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CLARIFYING THE FOREIGN AID PUZZLE

A Comparison of American, Japanese, French, and Swedish Aid Flows

By PETER J. SCHRAEDER, STEVEN W. HOOK, and
BRUCE TAYLOR

CONTRARY to the expectations of many, the global network of foreign aid has outlasted the end of the cold war. Despite cutbacks in many bilateral aid programs, particularly that of the United States, annual aid flows as monitored by the Organization for Economic Cooperation and Development (OECD) have maintained a consistent level of about \$60 billion in the mid-1990s. Many recipients have graduated to the role of donors and have undertaken their own aid programs. Multilateral aid flows, meanwhile, have increased, as the European Union, regional development banks, and other organizations have assumed greater responsibility for channeling funds to developing countries. Equally important, new foreign aid recipients, such as the reconstructed states of Eastern Europe and the former Soviet Union, have entered into an ongoing competition for concessional funding against traditional recipients in Africa, Latin America, and South Asia, whose developmental needs remain acute.

As aid donors and recipients continue adapting to the post-cold war environment, foreign aid remains embroiled in controversy throughout the industrialized North, as aid administrators, politicians, and the general public debate the proper role of foreign aid as an instrument of foreign policy. In the United States this debate resulted in deep cuts in aid transfers to most developing countries. Both the debate and the reductions in aid reflected the rise of an isolationist streak in U.S. public opinion, which historically had tended to oppose sending assistance abroad when "so much needs to be done here at home."

Other industrialized countries maintained their aid programs in the early 1990s but subjected them to increased scrutiny and redirected aid to achieve tangible policy objectives. In the case of Sweden—known as

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the “darling of the Third World” because of its strong record of disbursing foreign aid on favorable terms—arguments were increasingly raised that such flows should serve Swedish domestic economic interests. Elites in developing countries, meanwhile, stepped up efforts to demonstrate that past aid flows had been effective and had satisfied conditionalities imposed by donors, and to convince donors of their ability to convert aid resources into long-term economic growth. Indeed, growing doubts within the industrialized North about the utility of providing aid in the post-cold war era sparked a virtual bidding war among developing countries, as new and traditional recipients sought to obtain and maintain their shares of foreign aid in an increasingly competitive international environment.

Unfortunately, the ongoing debate over the foreign aid regime remains trapped in something of an intellectual vacuum given the lack of scholarly understanding of the *determinants* of foreign aid programs. While normative critiques of aid are numerous, critical analysis based on comprehensive empirical evidence is rare. Thus, several questions have remained open in the foreign aid puzzle. Among them: What has been the comparative record of foreign aid disbursements by the northern industrialized democracies? Which motivating factors have been of greatest importance in the formulation and implementation of these policies? Were ostensible cold war factors, such as the strategic importance of recipient countries, the primary driving forces of these policies, or were other factors, such as economics and culture, salient even during the cold war? Most important for our purposes, did foreign aid policies differ with the specific interests of the particular donor country, or is it possible to distinguish cross-national trends?

Ironically, none of these questions suffers from a lack of documentary evidence; aid statistics from national and multinational sources are not in short supply. Yet beyond idiographic and often normatively loaded denunciations of foreign aid duplicity,¹ empirically based scholarship has largely been confined to individual case studies² or has been limited to the *recipient side* of the aid equation, most notably in terms of examining the relationship between economic dependence and political compliance within developing states.³ Donor aid programs, by contrast,

¹ See, for example, Marcus Linear, *Zapping the Third World: The Disaster of Development Aid* (London: Pluto Press, 1985).

² See, for example, Steven C. Poe, “Human Rights and Economic Aid under Ronald Reagan and Jimmy Carter,” *American Journal of Political Science* 36 (February 1992).

³ See, for example, Kenneth J. Menkhaus and Charles W. Kegley, Jr., “The Compliant Foreign Policy of the Dependent State Revisited,” *Comparative Political Studies* 21 (October 1988); and Bruce E. Moon, “Consensus or Compliance? Foreign Policy Change and External Dependence,” *International Organization* 39 (Spring 1985).

have generally been viewed as unique and noncomparable. As a result, except for the pioneering work of McKinlay⁴ and the more recent analysis of Hook,⁵ there has been a dearth of systematic and comparative empirical analyses of the *donor side* of the equation. Common sense suggests that there can be informed debate over the rapidly changing foreign aid regime of the post-cold war era only when we clearly understand the underlying factors that motivated the evolution and development of that regime during the cold war years. In short, how can we speak of altering aid policies when it is unclear what considerations have heretofore driven these policies?

The notion that self-interest pervades the aid calculations of industrialized states has become axiomatic in the scholarly literature. Various interests, in fact, have often been proclaimed explicitly by donor governments and lamented by recipients. But this notion begs the question of which of many potential self-interests are at play in the execution of aid policy. This study informs the foreign aid debate by empirically analyzing the motivating factors behind the aid policies of four industrialized democracies: France, Japan, Sweden, and the United States. We use an inductive approach that tests for a variety of foreign aid determinants to review the volume and direction of the aid flows of our four cases relative to the profiles of aid recipients in Africa during the 1980s, the final decade of the cold war. We then identify empirically grounded linkages between the foreign policy interests of these donors and their observable behavior in disbursing foreign aid.

We choose the 1980s as our point of departure because that decade serves as a unique "hinge" period between the cold war and the transformed international environment of the 1990s. And we designate 1989, the historic year that marked the fall of the Berlin Wall and the beginning of the end of communism, as the cutoff date to ensure that the results are not confounded by changes within the international system that accompanied the end of the cold war. The four donor countries—France, Japan, Sweden, and the United States—are selected as the cases for analysis because all are northern industrialized democracies and all are recognized as major foreign aid players within the African context. Finally, the African continent is chosen as the target of assistance because of the large number and diversity of countries contained therein,

⁴ R. D. McKinlay, "The Aid Relationship: A Foreign Policy Model and Interpretation of the Distributions of Official Bilateral Economic Aid of the United States, the United Kingdom, France, and Germany, 1960–1970," *Comparative Political Studies* 11 (January 1979).

⁵ Steven W. Hook, *National Interest and Foreign Aid* (Boulder, Colo.: Lynne Rienner, 1995).

as well as a desire to control for potential subsystem differences within the various regions of the Third World.

An important goal of this analysis is to bridge the gap between the quantitatively oriented researcher who seeks to uncover cross-national trends that often blur country-specific distinctions and the regional specialist who often seeks qualitative knowledge of a particular country at the expense of empirical tests that are generalizable to other cases and regions. To this end, the study draws upon two groups of variables. One set—humanitarian need, strategic importance, and economic potential—is traditionally employed in the empirical foreign aid literature; the second set incorporates three additional variables—cultural similarity, ideological stance, and region—recognized by regional specialists as important to a comprehensive understanding of the international interactions between the African continent and the northern industrialized democracies.

In short, the general empirical and the more regional-focused case study literatures are joined together to offer a comprehensive quantitative and qualitative analysis of foreign aid interactions between the industrialized northern democracies and the African continent. While some of the findings reviewed below challenge conventional wisdom regarding aid flows, others reinforce existing assumptions. In both cases, the presumed linkage between donor self-interest and aid flows is subjected to rigorous statistical testing and analysis, which yields a stronger basis for evaluating the policy outcomes.

LITERATURE REVIEW: COLLECTING PIECES OF THE FOREIGN AID PUZZLE

An overview of three general bodies of international relations theory clearly demonstrates that scholars hold *a priori* assumptions that lead them to create and adhere to competing paradigms about which interests motivated donor involvement in the foreign aid regime of the cold war era.⁶

Adherents of the realist paradigm—the dominant conceptual lens for understanding the foreign aid regime of the cold war era—assume that aid policies are driven primarily by the strategic interests of nation-states.⁷ According to this viewpoint, international relations are conducted

⁶ See Alain Noël and Jean-Philippe Thérien, "From Domestic to International Justice: The Welfare State and Foreign Aid," *International Organization* 49 (Summer 1995).

⁷ See, for example, Lloyd D. Black, *The Strategy of Foreign Aid* (Princeton: D. Van Nostrand, 1968). For a more recent example, see Nicholas Eberstadt, *Foreign Aid and American Purpose* (Washington, D.C.: American Enterprise Institute, 1988).

in a Hobbesian state of nature in which national security and self-preservation become the primary, if not the exclusive, objectives. As a result, foreign aid is perceived as only minimally related to recipient economic development and the humanitarian needs of recipient countries are downplayed. Although classical realists traditionally conceive of security in terms of alliances and military strength—the so-called high politics of international relations—neorealist scholars more recently have underscored the equal if not greater importance of understanding the economic dimension of national security.⁸ In short, whereas classical realists argue that aid priorities are driven primarily by perceptions of the political-military strategic importance of recipient states, neorealists also underscore the point that the recipients' economic potential is critical to understanding changing global balances, and therefore serves as one of several factors potentially affecting northern aid priorities.

The idealist paradigm and its neoidealist offshoots challenge realist assumptions in virtually every respect, advancing a vision that is more positive regarding the motivations of individual and state actors and more optimistic about their potential for cooperative relations.⁹ To idealists, a conception of interstate relations based on relentless competition both ignores the record of cooperation that emerged in the late twentieth century and serves as a self-fulfilling prophecy of future conflict. The debate between realists and idealists has predictably found expression in the area of foreign assistance. Specifically, scholars operating within the idealist paradigm and its neoidealist offshoots assert the overriding importance of humanitarian need as the cornerstone of many foreign aid programs.¹⁰ Unlike their realist counterparts, these scholars are particularly optimistic about the potential utility of foreign aid for ameliorating Third World poverty and promoting broadly shared economic development.

A third, more broadly defined, neo-Marxist paradigm is based on assumptions about the centrality of economic interests in the foreign aid calculations of donor states.¹¹ Unlike their neorealist counterparts, these

⁸ See Robert Gilpin, *The Political Economy of International Relations* (Princeton: Princeton University Press, 1987).

⁹ See, for example, Charles W. Kegley, Jr., ed., *Controversies in International Relations Theory: Realism and the Neoliberal Challenge* (New York: St. Martin's Press, 1995); and idem, "The Neoidealist Moment in International Studies? Realist Myths and the New International Realities," *International Studies Quarterly* 37 (June 1993).

¹⁰ See, for example, David Halloran Lumsdaine, *Moral Vision in International Politics: The Foreign Aid Regime, 1949–89* (Princeton: Princeton University Press, 1993); and David Louis Cingranelli, *Ethics, American Foreign Policy and the Third World* (New York: St. Martin's Press, 1993).

¹¹ See, for example, Robert E. Wood, *From Marshall Plan to Debt Crisis: Foreign Aid and Development Choices in the World Economy* (Berkeley: University of California Press, 1986); and Theresa Hayter and Catherine Watson, *Aid: Rhetoric or Reality?* (London: Pluto Press, 1985).

theories—ranging from dependency to world systems to classical Marxist—share assumptions about the role of capitalist exploitation in enhancing the power of elites in both industrialized and developing countries. Most important, neo-Marxist scholars argue that foreign aid constitutes an extension of highly exploitative North-South relationships that either preserve or widen economic disparities between wealthy states and Third World countries.

Although these characterizations clearly oversimplify and obscure important divisions both within and between these general bodies of theory, our brief summary is simply meant to be illustrative of why so little consensus exists concerning the foreign aid regime of the cold war era: competing paradigmatic assumptions serve as the explicit (in the case of researchers) or implicit (in the case of policymakers) points of reference when judging the merits of a particular foreign aid program. Most important, these competing paradigms lead to different prescriptive conclusions concerning the future evolution of the foreign aid regime.¹² Whereas realists and neorealists usually argue that criteria of humanitarian need should be minimized in favor of security-related interests, idealists and neoidealists tend to defend humanitarian criteria and are more likely to dismiss the importance of security-related factors. In the extreme, many neo-Marxists argue that foreign aid should be abolished in its current form, and that international organizations should control redistribution of economic resources in the pursuit of global economic equality.

The foreign aid puzzle is further clouded when one turns to the largely descriptive, case study-oriented literature that seeks to explain the motivations behind donor aid programs. As concerns the United States, the dominant view of the qualitative literature is that ideologically inspired cold war interests, most notably containment of the spread of communism, served as the cornerstone of U.S. foreign aid policies in the Third World. It is generally agreed that a recipient country's ideological stance (that is, as anticommunist) and willingness to participate in a host of strategic alliances directed against the former Soviet Union and its allies were the driving forces of a foreign aid program that led to the transfer of nearly \$500 billion in funds from 1945 to 1995.¹³

¹² See Roger C. Riddell, *Foreign Aid Reconsidered* (Baltimore: Johns Hopkins University Press, 1987).

¹³ See Steven W. Hook and John Spanier, *American Foreign Policy since World War II*, 14th ed. (Washington, D.C.: CQ Press, 1998); and Peter J. Schraeder, ed., *Intervention into the 1990s: U.S. Foreign Policy in the Third World* (Boulder, Colo.: Lynne Rienner, 1992).

The consensus in the case of Japan is that economic self-interest (*kokueki*) was the critical motivating factor of foreign aid policies during the post-World War II period.¹⁴ As a rising economic superpower with the world's second largest gross national product (GNP), Japan clearly sought to use foreign aid in its quest for global economic supremacy. According to Stirling, Japan conducted a "business foreign policy" in which overlapping groups of governmental and corporate actors have actively coordinated an "industrial policy" targeted at enhancing exports through concessional aid.¹⁵ Scalapino found that, due to the freedom of maneuver offered by Japan's protection under a U.S.-led military umbrella, Japanese leaders were among the first in the postwar era to reconstitute "national security" in largely economic terms.¹⁶ In short, Japanese policymakers were able to pursue a neomercantilist foreign aid strategy that concentrated on "securing Japan's regional geo-economic interest while skirting any political entanglements."¹⁷

In the case of Sweden, the consensus of the case study literature is that Swedish foreign aid policy was principally driven by humanitarian goals of broadly shared economic development and the provision of basic human needs (BHN).¹⁸ Swedish aid is also described as being driven by ideological concerns. In sharp contrast to the negative ideological and military goals of anticommunism and containment of the former Soviet Union pursued by American policymakers, however, Swedish aid policies are described as driven by a more positive "solidarity tradition" that resulted in the cultivation of relationships with progressive socialist and Marxist leaders.¹⁹ Finally, Sweden's distinctive role within the foreign aid arena is attributed to its special status as a middle power within the international system. Enjoying a higher level of socioeconomic development than most countries but still lacking the financial resources of the great powers, Sweden could not afford to provide foreign aid to all regions of the world, let alone to all countries within a particular region.²⁰ Like other middle powers, Sweden was

¹⁴ Sukehiro Hasegawa, *Japanese Foreign Aid: Policy and Practice* (New York: Praeger, 1975), 3.

¹⁵ John Stirling, "Japan and Asia: A 'Business Foreign Policy,'" *Asian Affairs* (July–August 1981), 354.

¹⁶ Robert A. Scalapino, "The Foreign Policy of Modern Japan," in Roy A. Macridis, ed., *Foreign Policy in World Politics*, 8th ed. (Englewood Cliffs, N.J.: Prentice-Hall, 1992), 206.

¹⁷ William R. Nester, *Japan and the Third World: Pattern, Power and Prospects* (New York: St. Martin's Press, 1992), 233.

¹⁸ Bo Karre and Bengt Svensson, "The Determinants of Swedish Aid Policy," in Olav Stokke, ed., *Western Middle Powers and Global Poverty: The Determinants of the Aid Policies of Canada, Denmark, the Netherlands, Norway and Sweden* (Uppsala, Sweden: Scandinavian Institute of African Studies, 1989), 231.

¹⁹ Stokke (fn. 18), 2–3.

²⁰ Ibid.

forced to carve out an international niche by focusing its foreign aid on carefully selected regions or individual countries.²¹

In the case of France, the qualitative literature underscores the importance of two sets of factors. First, the overwhelming consensus is that French policymakers sought to promote the *rayonnement* (spread) of French culture, most notably the French language.²² Often referred to as French “cultural nationalism” or support for *la francophonie* (a greater French-speaking community),²³ such a policy ensured that a large portion of foreign aid was directed to former French colonies and protectorates, as well as to other countries where French constitutes one of the national languages (such as the former Belgian colonies in Central Africa). The literature also suggests that economic interests were perceived by French policymakers as both parallel and integral to the promotion of French culture. Toward this end, foreign aid constituted “one component of a remarkably integrated system of economic relationships,” most notably trade, that was predicated on maintaining and enhancing a network of cultural ties within the francophone world.²⁴

The primary shortcoming of the qualitative literatures devoted to explaining American, Japanese, Swedish, and French foreign aid policies is their reliance on the case study approach, which precludes generalization across the field of donor countries. When this shortcoming appears in combination with the competing conclusions of the theoretical literature, both policymakers and researchers find themselves facing a highly confusing jumble of conflicting claims and assumptions. Specifically, these four discrete sets of literature suggest that foreign aid policies are unique and noncomparable, dependent only on the particular case.

The confusion has not been resolved by empirical research. One problem is that the majority of statistical analyses has been confined to individual case studies, most frequently the U.S.²⁵ Similar to their qualitative counterparts, such studies prevent generalization across the field of donor countries. Second, even those statistical analyses that focus on several cases fail to capture the most important dimensions of the aid relationship cited within the qualitatively oriented case study literature,

²¹ See C. Pratt, ed., *Middle Power Internationalism: The North-South Dimension* (Montreal: McGill-Queen's University Press, 1990).

²² Edward A. Kolodziej, *French Foreign Policy under de Gaulle and Pompidou: The Politics of Grandeur* (Ithaca, N.Y.: Cornell University Press, 1974), 479.

²³ Alfred Grosser, *French Foreign Policy under de Gaulle* (Boston: Little, Brown, 1965), 61.

²⁴ Theresa Hayter, *French Aid* (London: Overseas Development Institute, 1966), 43.

²⁵ See, for example, James H. Lebovic, “National Interests and U.S. Foreign Aid: The Carter and Reagan Years,” *Journal of Peace Research* 25 (June 1988); and Neil R. Richardson, *Foreign Policy and Economic Dependence* (Austin: University of Texas Press, 1978).

for example, region, culture, and ideology.²⁶ In the case of French foreign aid policies, for example, none of the statistical analyses tests for the role of culture (that is, support for *la francophonie*), despite the fact that this dimension is described by regional specialists as the cornerstone of French foreign aid policy, especially in Africa. A goal of this comprehensive analysis, as we have said, is to bridge the gap between quantitatively oriented empirical research and the qualitative research of regional specialists.

RESEARCH STRATEGY

We seek to clarify the foreign aid puzzle through a comparative empirical analysis of American, Japanese, French, and Swedish foreign aid policies toward Africa. As summarized in Table 1, our research suggests that there are six key pieces to the foreign aid puzzle. Any cross-national test must therefore include valid indicators that capture these six elements, in addition to choosing a valid indicator of foreign aid that is comparable across the four cases.

The choice of a comparable dependent variable for the four cases is facilitated by the fact that the OECD provides a yearly summary of official development assistance (ODA) provided by the northern industrialized democracies.²⁷ Aggregate volumes of ODA (logged and expressed as a percentage of the recipient country's GNP) provided by the U.S., Japan, France, and Sweden to thirty-six African recipients from 1980 to 1989 therefore serve as the dependent variable of the analysis.²⁸ An incremental control variable with a one-year lag is devised using the foreign aid data; it serves as an independent variable that controls for the amount of aid that the recipient received in the previous year.

Six groups of independent variables are constructed from both interval and nominal data to test for the possible determinants of the foreign aid policies of our four cases.²⁹ The first three sets of variables are constructed using data traditionally employed in empirical foreign aid studies.

²⁶ McKinlay (fn. 4) compares the cases of the U.S., the United Kingdom, France, and Germany. Hook (fn. 5) compares the cases of the U.S., France, Japan, and Sweden.

²⁷ OECD, *Geographical Distribution of Financial Flows to Developing Countries* (Paris: OECD, 1981–95). Security assistance is omitted from the current study because donor interests in extending these forms of aid are more transparent than are the objectives behind transfers of economic aid. It is precisely the *ambiguity* inherent in economic aid that we attempt to rectify through our cross-national analysis.

²⁸ The countries in our data set include Algeria, Angola, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Congo, Egypt, Ethiopia, Gabon, Ghana, Ivory Coast, Kenya, Liberia, Libya, Madagascar, Malawi, Mali, Mauritius, Morocco, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Tunisia, Uganda, Zaire, Zambia, and Zimbabwe.

²⁹ In order to minimize the problems associated with utilizing cases of differing size in regression, all of the interval-level variables have been standardized to either GNP or population of recipient country

TABLE 1
PRIMARY DETERMINANTS OF FOREIGN ASSISTANCE
(BASED ON LITERATURE REVIEW)

	<i>Humanitarian Need</i>	<i>Strategic Importance</i>	<i>Economic Potential</i>	<i>Cultural Similarity</i>	<i>Ideological Stance</i>	<i>Region</i>
IR theory literature						
realism		X				
neorealism		X	X			
idealism	X					
neo-Marxism			X			
Qualitative (case study) literature						
United States		X			X	
Japan			X			
Sweden	X				X	X
France			X	X		
Quantitative (empirical) literature						
United States		X				
Japan			X			
Sweden	X					
France			X			

HUMANITARIAN NEED

Foreign aid is most often rhetorically portrayed by policymakers in industrialized states as a humanitarian effort to alleviate the suffering of those in distress. To many policymakers, this is the most, if not the only, appropriate use of foreign aid. Building upon the public policy pronouncements of foreign aid donors, the concept of humanitarian need is therefore operationalized in this study by two widely adopted measures: (1) the average life expectancy of the target country's population; and (2) the daily caloric intake of that population. In short, if humanitarian need serves as the cornerstone of donor aid programs, one would expect to find aid strongly targeted toward those African countries in which populations are suffering from short life expectancy and low levels of average caloric intake.³⁰

(except for the trade variable, which has been standardized to total imports). This corrects for the heteroskedastic distribution of the raw data and decreases the importance of potentially influential cases.

³⁰ The source of this data is the World Bank's *World Development Report* supplemented by the World Bank's *World Tables of Economic and Social Indicators* (1950–88), ICPSR Dataset 9300.

STRATEGIC IMPORTANCE

It is widely believed, even if not acknowledged openly by policymakers, that foreign aid is used as a tool to enhance the national security of aid donors. The recipient's strategic importance to the donor country is therefore important to our understanding of foreign aid and is operationalized in this study by three widely adopted measures: (1) maintenance of a security alliance between donor and recipient, as witnessed by the signing of formal defense or military access agreements; (2) military spending as a percentage of the GNP of the recipient country; and (3) percentage of the recipient country's population that forms part of the military.³¹ The existence of a security alliance is indicative of donor perceptions of the strategic importance of the recipient country and should lead to greater levels of aid. The remaining two measures reflect the assumption that donors interested in promoting their security would favor recipients that maintain relatively large military establishments in terms of overall financial resources and conscription, and therefore would be able to act as surrogates for the donor within their specific regions.

ECONOMIC POTENTIAL

Foreign aid has also been justified by policymakers in terms of its potential contribution to the donor's economy. As in the case of the strategic importance variable, the primary assumption is that donors interested in promoting their own economic security would favor recipients that represent the most powerful economies in their region. In addition, policymakers have also increasingly recognized the need to demonstrate that foreign aid will contribute to the economic health of the donor country, most notably by promoting trade and investment. The concept of economic interests is therefore operationalized by two measures: (1) the recipient country's GNP per capita (logged); and (2) the level of trade with the donor country as measured by the recipient's imports from the donor country as a percentage of total imports (also logged). If the economic potential of the recipient country is operative in the foreign aid equation, one would expect to find aid directed disproportionately toward those countries enjoying a large GNP

³¹ The source for military spending is the *SIPRI Yearbook: World Armaments and Disarmament* (various years), published by the Stockholm International Peace Research Institute. Military force data are from *World Military Expenditures and Arms Transfers*, the annual report of the U.S. Arms Control and Disarmament Agency.

per capita and importing significant amounts of goods from the donor country.³²

The variables identified and tested for in the classic empirical foreign aid literature provide the point of departure for our test of the determinants of foreign aid during the 1980s. Yet our review of the case study literature and the findings of regional specialists suggest that additional variables are necessary for a comprehensive understanding of American, Japanese, French, and Swedish foreign aid policies toward Africa. Specifically, three sets of nominal data—cultural similarity, ideological stance, and region—are recognized as potentially important determinants of donor aid policies and therefore serve as the basis for constructing three additional sets of variables to be included in our general test.

CULTURAL SIMILARITY

An important outcome of the colonial history of the African continent is that almost every African country is overlaid in varying degrees by the national culture of the former metropole, in such areas as educational structure, legal system, and, perhaps most important, national language. The resulting cultural overlay of a particular colonial heritage is therefore recognized as theoretically playing an important role in the contemporary international relations of the African continent, particularly when one is assessing the aid policies of a former colonial power such as France. In this regard, colonial heritage serves as a useful indicator of the impact of culture on foreign aid policies.³³ In order to test for this variable, this study divides African countries according to a fivefold classificatory scheme developed by Moss and Ravenhill: (1) former British colonies; (2) former French colonies; (3) former Portuguese colonies; (4) former Belgian colonies; and (5) those “previously nonassociated countries” (PNAC) that remained largely free from colonial rule (Ethiopia and Liberia).³⁴

IDEOLOGICAL STANCE

Ideology may also play an important role in the allocation of foreign aid in that donors may logically be more prone to provide support to coun-

³² The source of trade data is *Direction of Trade Statistics*, a report of the International Monetary Fund. GNP per capita data are derived from *World Military Expenditures and Arms Transfers*, provided by the U.S. Arms Control and Disarmament Agency.

³³ Joanna Moss and John Ravenhill, “Trade Diversification in Black Africa,” *Journal of Modern African Studies* 27 (September 1989).

³⁴ Ibid.

tries that share their ideological beliefs. Thus, for example, one would expect capitalist regimes in the industrialized North to neglect socialist and Marxist regimes in favor of ties with capitalist regimes. Similarly, socialist regimes would be expected to seek out socialist allies, and Marxist regimes, Marxist allies. To test for the impact of ideology, this study divides African countries according to the threefold typology of African regimes devised by Young: (1) self-proclaimed African-Marxist regimes; (2) self-proclaimed African-Socialist regimes (ranging from the Islamic-inspired socialism of Muammar Qaddafi's Libya to the "humanist" socialism of Kenneth Kaunda's Zambia); and (3) African-Capitalist regimes (a residual category of a variety of capitalist, free market-oriented regimes).³⁵ Although this classification certainly blurs important distinctions between members of each ideological group, it captures the major differences in ideological orientation that may be reflected in terms of donor attention—and levels of foreign aid—especially during the cold war era.

REGION

Finally, regional identification plays a potentially important role as a determinant of aid flows. It is clear that if several countries comprise a natural collective—because of shared geographical features, historical ties, or a common religion (such as Islam in North Africa)—they are more likely to trade and share security interests with one another than with countries outside of their general region.³⁶ The logical outgrowth of this regional reality is that those similar features may be of importance to foreign aid donors seeking a common policy for all the countries within that zone. This study tests for the importance of this variable by dividing African countries according to a fivefold typology: (1) North Africa, (2) East Africa, (3) Southern Africa, (4) Central Africa, and (5) West Africa. As explained by Grundy, these groupings "can be justified for diverse and sometimes idiosyncratic reasons, among them culture in the broadest sense, history, geography, convenience, and tradition."³⁷

A pooled cross-sectional time-series design is employed to assess the impacts of these six sets of variables on donor aid policies both across

³⁵ Crawford Young, *Ideology and Development in Africa* (New Haven: Yale University Press, 1982).

³⁶ See Kenneth Grundy, "The Impact of Region on Contemporary African Politics," in Gwendolen M. Carter and Patrick O'Meara, eds., *African Independence: The First Twenty-five Years* (Bloomington: Indiana University Press, 1986).

³⁷ *Ibid.*, 99.

the recipients and over time. The nominal variables are included in the regressions as $j-1$ dummy variables, where j is the number of categories in each variable. Because of the theoretically important nature of these variables and of the need to examine the effects of all the categories for each variable, two regressions are run for each donor country, with different reference categories for each nominal variable.³⁸ These dummy variables are coded using effects coding, rather than the usual binary coding. With the use of effects-coded dummy variables, the coefficients of the interval-level variables and those of the nonreference categories of the nominal variables do not differ between regressions. Thus the full results of both regressions for each donor country are not reported.

Generalized Least Squares, Error Components (GLSE) is the most appropriate method for our spatially dominant model, which comprises relatively many cross sections and relatively few time points.³⁹ GLSE addresses the problems of this type of analysis, heteroskedasticity and autocorrelation, by specifying an error structure which assumes that there is no correlation of errors between countries at any point in time and that the correlation of errors over time within each country is the product of these unit effects.⁴⁰

DATA RESULTS: UNDERSTANDING PIECES OF THE FOREIGN AID PUZZLE

The data results outlined in Table 2 demonstrate that different combinations of factors influenced the foreign aid policies of donor states. While some of these interests were distinct to each donor state, others overlapped across the donor countries in question. Most important, while some of the findings challenge conventional wisdom, others reinforce existing assumptions. The impact of these factors is best analyzed by presenting the individual results associated with each donor country, followed by a discussion of general cross-national trends in the conclusion.

³⁸ For equation 1, the reference categories are former British colonies for Colonial Heritage; self-proclaimed Marxist countries for Ideology; and North African countries for Region. For equation 2, the reference categories are former French colonies for Colonial Heritage; capitalist countries for Ideology; and West African countries for Region.

³⁹ See Alexander M. Hicks, "Introduction to Pooling," in Thomas Janoski and Alexander M. Hicks, eds., *The Comparative Political Economy of the Welfare State* (New York: Cambridge University Press, 1994); and Cheng Hsiao, *Analysis of Panel Data* (New York: Cambridge University Press, 1986).

⁴⁰ GLSE accounts for this error structure by estimating autocorrelation as the ratio of the unexplained sum of squares from the OLS solution less the unexplained sum of squares from the Least Squares with Dummy Variables solution to the unexplained sum of squares from the OLS solution. Calculations were made with the Microcrunch statistical analysis program.

TABLE 2
DETERMINANTS OF FOREIGN ASSISTANCE TO AFRICA
(GLSE REGRESSION RESULTS)

<i>Determinants</i>	<i>United States</i>			<i>Japan</i>			<i>Sweden</i>			<i>France</i>		
	<i>b</i>	<i>t</i>		<i>b</i>	<i>t</i>		<i>b</i>	<i>t</i>		<i>b</i>	<i>t</i>	
Constant	1.4532**	4.4554		0.6454	1.8847		1.0633**	4.0532		1.8641**	5.6866	
Incremental												
lagged dependent variable	0.4084**	8.3430		0.2615**	4.9784		0.0223	0.4581		0.1819**	3.6850	
Humanitarian need												
caloric intake	-0.0053	-0.7234		-0.0024	-0.2720		-0.0068	-1.2276		0.0055	0.7553	
life expectancy	-0.0011	-0.2514		0.0183**	3.5729		0.0017	0.5073		-0.0024	-0.5489	
Strategic importance												
military spending (% of GNP)	-0.0009	-0.1126		0.0054	0.5559		0.0006	0.0953		0.0056	0.6903	
military force (% of pop)	0.0184	1.8719		0.0080	0.7214		0.0064	0.8494		0.0216*	2.2639	
security alliance	0.1622*	2.4487		—	—		—	—		0.0436	0.3783	
Economic potential												
GNP per capita (logged)	-0.4466**	-3.9379		-0.5466**	-4.4499		-0.2704**	-2.9998		-0.4574**	-4.2844	
trade (% of total, logged)	0.2766*	3.9452		0.2303*	2.2303		0.1663*	2.0755		-0.2760*	-2.2491	
Ideological stance												
Marxist	-0.1196	-1.7096		-0.1381	-1.8731		-0.0521	-0.8654		0.0284	0.3729	
socialist	0.0237	0.4188		0.0233	0.3797		0.1223*	2.5394		-0.1139	-1.9031	
capitalist	0.0959**	2.0278		0.1147*	2.3617		-0.0702	-1.8203		0.0855	1.8522	

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	<i>b</i>	<i>t</i>		<i>b</i>	<i>t</i>		<i>b</i>	<i>t</i>		<i>b</i>	<i>t</i>	
Cultural similarity												
British	-0.0394	-0.5507		0.0324	0.4302		-0.0893	-1.4014		-0.2682**	-3.8098	
French	0.0765	1.0659		0.0836	1.0851		-0.1089	-1.7129		0.7449**	7.2121	
Portuguese	-0.1472	-1.0012		-0.0870	-0.5561		0.3837**	2.9067		0.0066	0.0472	
Belgian	0.0673	0.5080		0.0673	0.4799		-0.2595*	-2.1791		0.0910	0.6821	
PNAC ^a	0.0428	0.3754		-0.0964	-0.7839		0.0739	0.7200		-0.5743**	-4.7642	
Region												
Northern	-0.0574	-0.5635		-0.1584	-1.4272		-0.1086	-1.2417		-0.1904	-1.7470	
Western	0.0139	0.2182		0.0496	0.7314		-0.2141**	-3.7082		0.0225	0.3636	
Central	-0.1095	-1.2087		-0.0917	-0.9523		-0.0620	-0.7758		0.1938*	2.0819	
Southern	0.0094	1.4829		0.0110	0.1500		0.3486**	4.0079		-0.0413	-0.4402	
Eastern	0.1436	0.1353		0.1895	1.8465		0.0360	0.5824		0.0154	0.2329	
R ²	0.432			0.298			0.389			0.534		
Adjusted R ²	0.402			0.263			0.358			0.509		
F	14.406			8.539			12.804			21.704		
F Significance	0.001			0.001			0.001			0.001		

*p<0.05; **p<0.01

^aPNAC = previously nonassociated countries, which remained largely free from colonial rule (Ethiopia and Liberia).

THE UNITED STATES: A COLD WARRIOR WITH ECONOMIC INTERESTS

The statistical analysis confirmed widely held presumptions of U.S. foreign aid as being driven by strategic and ideological interests associated with the cold war. Not surprisingly, the existence of a security alliance (significant at the .05 level) ensured the generous provision of foreign aid. The most notable example of such an arrangement was the Carter administration's negotiation of military access agreements with Egypt, Kenya, Somalia, and the Sudan at the end of the 1970s.⁴¹ These security agreements served as the basis for extensive foreign aid relationships during the 1980s, although only the agreements with Kenya and Egypt lasted throughout the decade.

The ideological stance of the recipient country within the context of the cold war also constituted an important factor in determining U.S. aid policies.⁴² A positive relationship (significant at the .01 level) was found for capitalist regimes. During the decade of the 1980s the self-proclaimed Marxist regimes of Ethiopia, Mozambique, and Angola were deprived of foreign aid by the U.S. government, whereas capitalist countries such as Kenya, Senegal, and Zaire were treated as ideological allies deserving of U.S. aid. Socialist regimes were neither strongly supported nor strongly opposed. This finding is clarified by calculating the percentages of U.S. aid provided to each type of ideological regime during the 1980s. Whereas capitalist regimes annually received 88 percent of all U.S. aid to the African continent, Marxist and socialist regimes received only 6 percent each.

Specialists in U.S. foreign policy toward Africa will also not be surprised by the existence of a negative relationship (significant at the .01 level) between U.S. aid levels and the GNP per capita of African recipients. American aid was consistently provided to African regimes that had "consistently worse economic growth rates" than those enjoyed by other African countries.⁴³ For example, one of the largest recipients of U.S. aid in 1989 was the Zairian regime of Mobutu Sese Seko, an authoritarian leader who in 1965 assumed power in a military coup d'état and who increasingly relied upon the Zairian armed forces and foreign aid to maintain himself in power as his popular support progressively

⁴¹ See Jeffrey A. Lefebvre, *Arms for the Horn: U.S. Security Policy in Ethiopia and Somalia, 1953-1991* (Pittsburgh, Pa.: University of Pittsburgh Press, 1991).

⁴² Peter J. Schraeder, *United States Foreign Policy toward Africa: Incrementalism, Crisis and Change* (Cambridge: Cambridge University Press, 1994), 248.

⁴³ Michael Clough, *Free at Last? U.S. Foreign Policy toward Africa and the End of the Cold War* (New York: Council on Foreign Relations Press, 1994), 77.

eroded throughout the 1980s.⁴⁴ Similar to the foreign policy relationships cultivated with other authoritarian African allies, such as Egypt, Liberia, Somalia, and the Sudan, which were among the top recipients of U.S. foreign aid during the 1980s, the preoccupation of American policymakers with anticommunism led them to overlook rising economic deterioration and government repression as long as African leaders supported U.S. containment policies.⁴⁵

However, the positive relationship between U.S. aid levels and trade with recipient countries (significant at the .05 level) is not readily explained by classic interpretations that emphasize the predominance of strategic and ideological factors over economic interests. This finding suggests the necessity of further exploring economically based interpretations of U.S. foreign policy toward Africa and seeking a more nuanced explanation. One such recent analysis from the neo-Marxist paradigm has sought to explain U.S. intervention in Zaire during the 1960s by applying what the author refers to as a "business-conflict" model, which in essence argues that competing economic interests as advanced by private corporations are primarily responsible for changes in policy.⁴⁶ Although substantive and theoretical critiques call into question the validity of this specific model as applied to Zaire,⁴⁷ it nonetheless constitutes part of an important new stream of research focusing on the economic determinants of U.S. foreign policy toward Africa. In this regard, such a pattern is also consistent with the neo-realist argument that donors are attracted to the economic potential of recipient states, most notably in terms of trade. Indeed, several of the top recipients of U.S. foreign aid during 1989, such as Nigeria, Ghana, Senegal, and Kenya, were also those countries with which the U.S. enjoyed important trade relationships relative to other countries in Africa. In sum, the picture of U.S. foreign aid policies that emerges from the statistical analysis is that of a strategically and ideologically driven superpower that nonetheless was also influenced by economic concerns.

JAPAN: THE PRIMACY OF ECONOMIC INTERESTS

The statistical results clearly support the dominant view in the literature that economic self-interest (*kokueki*) was the key determinant of

⁴⁴ Sean Kelly, *America's Tyrant: The CIA and Mobutu of Zaire* (Washington, D.C.: American University Press, 1993).

⁴⁵ Clough (fn. 43), 76–100.

⁴⁶ David N. Gibbs, *The Political Economy of Third World Intervention: Mines, Money, and U.S. Policy in the Congo Crisis* (Chicago: University of Chicago Press, 1991).

⁴⁷ See Crawford Young's review of Gibbs (fn. 46), in *Journal of Interdisciplinary History* 24 (Autumn 1993), 401–3. See also Peter J. Schraeder, "Reviewing the Study of U.S. Policy towards Africa: From Intellectual 'Backwater' to Theory Construction," *Third World Quarterly* 14, no. 4 (1994).

Japanese foreign aid policies toward Africa during the 1980s. The positive relationship (significant at the .05 level) between Japanese aid levels and trade underscores an active Japanese "business foreign policy" that targeted foreign aid to countries in which Japanese trade interests were high. The top recipients of Japanese aid during the 1980s can be divided into three types of trade categories: (1) important sources of raw materials vital to Japanese industry, such as copper in Zambia and Zaire, uranium in Niger, and chromium in Madagascar; (2) potential future sources of such raw materials, including chromium in the Sudan and oil in Gabon; or (3) major economic markets, such as Kenya and Nigeria, capable of absorbing Japanese exports. Japanese policymakers were especially concerned about ensuring access to African raw materials. As a result, the Metal Mining Agency of the Ministry of International Trade and Industry (MITI) and the Japan Petroleum Corporation took the lead in identifying projects designed to meet the mineral and oil needs of Japanese industry.⁴⁸

The positive relationship (significant at the .05 level) between foreign aid levels and capitalist regimes is also consistent with the apolitical nature of Japanese foreign aid policies. Unlike the cold war-oriented aid policies of their American counterparts, the Japanese predilection for capitalist regimes was determined not by an ideological disdain for Marxist or socialist regimes but rather by the propensity of capitalist countries to maintain free-market economies that welcomed foreign trade and investment. Despite official Japanese willingness to seek mutually beneficial ties with any country regardless of ideology, the socialist and to a greater degree the Marxist countries on average maintained relatively closed, command-style economies that were more hostile to foreign trade and investment with the capitalist West.⁴⁹ The apolitical nature of Japanese aid policies was further demonstrated by the fact that Japan on average extended 21 percent of its aid to socialist regimes during the 1980s (as opposed to an average of 6 percent for the U.S. during this same period). The Japanese government extended aid in particular to influential socialist countries of little if any direct economic interest to Japan if they were regionally influential and therefore important to regional economic policy. For example, Tanzania was consistently one of the top recipients of Japanese foreign aid during the 1980s (in 1981 it was the top recipient) despite the lack of meaningful economic ties. Japanese leaders were attracted by former president

⁴⁸ Nester (fn. 17), 238–39.

⁴⁹ See Young (fn. 35).

Julius Nyerere's role as an influential leader in Southern Africa, arguably the most lucrative regional market in Africa.⁵⁰

Two unexpected results merit discussion. First, the positive relationship (significant at the .01 level) between life expectancy and Japanese foreign aid underscores the fact that Japanese aid was directed to countries that were relatively better off than their neighbors, as reflected by this widely utilized measure of social welfare. One simple explanation is that the targets of Japanese aid were often countries which on average maintained relatively better health and other social-related infrastructures. This was especially so with socialist countries, such as Tanzania, that committed significant amounts of resources to rural health programs and led the continent in terms of literacy programs.⁵¹

A second explanation is potentially derivative of the fact that Japanese aid policies were heavily focused on the former British colonies, which on average had higher life expectancies, despite the fact that the direct relationship between British colonial past and Japanese foreign aid was not statistically significant. A breakdown of Japanese aid by the recipient's colonial past reveals that approximately 70 percent of Japanese aid to Africa during the 1980s went to former British colonies, with former French colonies on average receiving 23 percent. In sharp contrast, former Belgian, Portuguese, and PNAC countries that on average had the highest mortality rates due to civil wars (Angola, Ethiopia, Liberia, and Mozambique) or severe ethnic conflict (Burundi, Rwanda, and Zaire) together received only 7 percent of all Japanese foreign assistance during the 1980s. An obvious reason for Japan's initial focus on anglophone countries was the facility of doing business in a common language (English). Francophone economies by contrast were more difficult to penetrate because of powerful French monopolies that were actively supported by the French government.

A second unexpected finding revolved around the negative relationship (significant at the .01 level) between aid levels and GNP per capita. This finding is accounted for by a return to the cornerstone of Japanese interests—promoting trade—and our discussion of social infrastructure. First, Japanese trade interests (and thus foreign aid) were primarily focused on monomineral export industries that usually served as the lifeblood of the African country in question (for example, copper in Zambia). Throughout the 1980s, however, these monomineral and monocrop industries were prone to severely deteriorating terms of

⁵⁰ See, for example, Kweku Ampiah, "Japanese Aid to Tanzania: A Study of the Political Marketing of Japan in Africa," *African Affairs* 95 (1996).

⁵¹ See Young (fn. 35), 97–182.

trade, which had a dramatic impact on per capita GNP rates.⁵² Indeed, prior to the democratic changes of the 1990s these extractive industries more often than not benefited the ruling elite and/or party. As a result, the countries that were the targets of Japanese aid were often resource rich, but those riches did not translate into broad-based economic affluence (that is, rising per capita GNPs). Even in the socialist countries that invested heavily in their nations' social infrastructure (for example, Tanzania), gains in the social realm almost always came at the expense of a deteriorating general economy and therefore of declining per capita GNP rates. Returning to our example of Tanzania, one of the primary recipients of Japanese aid during the 1980s, significant strides in promoting mass literacy and the provision of basic human needs coincided with a failing overall economy that witnessed an annual average decline of 7 percent in agricultural output. As succinctly noted in one recent analysis, Tanzanian policymakers "essentially sacrificed growth for equity."⁵³

SWEDEN: A MIDDLE POWER IN SOUTHERN AFRICA

The statistical analysis clearly supports the theoretical expectations of middle-power theory in explaining Swedish foreign aid behavior. Illustrative of the necessity of middle powers to restrict the geographical scope of their limited foreign aid budgets, one region—Southern Africa (significant at the .01 level)—represented the centerpiece of Swedish foreign aid efforts during the 1980s. In 1989, for example, six of the top Swedish foreign aid recipients in Africa (Angola, Botswana, Lesotho, Mozambique, Zambia, and Zimbabwe) were located in the Southern African region and accounted for 48 percent of all Swedish aid to the African continent. This middle-power focus on Southern Africa was reinforced by a special interest in the former Portuguese colonies of Angola and Mozambique, thereby explaining the positive relationship (significant at the .01 level) between aid levels and the Portuguese component of the variable of culture. According to Black, Sweden's interest in Portuguese Africa constituted a classic example of "niche playing" by a middle power.⁵⁴ Whereas "the Anglo-American world was concen-

⁵² See Richard Sandbrook, *The Politics of Africa's Economic Recovery* (New York: Cambridge University Press, 1993).

⁵³ Harvey Glickman, "Tanzania: From Disillusionment to Guarded Optimism," *Current History* 96, no. 610 (1997), 217.

⁵⁴ David Black, "Little Big Power? Swedish Policy toward Southern Africa in the 1980s" (Paper presented at the annual convention of the International Studies Association, Atlanta, Ga., March 31–April 4, 1992), 6.

trated on South Africa, Rhodesia [Zimbabwe] and Namibia," Sweden was able to pursue a "special role" in the ignored backwaters of Portuguese Africa.⁵⁵

As expected, the ideological stance of a recipient country also emerged as an important determinant of Swedish aid. As witnessed by the positive relationship between aid levels and the socialist component of the ideological variable (significant at the .05 level), Sweden demonstrated an ideological predilection to support progressive, socialist-oriented regimes, such as Algeria, Tanzania, Uganda, and Zambia, and it targeted in particular those liberation movements opposed to minority white rule in the Southern African region. This so-called "solidarity tradition"⁵⁶ similarly contributed to significant increases in foreign aid to Zimbabwe and Namibia when minority white-ruled governments were replaced by new political systems enshrining black majority rule.⁵⁷ As further demonstrated by a breakdown of aid by ideological type, progressive (that is, socialist and Marxist) regimes annually received approximately 80 percent of Sweden's foreign aid to Africa during the 1980s. In contrast, countries maintaining close ties with the minority white-ruled regimes, most notably Malawi and Swaziland, were largely ignored in the Swedish aid hierarchy.

Sweden's focus on progressive regimes, especially the former Portuguese colonies of Southern Africa, explains the negative relationship (significant at the .01 level) between levels of foreign aid and recipient GNP per capita. The former Portuguese colonies in Southern Africa found themselves beset by ongoing civil wars, funded by their neighbors, that devastated their economies. In the case of Angola, the national economy was destroyed by an ongoing civil war between the self-proclaimed Marxist government of Agostinho Neto and guerrilla forces known as the National Union for the Total Independence of Angola (UNITA), which operated with U.S. and South African support. In this regard, UNITA constituted part of an overall South African strategy of regional destabilization that inevitably was also directed against other progressive recipients of Swedish foreign aid, most notably Mozambique, Zambia, and Zimbabwe. Although the long-term goal of this strategy—maintenance of the apartheid system in South

⁵⁵ Ibid.

⁵⁶ Tor Sellstrom, "Some Factors behind Nordic Relations with Southern Africa," in Bertil Oden and Harold Othman, eds., *Regional Cooperation in Southern Africa: A Post-Apartheid Perspective* (Uppsala, Sweden: Scandinavian Institute of African Studies, 1989).

⁵⁷ Black (fn. 54), 1.

Africa—ultimately failed, the short-term strategy of regional economic destabilization was highly successful.⁵⁸

Two results strongly question the conventional wisdom concerning Swedish aid policies and require further discussion. First, the statistical analysis rejected official Swedish rationales that the humanitarian need of recipient states served as the guiding principle of Swedish aid policies. Neither a country's standard of caloric intake nor its level of life expectancy influenced Swedish aid calculations. Observers have generally accepted official government statements that Swedish aid was driven by humanitarian concerns in part because Sweden's government from the 1930s to 1991 (except for a brief period from 1976 to 1982) was dominated by the highly progressive Social Democratic Party, which in turn reflected the progressive nature of Swedish political culture more generally. As demonstrated by the statistical analysis, however, the progressive nature of Swedish political culture ensured first and foremost that ideologically progressive regimes were favored by the Swedish political elite. In addition, the financial constraints imposed by the limited size of Sweden's economy ensured that these efforts would be focused in Southern Africa.

The lack of a statistically significant positive relationship between aid levels and the humanitarian needs of recipient countries confounds conventional wisdom. Further analysis suggests that this pattern may be explained by a second result that also challenges widespread perceptions: the positive relationship (significant at the .05 level) between aid levels and trade with recipient countries. This finding may be most surprising to observers of Swedish foreign aid because of the repeated pledges on the part of the Swedish government to separate the humanitarian aspirations of foreign aid from short-term economic benefits for itself. Thus, any benefits from the transfers were to be only a "welcome side effect," not an ostensible goal. This principled approach was modified in the late 1970s and the early 1980s, however, after the Swedish economy was weakened by steep increases in petroleum prices and growing fiscal strains within the Swedish government, which for the first time in several decades was forced to borrow money from international markets. Whereas other major donors responded by diversifying aid transfers to include recipients in the Middle East, Swedish policymakers sought to make future transfers more compatible with domestic economic interests. Among such reforms, the previously scorned prac-

⁵⁸ See William Minter, *Apartheid's Contras: An Enquiry into the Roots of War in Angola and Mozambique* (London: Zed Press, 1994).

tice of tying Swedish aid to the purchase of Swedish goods and services or to prescribed financing arrangements became more acceptable as an element of aid policy.⁵⁹

FRANCE: COMPLEX AND MULTIFACETED ENGAGEMENT

The portrayal of France in the literature as first and foremost promoting the *rayonnement* (spread) of French culture is strongly supported by the statistical results. A positive relationship (significant at the .01 level) emerges for the category of former French colonies. In contrast, negative relationships (significant at the .01 level) emerged between levels of French aid and countries with a British colonial past and the PNAC group, despite the fact that France devoted approximately 11 percent of its African aid to former British colonies.

An examination of the raw data further clarifies the importance of cultural similarity in French aid policies. In 1989 the top ten African recipients of French aid—Algeria, Morocco, Ivory Coast, Senegal, Cameroon, Mali, Gabon, Madagascar, Chad, and Guinea—were all former French colonies or protectorates. Throughout the 1980s France on average devoted approximately 82 percent of its annual African aid budget to countries considered part of the francophone world. The determination of France to strengthen *la francophonie* is perhaps best demonstrated by the annual summit of the presidents of France and the francophone countries of Africa, the nineteenth of which was held in Ouagadougou, Burkina Faso, in December 1996. According to Martin, these summits serve as the centerpiece of Franco-African cultural relations, primarily because they are widely portrayed as family reunions designed to strengthen already close personal relationships between the French president and his African counterparts.⁶⁰

The importance of culture was reinforced by the strong positive relationship (significant at the .05 level) uncovered for Central Africa. All but one of the cases (the Sudan) that constitute this region were francophone countries, including most notably the former Belgian colonies of Burundi, Rwanda, and Zaire. Beginning in the 1980s, the Mitterrand administration undertook a conscious policy of more effectively integrating these three former Belgian colonies into the French sphere of influence. As a result, increasing amounts of French aid throughout the 1980s were lavished on Zaire (\$461 million), Burundi (\$243

⁵⁹ See, for example, Katie Verlin Laatikainen, "The Disillusionment of Nordic Aid," in Steven W. Hook, ed., *Foreign Aid toward the Millennium* (Boulder, Colo.: Lynne Rienner, 1996).

⁶⁰ Guy Martin, "Continuity and Change in Franco-African Relations," in John W. Harbeson and Donald Rothchild, eds., *Africa in World Politics* (Boulder, Colo.: Westview Press, 1995), 14.

million), and Rwanda (\$199 million). Zaire especially became a diplomatic battleground as the U.S. and France competed for influence. As explained in the memoirs of Jacques Foccart, the architect of French policy in Africa under Charles de Gaulle and Georges Pompidou, the French perceived the emergence of Mobutu Sese Seko as the unparalleled leader of Zaire during the 1960s as facilitating the penetration of Anglo-Saxon influence into the largest country of francophone Africa, and therefore as a clear victory for the U.S. over French interests.⁶¹ French aid policies during the 1980s were designed to reverse this perceived failure.

The statistical analysis further demonstrates that a recipient's strategic importance underlay these cultural factors. French aid levels were positively associated with military force as a percentage of population (significant at the .05 level). Despite public pronouncements to the contrary, most notably at the beginning of the Mitterrand presidency,⁶² this finding reflects French support for the militarization of its former colonies, including the generous provision of arms and military *coopérants* for training purposes and the direct intervention by French military forces to ensure maintenance of the status quo.⁶³ Critics of French foreign aid policies are quick to note that an overriding concern with military factors led to "creative ambiguity" as concerns support for democracy in its former colonies.⁶⁴ When countries renounced their privileged relationship with France, as Guinea did when it voted in 1958 against inclusion in the revised French community of states (the so-called *loi-cadre* act), French retribution was swift; in this case de Gaulle cut off all aid. In essence, as long as authoritarian leaders continued to underscore their commitment to close ties with France, they were unlikely to find themselves under heavy pressure from Paris to democratize.

In contrast to the expectation of the case study literature, the statistical findings suggest that economic interests did not play a role in French foreign aid policies toward Africa. The patterns instead revealed negative relationships between levels of aid and trade with recipients (significant at the .05 level) and the GNP per capita of recipients (significant at the .01 level). Expectations of the importance of economic interests in French aid calculations are based on the fact that France in

⁶¹ Foccart (with Philippe Gaillard), *Foccart parle: entretiens avec Philippe Gaillard* (Paris: Fayard, 1990), 1:310–11.

⁶² See Jean-François Bayart, *La politique africaine de François Mitterrand* (Paris: Karthala, 1984).

⁶³ John Chipman, *French Power in Africa* (Cambridge: Basil Blackwell, 1989).

⁶⁴ Martin (fn. 60).

1947 organized thirteen former French colonies and Equatorial Guinea into an organization currently known as the Franc Zone: a supranational financial system in which France continues to serve as a central bank and in which a common currency—the *Communauté Financière Africaine* (CFA) franc—is tied to the French franc and guaranteed by the French treasury.

Closer analysis suggests that cultural considerations (that is, maintaining *la francophonie* at all costs) were critical to French support for the Franc Zone, effectively explaining why French policymakers continued to make aid transfers primarily to Franc Zone members despite the deterioration of member economies and trade relationships throughout francophone Africa. The subjugation of economic factors to cultural ideals even within the Franc Zone was clearly demonstrated by France's unwillingness throughout the 1980s to devalue the highly overvalued CFA franc—despite the consensus among economists that such action was necessary to stimulate the Franc Zone's economic competitiveness and promote greater trade links with France.⁶⁵ The first such devaluation of the CFA, by 50 percent, only occurred in 1994 and suggested a growing French focus on economic factors in the post-cold war era.⁶⁶

THE FOREIGN AID PUZZLE IN PERSPECTIVE

The cross-national analysis clearly demonstrates that the origins of the foreign aid policies of the northern industrialized democracies are complex and varied. Despite the fact that the four donor states under review maintained shared democratic values and a common industrial base of development, notable differences as concerns historical backgrounds (for example, French colonialism in Africa) and positions within the international system (for example, the U.S. as a strategic hegemon and Sweden as a middle power) ensured that foreign aid policies were influenced by different combinations of foreign policy interests. No two cases were alike, a fact that reinforces the need for detailed scrutiny of the individual cases.

Yet empirical patterns that emerged in three of our four cases allow us to draw some general conclusions about the nature of the foreign aid regime of the final cold war decade. First, the results clearly reject the rhetorical statements of policymakers within the industrialized North who publicly assert that foreign aid is an altruistic tool of foreign policy.

⁶⁵ Patrick and Sylvianne Guillaumont, *Zone franc et développement africain* (Paris: Economica, 1984).

⁶⁶ Kaye Whiteman, "France/Africa: The Party's Over," *Africa Report* 39 (March–April 1994), 13–18.

Rather than demonstrating a positive relationship between foreign aid and recipient social-welfare factors, our findings discounted the role of humanitarian need in the aid policies of these industrialized democracies. In the cases of France, Japan, and the United States, the fact that foreign aid does not stem from altruism is hardly a new finding—despite vigorous past efforts on the part of French, Japanese, and American policymakers to project such an image abroad. Indeed, in the case of Japan, aid was targeted toward countries with relatively high levels of life expectancy, the opposite of what one would expect if humanitarian interests were operative. However, the lack of a relationship between foreign aid levels and humanitarian need in the case of Sweden cast doubt on the preponderant view that Sweden and other middle powers, most notably Canada and the other Nordic countries, were exceptional in this regard. Specifically, our findings call for a thorough reexamination of the prevailing assumption within the aid community that the Nordic countries and other middle powers maintained a unique, humanitarian-based set of policies within the foreign aid regime of the 1980s.⁶⁷

The second cross-national trend confirmed that ideology played an important role in the foreign aid regime of the 1980s. In the American, Japanese, and Swedish cases, there existed a positive relationship between foreign aid levels and the ideological posture of African regimes. Whereas U.S. foreign aid policies were targeted toward capitalist regimes willing to support Washington's containment policies, Swedish policymakers were particularly interested in strengthening like-minded progressive regimes in Southern African and Japanese aid policies favored capitalist over Marxist regimes. The French case emerged as an anomaly. Yet despite the fact that ideological factors as conceptualized in this study ultimately did not influence French policies toward Africa, French policymakers approached the necessity of ensuring the spread of French culture with the same ideological fervor adopted by U.S. policymakers to prevent the spread of communism during the cold war era. In this regard, *la francophonie* could be characterized as a culturally based ideology that strongly influenced all other French interests in Africa.

A related yet less pervasive cross-national trend was the importance of strategic interests in the foreign aid regime of the 1980s. As correctly surmised in the qualitative case study literature, neither Japanese nor

⁶⁷ For further discussion, see Marijke Breuning, "Words and Deeds: Foreign Assistance Rhetoric and Policy Behavior in the Netherlands, Belgium, and the United Kingdom," *International Studies Quarterly* 39, no. 2 (1995).

Swedish policymakers based their foreign aid policies on the strategic importance of recipient states, although Japan did pursue a foreign aid relationship with Tanzania based not on economic self-interest but on calculations of Tanzania's regional diplomatic influence. Only among American and French policymakers—representing states with aspirations to global political leadership—did security interests play an important role in foreign aid calculations. In the case of the U.S., these pretensions emerged in the form of security alliances with strategic allies willing to join Washington in its quest to contain communist and revolutionary expansion throughout Africa. In the case of France, aid supported growing local military forces designed to keep pro-French elites in power and therefore ensure continuation of the status quo.

A fourth cross-national trend evident in all four cases was a negative relationship between aid levels and GNP per capita, clearly rejecting the expectation that northern donors favored those recipients that represented the most powerful economies in their region. Taken at face value, these results could be interpreted as verifying the importance of humanitarian need in the calculations of foreign aid administrators. Specifically, although GNP per capita is utilized as an economic variable, its inclusion as a humanitarian interest variable could suggest that aid has been targeted toward the neediest countries (that is, those with a low GNP per capita). However, a careful reading of the case study literatures and a comprehensive view of the statistical relationships suggest that factors other than humanitarian need explain this possibility. In the case of the U.S., for example, the top recipients of U.S. foreign aid were anticommunist, authoritarian regimes that, like those regimes supported by Japan, France, and Sweden (albeit for different reasons), were confronted with the ongoing deterioration of economies marked by corruption and the negative repercussions of externally imposed structural adjustment policies.⁶⁸

Perhaps the most surprising cross-national trend was the emergence of trade as an important determinant of northern aid policies. Whereas this result was anticipated in the case of Japan, it clearly confounded the conventional wisdom concerning American and Swedish foreign aid policies. However, when one focuses on the evolution of domestic politics in each of our four cases during what was earlier referred to as the “hinge” decade of the 1980s, the emergence of trade interests in retrospect is more understandable. Even with Sweden, long recognized by

⁶⁸ See Sandbrook (fn. 52).

foreign aid opponents and proponents alike as a special case within the global foreign aid regime, increasingly vocal domestic actors were demanding a positive linkage between foreign aid and the promotion of the Swedish economy, most notably in terms of trade. According to the OECD, this trend was prevalent throughout the industrialized northern democracies by the end of the 1980s.⁶⁹ In this regard, the end of the cold war merely laid bare the growing importance of trade in a foreign aid regime that was already being readjusted to meet the new economic challenges of the 1990s.

The findings of this study not only help to clarify the foreign aid regime of the 1980s but also provide us with a base from which to undertake further analyses of earlier cold war decades and particularly the post-cold war decade of the 1990s. For example, the decline of the majority of Marxist and socialist regimes throughout the African continent in the aftermath of the fall of the Berlin Wall in 1989 will almost certainly lessen the impact of the role of ideology in foreign aid calculations, most notably in the cases of the U.S. and Sweden. In the case of France, the devaluation of the CFA franc in 1994—the first such devaluation since the creation of the Franc Zone—perhaps suggests a decline in the overriding importance of culture and the beginning of greater French concern with economic issues in an increasingly competitive post-cold war economic environment. One would therefore expect trade interests to become more salient in French foreign aid calculations during the 1990s. Indeed, it is likely that the statistical importance of trade as seen during the 1980s—regardless of whether this decade was unique during the cold war era or constituted part of an ongoing trend—will intensify in the post-cold war era.

A final note is required concerning the generalizability of our results beyond the African subset of the global donor-recipient foreign aid regime. Our study was based on the assumption that countries constituting a specific region such as Africa share certain characteristics that differentiate that subsystem from other geographical regions and therefore potentially affect northern aid policies differently. For example, will the interests driving French policy be different if the region of analysis (for example, Central America) is not part of what France historically has considered to be part of its African *chasse gardée* (private hunting ground)? Similarly, will U.S. policy be driven by different interests if, rather than focusing on a region considered peripheral to U.S. foreign policy interests (for example, Africa), the region of analysis constitutes

⁶⁹ OECD, *Development Cooperation* (Paris: OECD, 1991).

part of what those policymakers historically have considered to be part of the U.S. backyard (for example, Central America and the Caribbean)? Definitive answers to these questions will be possible only when further empirical research focuses on donor-recipient relations in other regions of the developing South during both the cold war and post-cold war eras.