States’ need for strategic superiority vis-à-vis the Soviet Union. Containment strategies were forgotten, the importance of fostering military-to-military relations declined, and a major justification for giving “strategically significance” countries aid fell into question. To test whether the end of the Cold War had a lasting impact on U.S. aid to these countries, two variables will be included in this study.

Just as Meernik et al. (1998), this study will use a variable denoting U.S. allies as a proxy for strategic significance during the distribution of U.S. foreign aid. Here, however, the inquiry will be expanded beyond the scope of Meernik et al.’s (1998) inquiry to the initial aid/no aid question potential recipient countries face. Allies of the United States are treated as dichotomous variable, with “1” representing allies and “0” signifying
nonaligned countries. Countries must be members of NATO, SEATO, or the Rio Pact, as recorded in the Department of Defenses’ *Worldwide Manpower Distribution by Geographical Area*, to be qualify as an ally.

In addition U.S. allies, Wittkopf (1972) suggests that a country with a large population is more important to U.S. security then smaller a country. During the Cold War, according to the author, the United States had a greater stake in larger populations “going communist” then smaller populations (Wittkopf, 1972: p. 14). Population figures\(^\text{12}\) of potential recipient countries were obtained from the Central Intelligence Agency’s [CIA] *World Factbook*, and are measured in millions of people residing in a given country.

*Political Motives*

As the Soviet Union’s sphere of influence widened, U.S. foreign policy decision-makers became increasingly fearful of leftist ideology (Kegley and Wittkopf, 1991). Countries with professed leftist agendas fell into disfavor. Consequently, the United States usually denied these countries foreign assistance of any kind. With the demise of the Soviet Union, leftist countries may appear less threatening to the United States (Meernik, et al., 1998). To test this hypothesis, a variable for leftist countries will be included in this study. These countries—having governments ruled by a socialist party or those that do not allow effective electoral competition from non-socialist parties—are expected to endure

\(^{12}\) Given the skewed distribution of world population, figures have been logged.
the brunt of discrimination during the aid process. This variable is coded “1” for non-leftist and “0” for leftist, and are derived from Country Department Country Reports.

Despite the absence of a coherent body of empirical literature on the subject, scholars often cite the impact of domestic violence within potential recipient countries on U.S. foreign aid decision-making (Doran, 1978; Wilhelm and Feinstein, 1984; Wittkopf, 1985). These scholars assert that governments with high levels of violence perpetrated by individuals and groups against the country, particularly during the Cold War, are more likely to receive larger U.S. foreign aid packages than their less-tumultuous brethren. To test this assertion, a measure of internal violence has been devised using event-count data derived from Reuters news wire reports and collected by the Protocol for the Assessment of Nonviolent Direct Action—PANDA\textsuperscript{13}, for short. Daily reports of violent episodes\textsuperscript{14} in potential recipient countries has been collapsed into yearly data and coded for each country individually. The resulting measure taps the number of violent episodes, by country per year.

\textsuperscript{13} For additional information or to obtain PANDA data, visit PANDA’s website at http://cfia-db2.fas.harvard.edu.
\textsuperscript{14} Coded using PANDA “context variable”, which identifies the type and severity of conflictual events in a country. “Domestic violence” refers to intentional conflictual behavior against the country by individuals/groups within society, including kidnappings, unlawful seizures and detentions, clashes that resulted in confirmed bodily harm, and destruction of government goods (See PANDA Codebook for the P24 data set, revised issue dated May 23, 1995 for additional details).
Economic Motives

The volume of economic interaction between the United States and a potential recipient country has been found to be a significant indicator of U.S. foreign aid outputs (Meernik et al., 1998). The United States, so the argument goes, has a vested interest in maintaining the political status quo in its largest trading partners irrespective of system polarity. After all, regime transitions in these countries are likely to disrupt trade flows or, even worse, alter the fundamental nature of the trading relationship.

Persuaded by Meernik et al.’s (1998) argument, a variable designed to tap volume of trade between the United States and a potential recipient country will be included in this study. Here, the effects of trade are expected to be positive and strong during the Cold War era and grow even stronger after 1990, given the post-Cold War trend toward global economic integration. Such a relationship is expected for all types of aid after the Cold War. Trade is measured as imports to the U.S. plus exports from the U.S. in relation to each country during a particular year, with figures taken from the International Monetary Fund’s [IMF] Direction of Trade Yearbook.

Need-Based Motives

Previous empirical research has verified the existence of an inverse relationship between per capita GNP and U.S. foreign aid (Meernik et al., 1998; Poe, 1991; Wittkopf, 1972). The evidence indicates that U.S. foreign aid decision-makers allocate aid to “needy” countries, presumably to
improve existing social conditions (Kaplan, 1976: 43). Witnessing the
inhuman suffering of peoples in these needy countries, so their logic goes,
U.S. decision-makers are moved to give large amounts of aid. With the
demise of the Soviet Union and the probable relaxation of strategic
considerations, “needy” countries are expected to capture larger numbers
of U.S. foreign aid dollars after the Cold War.

To test this hypothesis, per capita GNP of potential recipient
countries will be used as a proxy for “need” (Kaplan, 1976: 43). Per capita
GNP—measured in millions of US dollars—was chosen because it provides
a good indication of the relative “need” of peoples within countries. These
figures are measured in millions of U.S. dollars per year. As with volume of
trade, per capita GNP figures were obtained from the IMF’s Direction of
Trade Yearbook.

**Performance-Based Motives**

Three decades ago the World Bank’s Partnership for Development,
then a think-tank on socioeconomic improvement strategies,
recommended that aid allocations be based on past performance. That is,
potential recipient countries that had a proven track record of using aid to
improve social and economic conditions should receive the lion’s share of
U.S. assistance. To test whether U.S. foreign policy decision-makers have
followed the Partnership’s advice, allocating aid according to its overall
socioeconomic utility, a past performance variable—improvement in per
capita GNP—will be included in this study. This variable is the yearly
percentage change in per capita GNP and lends insight into decision-makers’ willingness to reward “progress”. Figures are reported in millions of U.S. dollars and were calculated using the per capita GNP measure discussed in the previous earlier. Improvement in per capita GNP is expected to have a positive relationship with aid.

**Non-Motivational Variables**

Previous research indicates that a number of non-motivational variables may affect U.S. foreign aid decision-making. For instance, international relations scholars tend to agree that characteristics of individual presidential decision-makers play a significant role during the distribution of foreign aid (Carleton and Stohl, 1987; Poe, 1992; Stohl, Carleton, Johnson, 1984). As such, dummy variables signifying the different presidencies from 1984 to 1995 will be included in the beyond-the-gate analysis. Reagan [1984-1988], Bush [1989-1992], and Clinton [1993-1995] years in office variables have been coded as separate dummy variables.

**HYPOTHESES**

While the effects of human rights on U.S. foreign aid [economic, military, and total aid] allocations before and after the Cold War is of primary interest for the purpose of this study, additional insight into the U.S. foreign aid decision-making process may be gleaned by stating
hypotheses for the control variables. Thus, secondary hypotheses designed to assess the effects of each control variable on the foreign aid allocation process will also be formally rehearsed\textsuperscript{15}. Unless otherwise stated, the word “aid” in the hypothesized relationship and Cold War/post-Cold War discussion that immediately follows refers to economic, military, and total aid simultaneously.

The hypotheses are as follows:

*Primary Hypotheses*

**Human Rights Motives**

H\textsubscript{1}: The better a country’s human rights practices, the more likely that country is to pass the gatekeeping stage and receive an increase in aid beyond-the-gate, ceteris paribus.

H\textsubscript{2}: The greater a country’s percentage improvements in human rights, the more likely that country is to pass the gatekeeping stage and receive an increase in aid beyond-the-gate, ceteris paribus.

*Secondary Hypotheses*

**Strategic Motives**

H\textsubscript{3}: Allies are more likely to pass the gatekeeping stage and receive increases in aid beyond-the-gate then non-allies, ceteris paribus.

H\textsubscript{4}: The larger a country’s population the more likely that country is to pass the gatekeeping stage and receive an increase in aid beyond-the-gate, ceteris paribus.

\textsuperscript{15} Hypotheses for non-motivational control variables will not be formally stated, although the impact of these variables on U.S. foreign aid will be given ample attention when results are discussed. These variables, unlike those with hypothesized relationships, are not amenable to Cold War/post-Cold War interpretations, which is the primary focus of this study.
Political Motives

H₅: Leftist countries are less likely to pass the gatekeeping stage and receive increases in aid beyond-the-gate then non-leftist countries, ceteris paribus.

H₆: The greater the level of domestic violence in a country, the more likely that country is to pass the gatekeeping stage and receive an increase in aid beyond-the-gate, ceteris paribus.

Economic Motives

H₇: The greater the volume of trade with a country, the more likely that country is to pass the gatekeeping stage and receive an increase in aid beyond-the-gate, ceteris paribus.

Need-Based Motives

H₈: The lower a country’s per capita GNP, the more likely that country is to pass the gatekeeping stage and receive an increase in aid beyond-the-gate, ceteris paribus.

Performance-Based Motives

H₉: The greater a country’s percentage improvement in per capita GNP, the more likely that country is to pass the gatekeeping stage and receive an increase in aid beyond-the-gate, ceteris paribus.

CONCLUDING REMARKS

At the heart of this study is the assumption that differences in the Cold War/post-Cold War environment had a significant impact on the hypothesized relationships rehearsed above. Consistent with the arguments advanced by Meernik et al. (1998) human rights variables are expected to increase in significant after the Cold War, although human rights practices are expected to influence aid allocations throughout the
timeframe in question. The importance of human rights, however, is anticipated to fall well behind that of the strategic and political variables during the Cold War and beyond.

Allies and countries with large populations are expected to receive a smaller share of the U.S. foreign aid dollar after the Cold War. The same can be said for domestic conflict, but recall that domestic conflict is expected to capture aid in the heightened security environment of the Cold War. Leftist countries are expected to face a more favorable aid-giving environment in the post-Cold War era.

Economic, need- and performance-based variables are also expected to garner more of the decision-maker’s attention and more aid after the Cold War. Volume of trade is expected to capture greater amounts of aid after the Cold War given recent trends toward global economic integration and, as with the political variables, need- and performance-based variables because of an overall decline in the defensive posture of the United States in the post-Cold War era.
CHAPTER FOUR
METHODOLOGY AND RESULTS

Opening Remarks

In this chapter an empirically testable model of U.S. foreign aid decision-making is developed. The chapter begins with the adoption of two methodologies, PROBIT and Ordinary Least Squares (OLS) regression, to analyze the pooled cross-section time-series data used in this study at the gatekeeping stage and beyond-the-gate, respectively. Next, data-related issues are explored, diagnostics are conducted and corrective measures are taken. The empirical models of U.S. foreign aid allocations are then introduced and tested. Results at the gatekeeping stage of the analysis are presented and discussed first, with beyond-the-gate results reported thereafter. Concluding remarks are then made.

METHODOLOGICAL ISSUES

Methodologies

As indicated in the previous chapter, this study makes use of Cingrenelli and Pasquerello’s (1985) two-stage conceptualization of the U.S. foreign aid decision-making process. At the gatekeeping stage, the aid/no aid decision is represented by a dichotomous, or binary, dependent variable; a value of “1” at the gatekeeping stage represents countries that
have gained access to U.S. foreign aid whereas a “0” is the value assigned to countries turned away at the gate.

Previous research (Aldrich and Nelson, 1984) indicates that OLS regression analysis—the statistical workhorse of the social sciences—is a less than optimal means of analyzing dichotomous dependent variables. When using OLS, “the slope coefficient of an independent variable measures the effect on the average value of the dependent variable for a unit change in the value of the independent variable (Gujarati, 1995: 569). This approach works well with a continuous dependent variable, yet the either/or nature of a dichotomous dependent variable necessitates the use of a methodology capable of making probabilistic assessments (Aldrich and Nelson, 1984). PROBIT, a maximum likelihood estimation (MLE) technique designed specifically to analyze dichotomous dependent variables, will therefore be employed at the gatekeeping stage of the analysis (Gujarati, 1995).

Beyond-the-gate the dependent variable takes on continuous values. In recent years, some studies analyzing PCTS data have employed generalized least squares (GLS) regression, a method developed by Parks (1967), to deal with the statistical difficulties inherent to such data. Beck and Katz (1995), however, have demonstrated through Monte Carlo analyzes that GLS can produce inaccurate standard errors and overly-optimistic estimates of statistical significance.
According to Beck and Katz (1995), OLS regression coupled with panel-corrected standard errors (PCSE) produces parameter estimates which are more reliable than those obtained using GLS. This technique builds on robust-standard-errors techniques pioneered by White (1980) and, according to its author, avoids the statistical pitfalls plaguing GLS regression. Persuaded by this argument, OLS-PCSE regression analysis will be used for beyond-the-gate estimates\textsuperscript{16}.

\textit{PCTS Data}

As indicated previously, this study analyzes PCTS data for 121 countries from 1984 to 1995. PCTS data combines, or pools together, observations gathered along two dimensions: time and space (Stimpson, 1985). “The basic motivation for pooling time-series and cross-sectional data is that if the model is properly specified, pooling provides more efficient estimation, inference, and possible prediction” (Gujarati, 1995: 524). Furthermore, since data is gathered across two dimensions, the number of observations increases dramatically, allowing the dynamic interplay of variables to be analyzed while enhancing the overall confidence in one’s findings (Bohrnstedt and Knoke, 1994; Ostrom, 1990; Stimson, 1985).

\textsuperscript{16} Preliminary work by Beck and Katz suggests that the panel corrected standard errors estimated by STATA—the statistical package used in this study—may be somewhat misleading, indicating statistical significance at the .05 level where none exists. For further discussion of this subject consult the working papers section of the political methodology homepage, at http://polmeth.calpoly.edu.
When analyzing PCTS data with linear regression techniques, three statistical difficulties arise: the first, multicollinearity, is a more general threat than the remaining two, heteroskedasticity and autocorrelation, which pose potentially serious methodological problems for PCTS studies (Beck and Katz, 1995). Multicollinearity refers to an “exact [or strong] linear relationship between independent variables,” which violates basic assumptions of linear regression analysis (Gujarati, 1985: 194). Multicollinearity between independent variables inflates standard error estimates, thereby leading to imprecise estimates of regression coefficients (Bohrnstedt and Knoke, 1994). Heteroskedasticity, on the other hand, entails an unequal spread or variance in error terms (Lewis-Beck, 1980). The presence of heteroskedasticity may bias standard error estimates and, thus, produce misleading results (Lewis-Beck, 1980). Finally, autocorrelation refers to a situation in which the measure of a variable at time t is correlated with its own previous values at time t-1 (Ostrom, 1990). When autocorrelation is present, standard errors estimates are reduced and at the same time t statistics are artificially inflated; the end result is the formation of potentially biased and inconsistent parameter estimates for the model (Gujarati, 1988).

Diagnostics

To test for the presence of multicollinearity, a bivariate correlation matrix was first generated for the independent variables. According to Bohrnstedt and Knoke (1994), correlations exceeding 0.6 or greater warrant
additional investigation. Ocular inspection of the matrix suggests the need for some concern regarding the correlation between volume of trade and its intervention effect and per capita GNP with its intervention effects, both of which are highly correlated, at .80. The Klein test, a more refined test for multicollinearity whereby independent variables are regressed on one another (Lewis-Beck, 1980), confirmed the potentially confounding effects of these variables. Data transformation techniques designed to cope with multicollinearity failed to bring the correlations among these variables below Bohrnstedt and Knoke’s (1994) designated threshold. As such, the trade- and per capita GNP- intervention effects were excluded from all models.

For beyond-the-gate models, heteroskedasticity will be dealt with using Beck and Katz’s (1995) suggestion of OLS regression analysis in conjunction with panel-corrected standard errors (PCSE). This technique effectively controls heteroskedasticity by replacing OLS parameter estimates with PCSE, thereby taking into account “the contemporaneous correlation of the standard errors” (Beck and Katz, 1995: 639).

Heteroskedasticity remains a problem, however, at the gatekeeping stage of the analysis. To control for the effects of heteroskedasticity at this stage, White’s (1980) Robust Standard Error technique will be employed. This technique corrects for heteroskedasticity by improving

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17 According to the Klein test, volume of trade and its intervention effect exhibits an unadjusted R² of .71 and per capita GNP and its intervention effect .63.
standard error estimates without affecting coefficient estimates, and it does not have adverse effects in the absence of heteroskedasticity (Beck et al., 1993).

Concerning autocorrelation, preliminary PROBIT models indicate the presence of first-order positive autocorrelation in each gatekeeping stage model. This conclusion was reached using the Durbin-Watson d test, a test for first-order positive autocorrelation that produces confidence intervals based on the number of observations and parameters in a model. Durbin-Watson d values are bounded such that $0 < d < 4$ (Lewis-Beck, 1990). “As a rule of thumb, if d is found to be 2 in an application, one may assume that there is no first-order autocorrelation, either positive or negative,” but, “the closer d is to 0, the greater the evidence of positive serial correlation” (Gujarati, 1995: 423). Durbin-Watson d values fall below confidence interval lower boundary for all three gatekeeping models, indicating the presence of positive autocorrelation. Based on the advice of Beck, Katz, Tucker (1998), autocorrelation will be handled at the gatekeeping stage with the introduction of dummy variables. “These variables,” according to the authors, “mark the number of periods since either the start of the sample period or the previous occurrence of an ‘event’” (p. 1260). This provides a simple, easily implementable means of correcting for temporally dependent

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18 Heteroskedasticity was identified via ocular inspection of the residuals, which are assumed to mimic the unseen error terms. Residuals were graphed and examined for patterns that deviated from the horizontal band indicative of the presence of homoskedasticity.
observations in analyses employing PCTS data with binary dependent variables.

The Durbin-Watson d test was also performed on each of the three beyond-the-gate models estimated in this study. The Durbin-Watson d statistic fell at or very close to two in each model: 2.0 for economic aid, 2.1 for military aid, and 1.98 for total aid. As such, autocorrelation corrections were not required beyond-the-gate.

Suggestions from Previous Research

Following conventional practices in the foreign aid literature (Poe, 1994; Meernik et al., 1998) Egypt and Israel will be excluded from the analysis. As these studies indicate Egypt and Israel, taken together, account for over eighty percent of the variance in aid levels. The inclusion of these countries would therefore bias the findings and constitute a serious threat to the generalizability of inferences that can be drawn from the models.

Previous empirical research investigating the effects of human rights on U.S. foreign aid decision-making tends to suggest that allocations are based on dated information (Poe, 1994; Meernik et al., 1998). That is to say, decision-makers are not instantly aware of human rights abuses but learn of such activity at a later date. Preliminary analyses tend to support these findings, where a two-year information lag was found to be the closest

19 Identification of Egypt and Israel as extreme outliers in U.S. foreign aid allocations was accomplished using the HADIMVO procedure in STATA.
depiction of reality. Thus, independent variables are lagged two years to simulate the information available to decision-makers when aid packages are constructed.

Previous empirical research also suggests two methodologically sound ways of estimating differences between the Cold War/post-Cold War environments. One can choose to divide the data set in halves, running separate analyses on Cold War—1989 and earlier—and post-Cold War—1990 and later—years (Feldmann, 1999). Alternatively, one can incorporate intervention effects into the analysis. This technique entails creating variables whose values mimic the post-Cold War values of the independent variables in the model and is the technique adopted for this study.\(^{20}\)

Statistical significance of an intervention effect indicates that the post-Cold War environment did in fact change the impact of its corresponding independent variable had on U.S. aid allocations. To assess the impact of the post-Cold War era, the post-Cold War intervention coefficients must be added to its corresponding independent variable. Joint hypotheses tests are used to test for the significance of the independent variable-intervention effect pairing.

\(^{20}\) Results obtained when the data set was “split” and those using intervention effects varied little during exploratory analyses. Given the complexity of this research design—six models develop and interpreted in a comparative framework—the latter was chosen for ease of interpretation and to avoid juggling twelve different data sets.
Empirical Model

The empirical model of U.S. foreign aid is represented by a multiple regression equation expressed as a linear function of the independent and control variables (Lewis-Beck, 1980).

The model is as follows:

\[ Y_t = a_0 + b_1 X_{t-2} + b_2 X_{t-2} + b_3 X_{t-2} + b_4 X_{t-2} + b_5 X_{t-2} + b_6 X_{t-2} + b_7 X_{t-2} + b_8 X_{t-2} + b_9 X_{t-2} + \text{post-Cold War intervention effects} + \text{presidential tenures} + \Sigma \]

With variable correspond to the following:

\[ Y_t = \text{either the aid/no aid decision at the gatekeeping stage or the level of aid decision at the beyond-the-gate stage of the foreign aid decision-making process}; \]

\[ a_0 = \text{the intercept term}; \]

\[ b_1 X_{t-2} = \text{human rights composite index score (human rights motives)}; \]

\[ b_2 X_{t-2} = \text{improvement in human rights (human rights motives)}; \]

\[ b_3 X_{t-2} = \text{allies (strategic motives)}; \]

\[ b_4 X_{t-2} = \text{size of the population (strategic motives)}; \]

\[ b_5 X_{t-2} = \text{leftist country (political motives)}; \]

\[ b_6 X_{t-2} = \text{domestic conflict (political motives)}; \]

\[ b_7 X_{t-2} = \text{trading partner (economic motives)}; \]

\[ b_8 X_{t-2} = \text{per capita GNP (need-based motives)}; \]

\[ b_9 X_{t-2} = \text{improvement in per capita GNP (performance-based motives)}; \]

Intervention effects, one for each independent variable with a hypothesis

Presidential tenures;

\[ \Sigma = \text{stochastic error term} \]
**GATEKEEPING RESULTS**

By way of reminder, the gatekeeping stage of the foreign aid allocation process is the point at which U.S. decision-makers determine whether to extend or deny aid to potential recipient countries. If a favorable decision is reached, a potential recipient country advances to beyond-the-gate where it becomes an intended recipient and the amount of assistance is determined. If an unfavorable decision is made, the potential recipient country must wait at the gate for another year. Table One, page 55, reports the gatekeeping results for each of the three PROBIT models.

As the results indicate, and as hypothesized, respect for human rights is positively related to the aid/no aid decision in all three gatekeeping models. This suggests that human rights practices of potential recipient countries have been an important component of all U.S. aid/no aid decisions throughout the late 80s and early 90s. Yet the human rights variable fails to achieve statistical significance in the case of economic aid and passes only the lowest test of significance for military and total aid gatekeeping decisions. Additionally, as the coefficients for the corresponding intervention effects indicate, the Soviet Union’s collapse had no statistically discernable impact on the relationship between human rights and gatekeeping decisions. Neither traditionalist nor revisionist expectations found statistical significant support. Putting aside statistical significance, the post-Cold War coefficients seem to support each side’s argument, with human rights practices of potential aid recipients becoming
less important for economic and total aid gatekeeping decisions after the Cold War and more important in the case of military aid. This finding, while perplexing at first glance, seems to capture a simple post-Cold War trend: U.S. decision-makers are willing to give former Soviet satellite- and breakaway-countries with questionable human rights records financial assistance. Yet military aid is reserved for selected countries which, relative to the former Soviet Union [FSU] countries, have better human rights records and are less likely to use U.S. military hardware and training against their own people.

The second dependent variable, percentage improvement in human rights, meets with mixed results at the gatekeeping stage. While human rights improvements were apparently rewarded at the economic aid gate during the Cold War, improvements seem to decrease Cold War access to military and total aid. This decrease lends weight to the widely held belief that military aid was often given to oppressive dictatorship that were friendly to the United States’ Cold War anticommunist agenda. Only in the case of military aid, however, does the variable achieve statistical significance.

The end of the Cold War has not altered the relationship between human rights improvements and gatekeeping decisions, according to this study’s findings. The results tentatively suggest however, as traditionalist contend, that improvements have made it more difficult to enter the economic and total aid gates in the post-Cold War era. But the magnitudes
of the economic and total aid intervention effect’s coefficients are very small, and both variables fail to achieve statistical significance.

The existence of formal alliance with the United States seems to give potential aid recipients a head start on their non-allied brethren. And, as expected, allies seem to be given preferential treatment at the gate for all types of aid. This selection effect has apparently grown stronger since the end of the Cold War. The most dramatic increase is associated with total aid gatekeeping decision. Yet, only the intervention effect for military aid reaches the lowest level of statistical significance, at .05. Allies seem to have an even greater advantage at the gate after the Cold War.

The second strategic consideration—size of a potential recipient’s population—meets with mixed results. Population, while negatively related to aid/no aid decision when an economic component is involved, has a positive and statistically significant effect on the initial decision to give military aid. This finding lends some evidence to Wittkopf’s (1971) conclusion that the United States has a greater “security stake” in countries with large populations. The population intervention effects, although statistically insignificant in all three cases, suggests that the importance of population size has decreased slightly for military and total aid since the end of the Cold War.

As hypothesized, leftist countries are significantly less likely to pass gatekeeping stages than non-leftist countries throughout the timeframe in question. Washington’s long-standing disdain for leftist countries appears
relatively consistent and highly significant across all aid types. As expected, this effect is most pronounced in the case of military aid—a reminder of U.S decision-makers’ unwillingness to provide ideologically dissimilar countries with weaponry, tactical advice, and technical expertise. Leftist countries, as traditionalists anticipate, generally appear to encounter less discrimination at the military and total aid gate after the Cold War. Yet the coefficients fail to achieve statistical significance and, in the case of economic aid, the coefficient suggests that leftist countries face greater discrimination in the post-Cold War environment.

As for the second political motive, the amount of domestic violence a country has experienced appears to be negatively related to the aid/no aid military and total aid gatekeeping decision. The values of the coefficients, while remaining relatively stable across aid categories, are also small and statistical insignificance. Once again ignoring the issue of statistical significance for the moment, this finding tends to support political liberal interpretations of US foreign policy; decision-makers appear reluctant to give overt military and total aid to countries racked by domestic violence, even during the Cold War. The intervention effects for all three types of aid indicate U.S. foreign aid decision-makers look upon domestic conflict with even greater disdain in the post-Cold War era, although the coefficients are statistically insignificant.

The variable tapping economic motives for extending aid also meet with mixed results. Volume of trade, which positively related to the aid/no
aid gatekeeping decision for economic aid and negatively related to that
decision for military and total aid, fails to achieve statistical significance
and produces miniscule coefficients.

The need-based variable, per capita GNP, is highly significant and in
the anticipated negative direction for all gatekeeping decisions. It appears
as though U.S. decision-makers cared a great deal about country “need”
when allocating aid throughout the period from 1984-1995. But this care
appears to translate to very few aid dollars since, like volume of trade
which is statistically insignificant, the magnitude of the coefficient is
exceedingly small.

The performance-based variable—percentage improvement in per
capita GNP—meets similar results. The impact of percentage of per capita
GNP improvements is in the anticipated positive direction for economic
and total aid. Yet only in the case of economic aid did the end of the Cold
War have a statistically significant impact, albeit exceedingly small.
## TABLE ONE: GATEKEEPING RESULTS

Economic, Military, and Total Aid
Impact of Human Rights on U.S. Foreign Aid, 1984-1995

*PROBIT Coefficients and Marginal Effects, with z-ratios in Parentheses*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Economic Aid</th>
<th>Military Aid</th>
<th>Total Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coefficient</td>
<td>Marginal Effects</td>
<td>Coefficient</td>
</tr>
<tr>
<td>Human Rights</td>
<td>0.11</td>
<td>0.02</td>
<td>0.31*</td>
</tr>
<tr>
<td></td>
<td>(0.78)</td>
<td>(2.51)</td>
<td>(1.21)</td>
</tr>
<tr>
<td>Human Rights %</td>
<td>0.07</td>
<td>0.04</td>
<td>-0.30**</td>
</tr>
<tr>
<td>Improvement</td>
<td>(0.61)</td>
<td>(-3.00)</td>
<td></td>
</tr>
<tr>
<td>Ally</td>
<td>0.09</td>
<td>0.11</td>
<td>0.38</td>
</tr>
<tr>
<td></td>
<td>(0.30)</td>
<td>(1.27)</td>
<td>(0.86)</td>
</tr>
<tr>
<td>Population (log)</td>
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<td>-0.05</td>
<td>0.18**</td>
</tr>
<tr>
<td></td>
<td>(-1.22)</td>
<td>(2.89)</td>
<td>(0.87)</td>
</tr>
<tr>
<td>Left</td>
<td>-1.25***</td>
<td>-0.52</td>
<td>-1.61***</td>
</tr>
<tr>
<td></td>
<td>(-3.61)</td>
<td>(-4.62)</td>
<td>(-3.18)</td>
</tr>
<tr>
<td>Conflict</td>
<td>0.05</td>
<td>0.04</td>
<td>-0.15</td>
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<tr>
<td></td>
<td>(.641)</td>
<td>(-1.91)</td>
<td>(-0.01)</td>
</tr>
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<td>Trade</td>
<td>0.00</td>
<td>-0.00</td>
<td>-0.00</td>
</tr>
<tr>
<td></td>
<td>(0.70)</td>
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<td>(-0.65)</td>
</tr>
<tr>
<td>PCGNP</td>
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<td>-0.00</td>
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<td>(-5.48)</td>
<td>(-4.76)</td>
<td>(-4.86)</td>
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<tr>
<td>PCGNP %</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00*</td>
</tr>
<tr>
<td>Improvement</td>
<td>(0.50)</td>
<td>(2.52)</td>
<td>(0.95)</td>
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*** Post-Cold War Intervention effects ***

<table>
<thead>
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<th>Variable</th>
<th>Economic Aid</th>
<th>Military Aid</th>
<th>Total Aid</th>
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</thead>
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<tr>
<td></td>
<td>Coefficient</td>
<td>Marginal Effects</td>
<td>Coefficient</td>
</tr>
<tr>
<td>Human Rights</td>
<td>-0.13</td>
<td>-0.10</td>
<td>0.10</td>
</tr>
<tr>
<td></td>
<td>(-0.8)</td>
<td>(.91)</td>
<td>(1.1)</td>
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<tr>
<td>Human Rights %</td>
<td>-0.09</td>
<td>-0.08</td>
<td>0.00</td>
</tr>
<tr>
<td>Improvement</td>
<td>(-0.69)</td>
<td>(1.1)</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Ally</td>
<td>0.12</td>
<td>0.08</td>
<td>0.72*</td>
</tr>
<tr>
<td></td>
<td>(0.35)</td>
<td>(2.11)</td>
<td>(1.77)</td>
</tr>
<tr>
<td>Population (log)</td>
<td>0.04</td>
<td>0.00</td>
<td>-0.04</td>
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<tr>
<td></td>
<td>(0.73)</td>
<td>(-0.92)</td>
<td>(-0.98)</td>
</tr>
<tr>
<td>Left</td>
<td>-0.017</td>
<td>-0.09</td>
<td>0.64</td>
</tr>
<tr>
<td></td>
<td>(-0.06)</td>
<td>(1.78)</td>
<td>(0.71)</td>
</tr>
<tr>
<td>Conflict</td>
<td>-0.12</td>
<td>-0.00</td>
<td>-0.17</td>
</tr>
<tr>
<td></td>
<td>(-0.95)</td>
<td>(2.02)</td>
<td>(0.71)</td>
</tr>
<tr>
<td>Trade</td>
<td>-----d</td>
<td>-----d</td>
<td>-----d</td>
</tr>
<tr>
<td>PCGNP</td>
<td>-----d</td>
<td>-----d</td>
<td>-----d</td>
</tr>
<tr>
<td>PCGNP %</td>
<td>0.0010**</td>
<td>0.00</td>
<td>-0.00</td>
</tr>
<tr>
<td>Improvement</td>
<td>(2.97)</td>
<td>(-0.89)</td>
<td>(0.89)</td>
</tr>
</tbody>
</table>

Lagged two year
Jointly significant
Discarded due to multicollinearity
* P<.10, ** P<.05, *** P<.01

Time dummies omitted due to space constraints
BEYOND-THE-GATE RESULTS

The second stage of the U.S. foreign aid allocation process begins once decision-makers have concluded that a country will be provided some unspecified level of assistance. Having passed the gatekeeping stage, the country is now cast into a pool of intended recipients. It must await a decision as to the amount of aid it can expect to receive from decision-makers.

Beyond-the-gate models for each type of aid are developed in four distinct phases, with each phase utilizing a stricter statistical test than its immediate predecessor. Phase one measures the relative importance of the independent variables for the years 1984 to 1995, without taking into account the system-level changes brought about by the collapse of the Soviet Union (i.e., no intervention effects). Phase two incorporates the intervention effects to measure the presumed systemic changes occurring after 1989. In phase three, variables failing to achieve a value of 0.2 or lower for P>|z| are excluded from the analysis. Finally, phase four reflects the exclusion of independent variables failing to achieve statistical significance at the .10 level.

The results obtained from phase four of the economic, military, and total aid analyses serve as the final model for each type of aid and are reported in a side-by-side comparative table on page 62 of this chapter.
Contrary to the findings of the regional studies conducted by Cingranelli and Pasquarello (1985) and Poe et al. (1994), human rights practices do not have a statistical significance impact on economic aid distributions. This may be due, in part, to the region-specific nature of those studies, as opposed to the global analysis undertaken here. The results of the military and total aid models, however, are highly significant, suggesting a one-unit increase on the human rights index corresponds roughly to a 16 and 22 million dollar increase in yearly assistance, respectively. Interestingly, no human rights intervention effect achieves statistical significance. Thus, the end of the Cold War did not affect the attention given to human rights. Nevertheless, the results indicate that an intended recipient’s human rights practices were an important consideration during the distribution of military and total aid throughout the eleven years under analysis.

The same cannot be said, however, for yearly percentage improvement in human rights. The second independent variable failed to achieve statistical significance in all three models, as did its intervention effects. Foreign aid decision-makers, it would seem, care more about absolute human rights conditions then year-to-year improvements in human rights conditions when distributing aid among intended recipients.

Consistent with the previous empirical literature (Wittkopf, 1971; Poe 1991, 1992; Meernik et al., 1995), strategic motives appear to play a highly significant role in determining amounts of foreign aid afforded to intended
recipient country. The influence of these variables is most pronounced in the case of total aid. As hypothesized, allies can expect to receive roughly 78 million dollars more in total aid and 25 million dollars more in economic aid than non-aligned recipients with fewer citizens. As for military aid, the existence of a formal alliance with the United States carries immense weight during the distribution of aid. In this study, it is the most important consideration during the distribution of economic and total aid and is second in importance only to the leftist variable in the case of economic aid. The second strategic variable—population size—fails to achieve statistical significance in the case of military aid alone. Taken together, these finding, while somewhat counterintuitive, may be attributable to the United States’ willingness to provide strategically important yet sparsely populated countries with greater assistance. In the case of economic and total aid distributions, however, population size is given some deference—an additional 13 and 23 millions dollars worth according to the findings.

The end of the Cold War, as indicated by the statistical insignificance of the strategic intervention effects, apparently had little effect on the weightiness of strategic considerations during the distribution of U.S. foreign aid. Allies with large populations could expect to receive the lion’s share of aid throughout the timeframe in question.

Political motives, while of secondary importance during the distribution of military and total aid dollars, appear to be the primary consideration where economic aid is concerned. Leftist countries
fortunate enough to enter the pool of intended recipients could
nevertheless expect to receive about 37 and 40 million dollars less then
non-leftist countries in economic and total aid, respectively, while the
Soviet Union was still intact. Since the end of the Cold War, however, the
discrimination faced by leftist countries at the beyond-the-gate stage has
dropped precipitously. As traditionalist would expect, whereas leftist
countries could expect to receive 37 million dollars less then non-leftist
countries in economic aid before the end of the Cold War, all things being
equal, that figure has dropped to 9 million after the collapse of the Soviet
Union. Such a finding is probably due, at least in part, to aid dollars now
flowing to the newly emerging social democracies of the former East Bloc.
As expected, neither the leftist variable nor its intervention effect achieves
statistical significance during the distribution of military aid.

The second political motive—domestic violence—also achieves
statistical significance during the distribution of economic, military, and
total aid. In each instance and as hypothesized, domestic conflict has a
positive impact on the amount of aid given to potential recipient countries.
A one-unit increase in the domestic conflict experienced by a recipient
country translates into an additional 9 million dollars in economic aid and
nearly double that in military and total aid. Taken together these findings
indicate that U.S. foreign aid decision-makers, in an effort to ensure
friendly regimes remain in power, are willing to increase the amount of aid
given to client countries besieged by internal dissidents.
Volume of trade apparently plays a statistically significant, yet minor role, during the distribution of foreign aid. Additionally, the sign of the coefficient in all three beyond-the-gate models is negative. This finding may be attributable to the inclusion of the United States’ largest trading partners in the data set. These countries, which are all well-established Western style democracies, tend to have relatively good human rights records, large populations, little domestic conflict, and are predominately non-leftist. As such, they need less assistance than poorer countries.

As hypothesized, “need” of an intended recipient country does have a positive impact on economic and total aid distributions. Yet the magnitude of the “need” variable is very small, indicating that a one million dollar slip in per capita GNP will garner only an additional three thousand dollars of economic or total aid. U.S. foreign aid decision-makers, while oftentimes justifying aid with developmental and humanitarian-based rhetoric, appear unwilling to follow up the words with deeds.

Consistent with the findings of previous empirical studies (Meernik et al., 1998), the performance-based variable—percentage improvement in human rights—fails to achieve statistical significance beyond-the-gate. This finding, as with that of the gatekeeping stage, would suggest that foreign aid decision-makers are preoccupied with absolute rather than recently improved human rights practices.

The variable representing the Reagan administration achieves statistical significance in all three beyond-the-gate models. Reagan,
according to these findings, gave an additional 17 million dollars of economic, military, and total aid on average. This finding is to be expected, however, given Reagan’s fierce anticommunist foreign policy stance and his willingness to distribute aid dollars based on strong ideological convictions.
**Table Two: Beyond-the-Gate Results**

*Economic, Military, and Total Aid Impact of Human Rights on U.S. Foreign Aid, 1984-1995*

*OLS-PCSE Coefficients, with z-ratios in parentheses*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Economic Aid</th>
<th>Military Aid</th>
<th>Total Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model</td>
<td>Model</td>
<td>Model</td>
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<tr>
<td>Human Rights</td>
<td>-----</td>
<td>15.52***</td>
<td>21.6***</td>
</tr>
<tr>
<td></td>
<td>(3.05)</td>
<td>(3.99)</td>
<td></td>
</tr>
<tr>
<td>Human Rights % Improvement</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Ally</td>
<td>25.61***</td>
<td>65***</td>
<td>78.2***</td>
</tr>
<tr>
<td></td>
<td>(3.42)</td>
<td>(5.05)</td>
<td>(5.51)</td>
</tr>
<tr>
<td>Population (log)</td>
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<td>-----</td>
<td>23.2***</td>
</tr>
<tr>
<td></td>
<td>(6.97)</td>
<td>(6.25)</td>
<td></td>
</tr>
<tr>
<td>Left</td>
<td>-43.77***</td>
<td>-----</td>
<td>-39.9***</td>
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<tr>
<td></td>
<td>(-5.64)</td>
<td>(-4.69)</td>
<td></td>
</tr>
<tr>
<td>Conflict</td>
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<td>17.96***</td>
<td>22.7***</td>
</tr>
<tr>
<td></td>
<td>(4.7)</td>
<td>(5.6)</td>
<td>(6.2)</td>
</tr>
<tr>
<td>Trade</td>
<td>-.002***</td>
<td>-.002***</td>
<td>-.004***</td>
</tr>
<tr>
<td></td>
<td>(-5.04)</td>
<td>(-4.89)</td>
<td>(-5.88)</td>
</tr>
<tr>
<td>PCGNP</td>
<td>-.003*</td>
<td>-----</td>
<td>-.003**</td>
</tr>
<tr>
<td></td>
<td>(-2.5)</td>
<td>(-1.97)</td>
<td></td>
</tr>
<tr>
<td>PCGNP % Improvement</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
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<tr>
<td>Reagan</td>
<td>12.85**</td>
<td>17.01*</td>
<td>21.5**</td>
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<tr>
<td></td>
<td>(2.25)</td>
<td>(1.9)</td>
<td>(2.24)</td>
</tr>
</tbody>
</table>

***Post-Cold War Intervention effects***

| Human Rights | ----- | ----- | ----- |
| Human Rights % Improvement | ----- | ----- | ----- |
| Ally | ----- | ----- | ----- |
| Population (log) | ----- | ----- | ----- |
| Left | 34.1** | ----- | 36.8*** |
|          | (2.53) | (2.9) |
| Conflict | ----- | ----- | ----- |
| Trade | ----- | ----- | ----- |
|          | ----- | ----- | ----- |
| PCGNP | ----- | ----- | ----- |
| PCGNP % Improvement | ----- | ----- | ----- |

<table>
<thead>
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<th>445</th>
<th>565</th>
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<tbody>
<tr>
<td>R²</td>
<td>.22</td>
<td>.16</td>
<td>.23</td>
</tr>
</tbody>
</table>

* a Lagged two years  
  d Discarded due to multicollinearity  
  Jointly significant  
  * P<.10, ** P<.05, *** P<.01
CONCLUDING REMARKS

In this chapter, a two-stage model for linkage between human rights and U.S. foreign aid before and after the Cold War developed and tested. At the gatekeeping stage and beyond-the-gate, human rights practices were found to be statistically significant and positively related to military and total aid allocations. Human rights improvements, however, did not meet with the same success, achieving statistical significance only in the case of military aid allocations. Where statistical significance was achieved, the preponderance of evidence tends to indicate that human rights has been an important consideration from 1984-1995. The end of the Cold War, however, had little effect on the treatment given human rights during the decision-making process.

The next chapter serves as the conclusion. The chapter begins with an overview of the study heretofore conducted, from its theoretical basis to its empirical results. Hypotheses are reviewed in light of the quantitative evidence, and the traditionalist-revisionist debate outlined in chapter one is revisited. Concluding remarks and observations are then made. Suggestions for future research finish out the study.
CHAPTER FIVE

CONCLUSION

OPENING REMARKS

This chapter begins with an encapsulation of the empirical analysis conducted in the preceding chapters. Concluding remarks are then offered, and general observations are made concerning the utility of system-level approaches as explanations for micro-level policy-making behavior. Finally, suggestions for future research are offered.

OVERVIEW

This study has attempted to discern what, if any, impact the end of the Cold War exerted on the relationship between human rights and U.S. foreign aid allocations. In doing so, it has sought to shed empirical light on the traditionalist-revisionist debate over the implication of the Cold War and its multipolar predecessor on foreign policy decision-making. As a general matter, this study has also tried to raise interest in cross-aid comparative analyses as well as add to the growing literature on human rights.

After examining the previous empirical literature on human rights and U.S. foreign aid, a two-stage conceptual framework of the foreign aid decision-making process developed by Cingerelli and Pasquarello (1985) was adopted. To improve the overall quality of research in this area of
research, which is dominated by bivariate analyses, the decision was made to conduct a multivariate analysis using numerous control variables.

U.S. foreign aid, the dependent variable, was disaggregated into its component parts [economic and military aid] to facilitate comparisons of decisions concerning different aid types. The three components of U.S. foreign aid—economic, military, and total aid—were analyzed. Figures were measured in millions of U.S. dollars per year, and included all obligations made by the United States to another country in the form of bilateral loans and grants.

The first independent variable, human rights, was operationalized using a composite 5-point ordinal scaling system developed by Gastil (1980), and used extensively in subsequent studies (Poe and Sirirangsi 1993, 1994; Poe and Tate, 1994). Data were derived from two well-established sources: Amnesty International’s and the Country Department. To facilitate interpretation, Gastil’s (1980) 5-point scale was inverted so that 5 represented profound respect for human rights and 1 a great disregard. The second independent variable, percentage improvement in human rights, indicates the magnitude of change associated with a year-to-year move on the human rights composite index.

Eight control variables were incorporated into the analysis. Each control variable was designed to tap alternative motives for giving foreign aid. Strategic motives were represented by formal alliance with the United States and population size, political motives by the presence of a leftist and
the level of domestic conflict within countries, economic motives by trade with the United States, need-based motives by per capita GNP, and performance-based motives by percentage improvement in per capita GNP. A variable denoting presidential term was included in beyond-the-gate models.

To test for the effects of system-level changes precipitated by the end of the Cold War, seven intervention effects were employed. Each intervention effect represented the values for one of the nine exogenous variables—the human rights variables and eight control variables—after the Cold War. Intervention effects were assigned a value of “0” during the Cold War era and the same value as their corresponding exogenous variable during the post-Cold War era. The year 1989 served as the dividing line between the two eras.

All variables, with the exception of the variable representing domestic violence, were obtained from a pooled cross-sectional time-series (PCTS) data. Data spanned 121 countries for the years 1984 to 1995. The relationship between human rights and each type of aid was examined at both stages of the U.S. foreign aid decision-making process. All told, six models—three gatekeeping and three beyond-the-gate models—were tested.

Two distinct methodologies were used to conduct the analysis. At the gatekeeping stage of the analysis, where a dichotomous dependent variable was employed for the aid/no aid inquiry, PROBIT was used.
Ordinary Least Squares (OLS) regression analysis was used beyond-the-gate model.

Primary hypotheses, linking human rights and U.S. foreign aid allocations at each stage of the analysis, were stated. Additionally, secondary hypotheses designed to probe the relationship between the eight control variables and dependent variables were then articulated. All hypotheses were constructed using language consistent with the traditionalist view, which assumes the bipolar environment of the Cold War was more dangerous than its multipolar successor.

At the gatekeeping stage of the analysis, some support was found for the primary hypotheses linking human rights to U.S. foreign aid gatekeeping decisions. Economic, military, and total aid allocations are all positively related to human rights practices, and this effect seems to be growing stronger during the post-Cold War years. In the case of military and total aid gatekeeping decisions, the primary hypotheses achieve statistical significance. Countries that abuse their citizens, according to these findings, are less likely to receive either type of aid. Little support was found, however, for the second independent variable—percentage improvement in human rights. For military aid, however, a statistically significant finding did emerge, although its sign was in an unanticipated negative direction.

As for secondary hypotheses at the gatekeeping stage, only one hypothesis was fleshed out with statistically significant results. Leftist
countries, as expected, faced considerable challenges to obtaining aid during the Cold War. Yet, as traditionalists maintain, the discrimination leftist countries encounter at the gate has begun to subside since the collapse of the Soviet Union.

Beyond-the-gate, the analysis of human rights produces mixed results. Respect for human rights was found to be statistically significant and positively related to military and total aid allocations prior to 1989. But the end of the Cold War apparently did little to change the consideration given to human rights practices by U.S. foreign aid decision-makers.

Just as the results at the gatekeeping stage, the only secondary hypotheses receiving statistically significant support concerns the changing attitudes of U.S. foreign aid decision-makers toward leftist countries. In the case of economic and total aid allocations, leftist countries seem to endure less discrimination after the Cold War. This suggests, as traditionalist would expect, that the post-Cold War era is perceived by foreign aid decision-makers as somewhat less threatening than its immediate predecessor.

**CONCLUDING REMARKS AND GENERAL OBSERVATIONS**

The findings of this study tend to indicate that the end of the Cold War had little impact on the relationship between human rights and U.S. foreign aid. Nevertheless, it was shown that respect for human rights are an important consideration at the gatekeeping stage and beyond, particularly for military and total aid allocations. This relationship,
according to the findings, is an enduring one which spans the entire timeframe in question.

U.S. foreign aid decision-making, as many authors have observed (Wittkopf, 1975; Kegley and Wittkopf, 1990; Doran, 1980), continues to be highly selective, highly politicized process. Strategic and political motives remain paramount, accounting for the bulk of those countries passing through the gate and most year-to-year changes in amount of assistance.

Yet, the results also indicate that other considerations are given some attention. Economic motives do come into play, at least during the distribution of aid. More importantly, human rights considerations apparently have been, and continue to be, a source of information on which decisions are based. The International Security Assistance and Arms Export and Control Act [1976], which made human rights considerations legally-binding during the aid allocation process, seems to have accomplished some of its intended purpose.

Despite the fact that numerous hypothesizes went unconfirmed, results of this study tend to support traditionalist interpretations of the Cold War/post-Cold War dynamic. US decision-makers appear to believe that the post-Cold War era is generally a less threatening environment then its immediate predecessor. That said, the results of this study appear incapable of casting definitive empirical weight on the revisionist-traditionalist debates. US foreign aid decision-making is a dynamic,
complicated process, which no doubt is motivated by arguments drawn from each side of the debate.

**SUGGESTIONS FOR FUTURE RESEARCH**

The results of this study have provided additional insight into the relationship between human rights and U.S. foreign aid. More importantly, however, it has illustrated the effects of Cold War/post-Cold War system polarity on this relationship. When the result are added to the scholarly literature in these areas, some suggestions for future research become apparent.

To advance our understanding of the relationship between human rights and U.S. foreign aid, additional comparative research on aid is needed. Cross-aid comparisons, like the one conducted here, may serve as a good starting place. Additional empirical research is also needed if a more robust understanding of the implications of system polarity on U.S. foreign aid decision-making, and U.S. foreign policy formulation in general, is to be developed. Such research should extend not only to the relationship between human rights and foreign aid but also to US foreign policy decision-making in general.
### SUPPLEMENT ONE*

**Empirical Studies of Human Rights and U.S. Foreign Aid**

<table>
<thead>
<tr>
<th>Study</th>
<th>Sample Description</th>
<th>Time Frame</th>
<th>Foreign Aid Measure(s)</th>
<th>Human Rights Measure(s)</th>
<th>Control Variable(s)</th>
<th>Major Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schoultz (1981a)</td>
<td>23 Latin American recipient countries</td>
<td>1976</td>
<td>Logged assistance, logged per capita aid, absolute and logged economic and military aid</td>
<td>Developed from surveys of human rights experts</td>
<td>Per capita GNP in one analysis, none in others</td>
<td>Abusive countries receive the most aid</td>
</tr>
<tr>
<td>Schoultz (1981b)</td>
<td>Same as above</td>
<td>1975, 1976</td>
<td>Index comprised of AID Food for Peace and “four types of military aid” (p.84) logged</td>
<td>Same as above</td>
<td>None</td>
<td>Impact of human rights abuses on aid appeared positive under Ford and negative under Carter</td>
</tr>
<tr>
<td>Carleton, and Stohl (1985)</td>
<td>36-57 aid recipients, sample depending on human rights measure and year</td>
<td>1978-1983 years analyzed separately</td>
<td>Per capita military aid, and per capita economic aid</td>
<td>Same as above</td>
<td>None</td>
<td>Only Country Department measures reached significance, 3 of 12 analyses</td>
</tr>
<tr>
<td>Cingranelli</td>
<td>29 Western</td>
<td>1982</td>
<td>Military aid, and a</td>
<td>Adapted from</td>
<td>Level of</td>
<td>Human rights abuses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Study</th>
<th>Sample Description</th>
<th>Year</th>
<th>Data Sources</th>
<th>Country Factors</th>
<th>Aid Allocations</th>
</tr>
</thead>
<tbody>
<tr>
<td>and Pasquarello (1985)</td>
<td>Hemisphere recipients, excluding El Salvador</td>
<td>1984</td>
<td>subset of economic aid derived AID’s economic support fund and Food for Peace Title I commodity credits</td>
<td>Country Department reports</td>
<td>development, trade with US and USSR, political instability, population, multilateral aid, trade deficit, geopolitical importance</td>
</tr>
<tr>
<td>Carleton and Stohl (1987)</td>
<td>10-14 Western Hemisphere recipient countries</td>
<td>1982</td>
<td>Cingranelli and Pasquarello’s economic aid data, and total economic aid</td>
<td>Cingranelli and Pasquarello’s, with Stohl and Carleton’s</td>
<td>None</td>
</tr>
<tr>
<td>McCormick and Mitchell (1988)</td>
<td>Same as above</td>
<td>1982</td>
<td>Cingranelli and Pasquarello’s economic aid data, and military aid</td>
<td>Cingranelli and Pasquarello’s</td>
<td>Political Instability, trade with US, population</td>
</tr>
<tr>
<td>McCormick and Mitchell (1989)</td>
<td>109 recipient and nonrecipient countries</td>
<td>1985</td>
<td>Total economic and total military aid commitments</td>
<td>“Two-dimensional measure” (p.96), distinguishing torture from killing</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Human rights abuses for Western Hemisphere recipients were less important under Carter and Reagan then in the rest of the</td>
</tr>
<tr>
<td>Source(s)</td>
<td>Sample</td>
<td>Year(s)</td>
<td>Aid Type</td>
<td>Human Rights Consideration</td>
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<tr>
<td>Poe (1992)</td>
<td>Same as above</td>
<td>1984</td>
<td>Total Economic aid</td>
<td>Same as above</td>
<td></td>
</tr>
</tbody>
</table>

Human rights abuses are an important determinant of which countries begin to receive aid and how much is received in the Western Hemisphere and world sample.

Human rights abuses had a moderately negative impact on aid.

Human rights abuses appear to be one of many important considerations in the allocation of aid to Latin American countries.

Human rights abuses have a negative affect on aid allocations, although this relationship disappears once aid is normally received.
REFERENCES


