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New Answers to New Threats:
Foreign Aid Expansion as a Response to September 11

Introduction

One of the biggest surprises coming out of the presidency of George W. Bush was his call to dramatically increase US foreign aid, committing over $15 billion in his first term (Radelet 2003, 104). What makes this development surprising, however, is how unexpected it is for these initiative to come from a conservative president whose party had recently showed an antagonism toward foreign aid (Radelet 2003, 105). During Bush's 2000 presidential campaign, he made it very clear that nation building and promotion of democracy abroad was off the table because of a commitment to realism (Carothers 2003). Bush had called for a "humble" foreign policy, as contrasted to Clinton's desire for humanitarian intervention, and warned against overusing our military to answer foreign policy problems (Gordon 2006, 76).

This paper poses a central question – how did this large expansion of foreign aid, commonly associated with nation building and idealism, come out of a realist, conservative administration? Understanding this sudden change in policy would help understand how the Bush administration operates and the role foreign aid plays in foreign policy. If we want to better align America's attempts to achieve foreign policy objectives throughout the 21st century, we would do well to understand how we're allocating these billions of foreign aid dollars and what they do to accomplish America's goals.

Hypothesis and Method

The 9/11 – Aid Hypothesis

Bush's administration was defined strongly by the September 11th, 2001 terrorist attacks. This paper will argue that Bush's unexpected expansion of foreign aid can be best understood as a reaction to the 9/11 attacks, the resulting panic, and the resulting change in perception of threat. Importantly, had the 9/11 attacks or any similar attack not happened on American soil during Bush's presidency, the corresponding increase in foreign aid would not have happened.

Counterfactual Analysis

This analysis that 9/11 was *necessary* for the expansion of foreign aid is an example of *counterfactual analysis* – an attempt to make "small, plausible changes in reality" that would then be used to explore "what might have happened", helping to further understand a corresponding "factual" event (Harvey 2012, 23-24). In this case, the factual event is the expansion of foreign aid. However, logically any theory that explains that the foreign aid expansion was *caused* by 9/11 would require the foreign aid expansion not take place had 9/11 counterfactually not happened. By arguing that 9/11 caused a significant change in the Bush administration that led to foreign aid, counterfactual analysis can strengthen the hypothesis because foreign aid would have not existed without this fundamental change that would not have happened without 9/11.

Process Tracing

The connection from 9/11 to foreign aid expansion is neither direct nor obvious, however. Thus, we also need to make use of *process tracing*, or the attempt to

empirically enumerate and follow a series of events from a cause to an effect to explain a particular phenomenon (Harvey 2002, 35-36). By making use of process tracing to track 9/11 to particular and fundamental changes within the Bush administration, and then tracing those changes to the expansion of foreign aid, process tracing will also strengthen the hypothesis.

A Brief History of Foreign Aid

The Cold War and the Start of Aid

Foreign aid first emerged as a tool to advance American national security policy at the end World War II and then continued to expand throughout the Cold War (Hirsh 2002, 24; Radelet 2003, 106). While Truman's administration saw the massive Marshall Plan, President Kennedy greatly expanded foreign aid through the Peace Corps, USAID, and Alliance for Progress (Radelet 2003, 106). Foreign aid continued to be used to help support Vietnam throughout the Vietnam War, and then the Reagan administration started using foreign aid to support interests in South America (Radelet 2003, 106).

"Between the Wars" Opposition to Foreign Aid

However, once the Cold War started winding down, foreign aid lost most of its support and stropped being supported by Congress and became a particular enemy of the Republican Party (Radelet 2003, 107). The political right had long only supported aid when it was meant to further national security interests, and thus started slashing foreign aid budgets once the Cold War was over (Lancaster 2008, 10). Despite small wars brewing in Africa that could be the cause of concern during the 1990s (Lancaster 2008, 10), in 1995, the US found there to be "very little traditional strategic interest in Africa"

(US Department of Defense 1995). What was once a budget of foreign aid at 4% of US GDP in the 1960s had dropped to 1% of GDP by 2000 (Van de Walle 2009, 6). In this "between the wars" period between the Cold War and 9/11, foreign aid was unpopular and even looked like it might die out completely (Lancaster 2008, 14).

Post-9/11 Foreign Aid

The September 11 attacks were in many ways a throwback to the Cold War, presenting a "black-and-white" ideological challenge to the US for the first time since the fall of the Berlin Wall (Hirsh 2002, 18). After the attacks struck, foreign aid came back into political discourse with an immediate call to rebuild Afghanistan and Pakistan, allocating over $1 billion (Radelet 2003, 108), spurred by a growing recognition that global poverty threatens US security interests (Radelet 2003, 109), echoing very much the original rationale in the Cold War.

In March 2002, Bush had proposed creating the Millennium Challenge Account to provide $5 billion a year to select groups of countries that "govern justly, invest in their people, and establish economic freedom" (Bush 2002a). In September 2002, Bush returned US to UNESCO (Bush 2002d) and Bush's National Security Strategy said "we will harness the tools of economic assistance, development aid, trade, and good governance to help ensure that new democracies are not burdened with economic stagnation", giving a prominence to foreign aid's role in defense not seen since the Cold War (National Security Council 2006). In his 2003 State of the Union Address, Bush called for $10 billion in new funding to combat AIDS in Africa (Bush 2003). Lastly, Bush's 2004 budget called for $200 million to help reduce famine and $100 million to defray emergencies in development (Radelet 2003, 104).

Overall, this was a commitment of more than $15 billion to development aid; a major uptick (Van de Walle 2009, 6) with foreign aid dollars were increasing faster than at any point in American history since the Marshall Plan (Lancaster 2008, 4). In fact, an analysis of annual US aid budgets from 1995 to 2006 found that the onset of the War of Terror coincided statistically significantly with the increase in the size of aid budget, even when controlling for domestic political and economic conditions, and especially when controlling for the political party of the President (Fleck and Kilby 2010).

George Bush's Change of Ideology

Realism and Idealism

Before categorizing George Bush's political position in the category of "realism" or "idealism", we first have to understand what that means. Traditionally, realism and idealism have been defined based on a view of human nature, where realists see politics as driven by competition among self-interest and idealists see politics as driven by grand clashes of philosophies and ideologies (Mazarr 2003). Joseph Nye cites the writer Walter Mead who divides the philosophy of international relations into four parts – "Hamiltons" who "prudently pursue national interest and commerce", "Jacksons" who emphasize self-reliance and frequently employ coercion, "Jeffersons" who see fights in terms of grand ideology and want America to be a "shining beacon" in that fight, and "Wilsonians" who want to "make the world safe for democracy" (Nye 2004, 265). Typically, Hamiltons and Jacksons are traditional realists whereas Jeffersons and Wilsonians are traditional idealists.

The Initial Realism

While Bush's administration did contain some neoconservatives, like Wolfowitz, who wanted to expand democracy (Hirsh 2002, 25), most of the administration was committed to realism – Dick Cheney had opposed intervening in Iraq during the First Gulf War, Colin Powell cautioned against using force to pursue foreign policy goals, and Condoleezza Rice had insisted in 2000 that the role of the 82nd Airborne was not to "escort kids to kindergarten" (Gordon 2006, 77) and had earlier said point-black "I am a realist" (Mazarr 2003). They wanted less intervention in the world and saw less need to advance democracy or other American ideological points, and thus fell into the realism camp.

Bush had campaigned on a desire to focus on "great powers" like China and Russia and not focus on nation building so-called "failed states" in the developing world (Nye 2004, 259). In his 2000 debate with Al Gore, he had said, "I'm not so sure the role of the United States is to go around the world and say this is the way it's got to be", said that many democracies were not better as a result of Clinton nation building, and argued that US troops were currently overextended (Bush 2000).

The Sudden Vulnerability and Change of 9/11

However, after September 11, all that had changed. The attacks of 9/11 left the US feeling a "sudden sense of vulnerability" not seen since the Cuban missile crisis, fueling a desire for the government to "do something" about terrorism (Gordon 2006, 77). Among those in the administration, September 11th "changed dramatically" what the government needs to do to secure US safety (Bush 2002b).

Overall, the US was facing a different type of attack than one they had ever had to face before, and this sudden vulnerability produced a change in how the Bush Administration saw the world, especially in terms of what was most threatening to the United States. Bush noted that the US is "menaced less by fleets and armies than by catastrophic technologies falling into the hands of the embittered few" (Nye 2004, 259) and the incoming chairman of the Joint Chiefs of Staff, General Richard Myers, said right after 9/11 that while the US is "pretty good if the threat is coming from the outside", the US is "not so good if it's coming from the inside" (Hirsh 2002, 29). Overall, the takeaway lesson of 9/11 was, as written in the 2002 National Security Strategy of the United States, that "weak states, like Afghanistan, can pose as great a danger to our national interest as strong states" (Bush 2002b).

A Newfound Idealism

While Bush had previously been characterized by realism, after September 11th, he was talking a very different game. Soon after the attacks, he denounced terrorists are "heirs of all the murderous ideologies of the twentieth century" (Hirsh 2002, 27) and decried them as "possessed by hatred and commanded by a harsh and narrow ideology" and further characterized the War on Terror as "more than a clash of arms – it is a decisive ideological struggle" (Bush 2007) and uttered the famous phrase just a week after 9/11 that "[e]ither you are with us, or you are with the terrorists" (Hirsh 2002, 19).

By Bush's second term, the transformation to idealism was complete – the candidate who had previously critiqued nation-building now described America as standing "for the spread of democracy", with the desire to grow a "community of

democracies" in order to "end tyranny" (Bush 2006) and stated in his second inaugural speech, "The survival of liberty in our land increasingly depends on the success of liberty in other lands. The best hope for peace in our world is the expansion of freedom in all the world. America's vital interests and our deepest beliefs are now one" (Bush 2005). And Bush's administration had also made the change – Condoleezza Rice joined as Secretary of State announcing a policy of transformational diplomacy, arguing that "America needs […] a diplomacy that not only reports about the world as it is, but seeks to change the world itself" (Lancaster 2008, 29).

A Change in Perception of Threat

Elizabeth Saunders wrote a book, Leaders at War: How Presidents Shape Military Interventions that explains Presidential foreign policy in terms of their threat perception. Saunders distinguishes between internally-focused leaders, or those who see a causal connection between the internal organization of a state and the threat it poses and externally-focused leaders, or those who see threats arising from the foreign and security policy of states regardless of the way they are organized domestically (Saunders 2011, 5). This distinction has relevance for what types of interventions will be taken in a President's foreign policy strategy – those who are internally-focused typically seek to rearrange the target nation's internal domestic affairs in a "transformative" way, whereas those who are externally-focused are comparably "non-transformative" and do not seek to rearrange the target nation at all (Saunders 2011, 5).

Bush's initial aversion to nation-building and critique of military expansion and humanitarian missions would qualify him as an externally-focused leader, by Saunders's analysis, not interested in domestic reform of other states, and Saunders agrees that the

preponderance of Bush's speeches and pre-9/11 policy points to this (Saunders 2011, 198-200).

However, the Iraq War and desire to spread democracy internationally is hardly compatible with this external focus, and instead is far more representative of an internally-focused leader. Thus while Saunders leaves it an open question about whether or not Bush actually changed his causal beliefs (Saunders 2011, 201), it's clear that something about September 11th fundamentally changed the way the Bush administration approached foreign policy. The 9/11 attack seemed unexpected and completely re-defined what America was vulnerable to and essentially forced a worldview change that focused the threat directly on terrorism.

9/11 as a Congressional Catalyst

Of course, the President does not pursue policy objectives in a vacuum and still had to go through Congress to translate suggestions into legislative policy. In 2002, when foreign aid was first proposed, both houses of Congress were controlled by Republicans who were traditionally a mix of budget hawks and aid skeptics, and would not have gone along with any increase; let alone that of $5 billion a year. However, the wake of 9/11 created the feelings of vulnerability, the strong outcries for any form of action, and the stark knowledge of discontent in "failed states" that allowed for this very unique increase at the suggestion of the President (Lancaster 2008, 17-18). Indeed, the motivation for foreign policy could not have been strictly humanitarian because the deficit hawks and aid skeptics in Congress would never have gone for it – while Democrats had traditionally remained energized to support foreign aid for humanitarian reasons,

Republicans only started supporting foreign aid once they started seeing it as an important weapon in the war on terror (Van de Walle 2009, 6-7).

The Rationale of Using Foreign Aid to Prevent Terror

Direct Support of Nations

More importantly, however, the start of the War on Terror did not just lead Bush to espouse a different ideology in his words, but also act differently in his administration's diplomacy. When General Pervez Musharraf took control of Pakistan, he was originally given a cold shoulder by the US, but after 9/11 he became a key ally in fighting terrorism in the region, and received more than $600 million in aid (Carothers 2003, 85). Support was also channeled to Uzbekistan, Kazakhstan, and Kyrgyzstan, where previously there had been little if any aid (Carothers 2003, 86). The theory behind this allocation is two-fold. First, foreign aid can act as an incentive to get a nation to go along with US plans for anti-terrorism, directly supporting a nation where terrorists might breed (Radelet 2003, 109). Second, foreign aid can defray the monetary cost that state faces in implementing anti-terrorism measures (Azam and Thelen 2008).

9/11 demonstrates how much harm can come out of failed states (Hirsh 2002, 23) and Bush recognized this link and made it the basis of his rationale for expanding foreign aid. When announcing the Millennium Challenge Account, Bush said "[w]e fight against poverty because hope is an answer to terror" and that America is "pursuing great and worthy goals to make the world safer" and "will challenge the poverty and hopelessness and lack of education and failed governments that too often allow conditions that terrorists can seize and try to turn to their advantage" (Bush 2002e). A few months later,

writing in the New York Times on the one-year anniversary of 9/11, saying, "Poverty does not transform poor people into terrorists and murderers. Yet, poverty, corruption, and repression are a toxic combination in many societies, leading to weak governments that are unable to enforce order" (Bush 2002c).

Secretary of State Colin Powell agreed, reflecting back on his term that "no issue has consumed more of the administration's concern and energy" than "economic development in the world's poorest societies" which had a specific role in US national security, and furthermore that "[p]overty breeds frustration and resentment, which ideological entrepreneurs can turn into support for – or acquiescence to – terrorism" (Powell 2005). George Bush even cited foreign aid as having a role in fostering democracy in his 2007 State of the Union address (Bush 2007).

While foreign aid always had a humanitarian dimension, and one that Bush does recognize and reference, Bush's administration deployed foreign aid by emphasizing the national security dimension, giving the bulk of the aid to Afghanistan, Pakistan, Egypt, and Jordon, which could be trusted to work with the US to reduce terrorism within their own borders (Radelet 2003, 109).

Soft Power and Hard Power

The use of foreign aid to accomplish US security objectives represents what political science Joseph Nye calls "soft power", which is the ability to get what you want through attraction rather than coercion and is distinct from "hard power", which is coercion and traditional military force (Nye 2004, 256). Of course, the US has a significant measure of hard power at its disposal, being an undisputed superpower after

the collapse of the Soviet Union, and enjoying a far more incredible disparity over the terrorists (Hirsh 2002, 27).

However, hard power is difficult to be used against this new type of enemy – non-state actors who cannot be bombed or invaded by traditional military means because they do not occupy a distinct national location, but rather are all over the world hidden within other nations. Thus, advancing US interests requires cooperation to share intelligence and coordinate, which requires the use of soft power to build these cooperative relationships (Nye 2004, 258).

An increase in foreign aid is one of these techniques that can be used to build US's soft power (Nye 2004, 268), and Bush definitely did so. The change in threat perception created by 9/11 also forced a need to refocus on American power that required far more commitment to soft power than ever before, and a bold increase in foreign aid was one way to translate America's considerable economic might into soft power.

Conclusion

This paper was concerned with testing the hypothesis that the September 11th terrorist attacks caused the surprising expansion in foreign aid during Bush's two terms, and the corresponding counterfactual that had 9/11 not happened, the foreign aid expansions would not have happened. This paper employed both process tracing and counterfactual analysis to make the argument.

Overall, the expansion of foreign aid can be traced to passing Congress on the basis of September 11 acting as a catalyst to encourage Congress to take action and reminding them of the severity of the issue of failed states. Congress furthermore would

not have acted to increase foreign aid had the Bush Administration not suggested it, and Bush's suggestions to increase foreign aid came out of a shift of his ideology from realism to idealism, which came out of September 11 changing their perception and understanding of where threats to the US come from and what are the biggest national security priorities. No longer could the US focus on big players like Russia and China, but rather they had to employ soft power in order to compete against the threats of terrorism coming from failed states.

This makes the counterfactual analysis clear – following the process tracing, had September 11th not happened, it is very likely that the Bush Administration would have maintained their classic realist understanding of threat, and continued to focus on their hard power and diplomacy with larger foes. Bush would not have changed from realism to idealism, would not have connected threats to the US with poverty abroad, would not have pushed for foreign aid in Congress, and Congress would not have passed it. Even if Bush somehow would have converted to idealism and pushed for foreign aid for unrelated reasons, the current against foreign aid in the post-Cold War Republican Party would have been so strong as to oppose it automatically, without the shadow of September 11th to remind them of US's vulnerability. Therefore, without September 11th there would be no foreign aid expansion, and therefore by a matter of logic, we can assert that the foreign aid expansion was caused by the September 11th terrorist attacks.

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