

American Neocolonialism, Soft Power and the Misuse of Foreign Aid in Central and South America

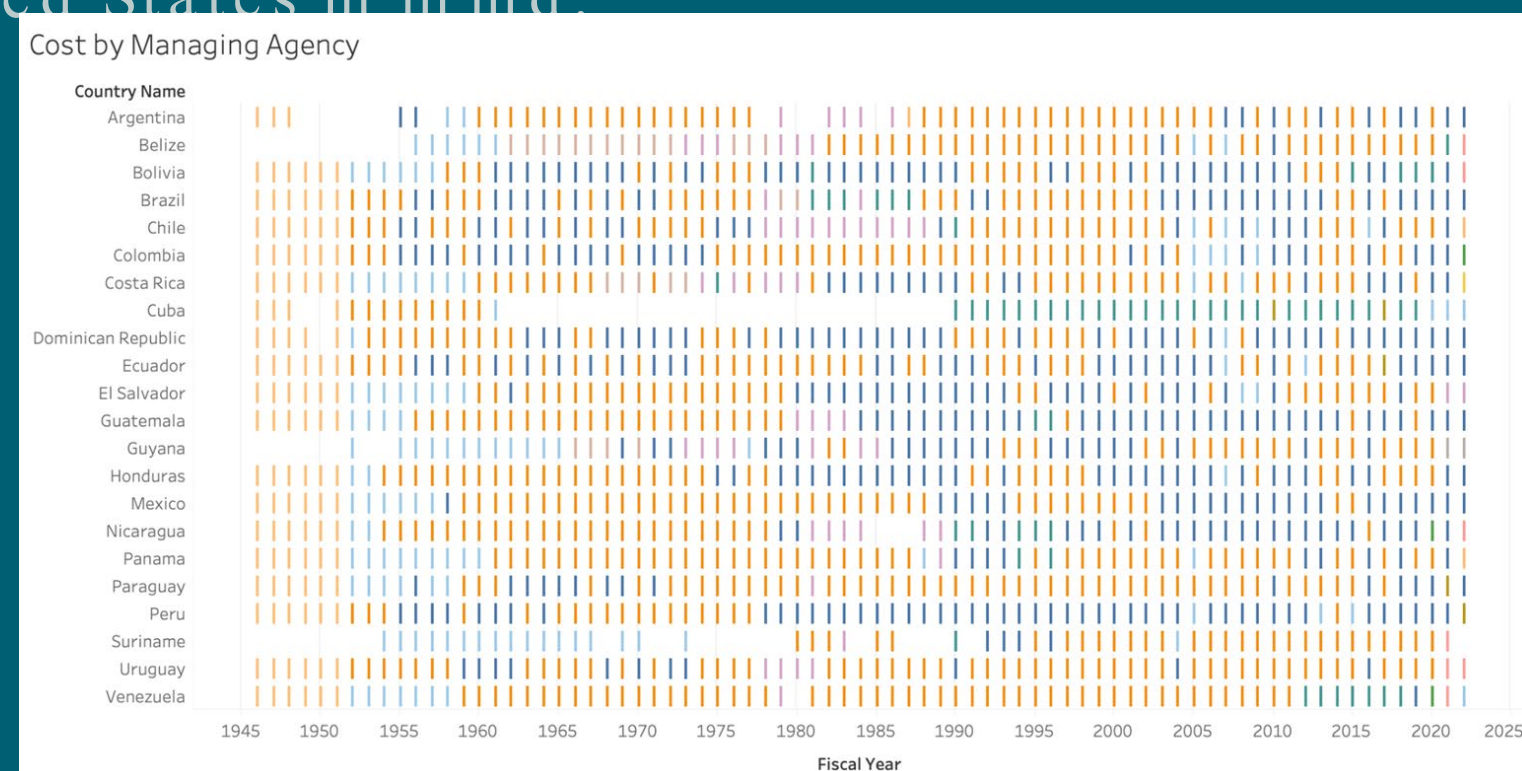
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Abstract

The purpose of this project is to determine possible explanations for how U.S. Foreign Aid is used in Latin America. Data from U.S. Foreign Assistance website was collected along with historical events of great importance for multiple Latin American nations from 1946 to the present. It is expected that U.S. Foreign Aid along with historic events illustrate the extent to which U.S. uses their aid to protect national interests, not to support struggling nations. The results of this project have the potential to show that the U.S. government used USAID as a form of Neocolonialism, supporting favorable regimes/leaders keeping the interests of the United States in mind.



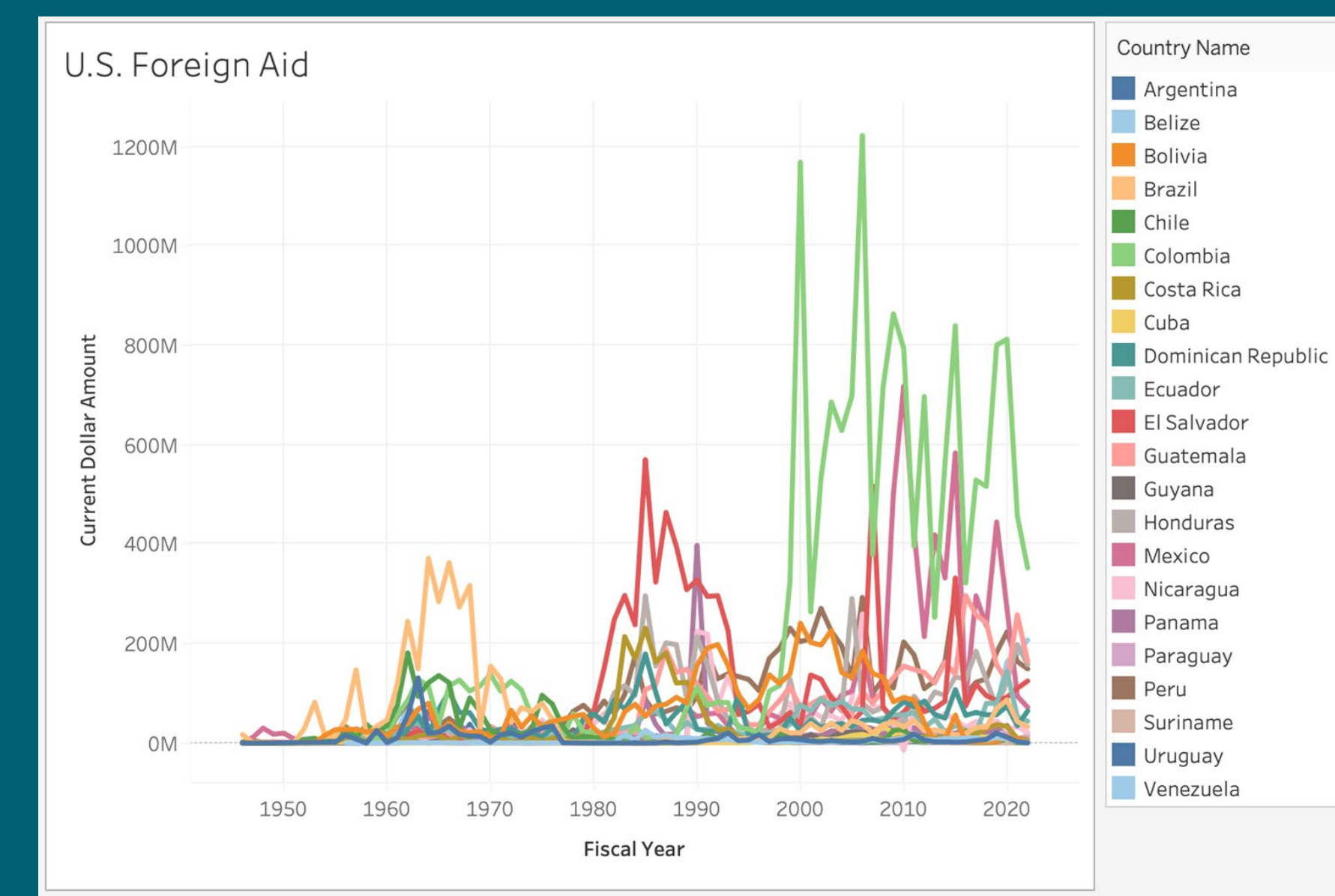
Materials

The USAID data was sourced from the foreign assistance website. The nations that data was collected on were Argentina, Bolivia, Brazil, Chile, Cuba, Dominican Republic, El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Uruguay and Venezuela. Historical data was also sourced on these nations.

Tableau was used to visualize this data. Tableau was used for this as it is a very simple data visualization tool which allows levels of interactivity.

Results and Discussion

When the data was compiled a few interesting patterns began to emerge. Increases and decreases in U.S. foreign aid aligned with major events in Latin American History. For example, when Fidel Castro comes to power in 1959, U.S. Foreign Aid to Cuba decreases to virtually nothing.



This pattern can be seen across the graph, and while it is expected that historical events have an effect on foreign aid there is much to be desired regarding the explanation of its effects. As discussed in *Global Governance* (1996) by Denis J. Sullivan. There are many questions regarding why USAID has failed to promote large-scale development. With millions of dollars given every year, where exactly is the money going? But a question that can be answered is the role of USAID in influencing other nations. Also mentioned in Sullivan (1996) in the case of Egypt, USAID works with The World Bank and the International Monetary Fund in guiding the Egyptian government's policies regarding structural adjustment and privatization. This piece of evidence shows that USAID is used not only to help countries but also that the U.S. government gains something in return.

With respect to the misuse of U.S. Foreign Aid, research shows that while democracies use foreign aid to promote economic development, autocracies use foreign aid for military development or personal gain (Kono et al., 2013). This directly applies to my project as there have been many dictators in the history of Latin America. We can also see that foreign aid has been used in conjecture with CIA backed coup d'états. The reasoning behind this is to protect U.S. interests such as in the case of Guatemala in the 1950s. The U.S. government displaced the president Jacobo Arbenz as he threatened the interests of the United Fruit Company, an American company. While this is one such example, there is potentially many more stories that can be found by exploring the data in the Tableau program.

As seen from the data our hypothesis is proven correct, there is a correlation between a historic event in Latin America and a change in the amount of USAID. The question that remains is, what are the specific reasons for that change in amount?

Conclusion and Future Directions

The implications of this data are immensely important as it shows how U.S. Foreign Assistance can be utilized to protect American interests rather than provide much needed support to developing economies.

Future directions of this project could further the conversation on who exactly benefits from USAID. This project could be expanded to any region in the world to provide the similar comparisons with different historic contexts. This project could also be combined with economic data such as GDP growth and export data to discover if the USAID is truly effective with historical context in mind.

Another future direction would be to add data on U.S. companies that have footholds in these countries much like the case with the United Fruit Company. The potential results of this data could provide more evidence for the presence of American neocolonialism.

One possible way to enrich the historical context data is adding election dates and results in order to potentially discover which candidates are supported by the U.S.

The results of this project can also be applied to global current events as well. With economic sanctions against Russia and Russia having access to the largest natural gas reserves in the world, one can speculate that more USAID will be granted to nations with natural gas reserves.

In conclusion, while the exact use of foreign aid can be argued, the power and influence it carries cannot.

Introduction

U.S. Foreign Aid data is reported annually for almost every nation with the earliest reports stretching back to 1946. The entity which reports this data is the Office of Foreign Assistance (USAID) which is a subdivision of the Department of State. This data is made up of multiple different categories, ranging from current dollar amount to the managing agency that granted the foreign aid. This data is important as it gives a sense of transparency between the U.S. government and the world. While this provides some transparency, there is still much to be desired as the reports are vague on what the money is spent on. This prompts multiple questions and theories regarding the nature of this foreign aid.

The relationship between the U.S. and Latin America has a volatile history. There has been many times when the U.S. has gotten involved in conflicts in order to protect national interests. Whether this be covert CIA operations, attempted assassinations, or full scale invasions, the United States always keeps an eye on Latin America.

The purpose of this project is to use the Latin American USAID data and combine it with general historical information about the regions. While there has been extensive research into foreign aid and Latin American history separately, there hasn't been any research that combines the two factors.

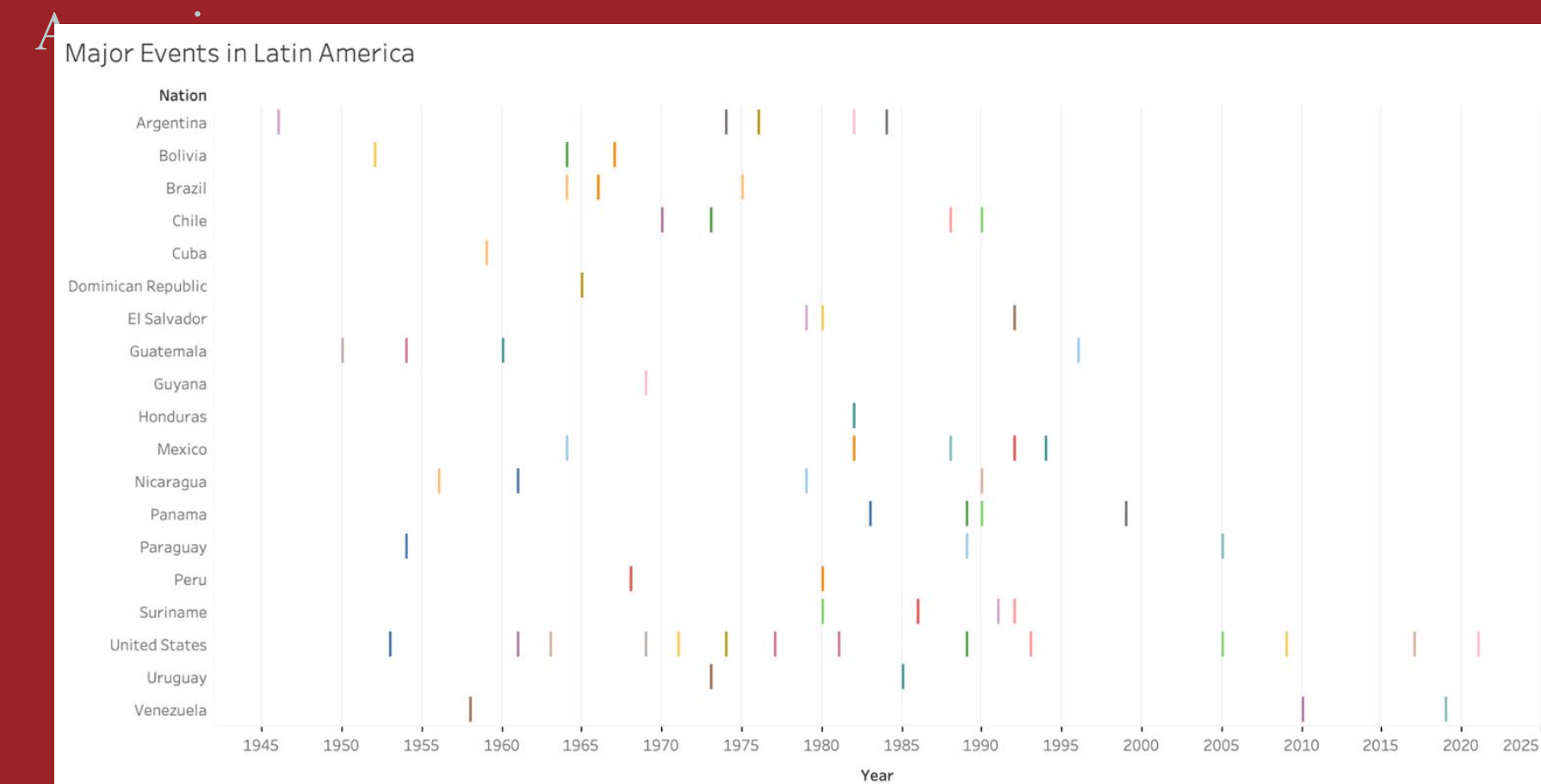
The hypothesis is that using the historical data we will be able to accurately predict if the U.S. increases or decreases foreign aid. For example, if a U.S. backed coup d'état occurs for a given country we expect foreign aid to increase.

Methodology

Upon using the Foreign Assistance website I was able to filter what data I would gather for my project. I chose almost every Latin American nation except for a few Caribbean nations. I left some of these nations out as they were still under colonial control in 1946. I isolated the countries who had gained independence before 1946 so I would have sufficient data. To collect the historical data I used Encyclopedia Britannica and put it into a CSV file with the year, country and description of event. After all the data was collected and cleaned I began the visualization process to look for a story. I put all of this data into Tableau and used the graphing tools to create easy to understand visuals.

Perhaps the largest limitation of the project is the lack of information regarding what the money is spent on. In order to counter this I made sure to provide the managing agency and the activity name along with the historical context.

With all of this data combined, speculation and theories on America's misuse of foreign aid was becoming clearer. A pattern could now be seen between U.S. Foreign Aid amounts and political events in Latin



The final limitation was one of the primary reasons for this project. From what I could find there was no reports made by Latin American countries on receiving the foreign aid. All we have reported is that the U.S. sent them aid but after that, the trail ends. In order to mitigate the impact of this missing data, historical context was added.

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